



Buddy

BUDDY TECHNOLOGIES LTD
ACN 121 184 316

NOTICE OF GENERAL MEETING

A general meeting of Buddy Technologies Ltd will be held at the Ibis Adelaide, Meeting Room: The Hub, 122 Grenfell St, Adelaide SA 5000 on 12 June 2019 at 11:00am (ACST).

This Notice 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 Buddy Technologies Ltd by telephone on +61-499-900-044

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

BUDDY TECHNOLOGIES LTD
ACN 121 184 316

NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of Shareholders will be held at the Ibis Adelaide, Meeting Room: The Hub, 122 Grenfell St, Adelaide SA 5000 on 12 June 2019 at 11:00am (ACST) (**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 this 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 on 10 June 2019 at 5:00pm (ACST).

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

AGENDA

1. RESOLUTION 1 - APPROVAL OF FINANCIAL ASSISTANCE

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 section 260B(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for financial assistance to be provided from time to time (including upon any subsequent refinancing, variation or replacement of any facility, the entering into additional facilities, the provision of further security in connection with any facility or any sale, transfer, assignment or novation of receivables in connection with the Proposed Transaction Documents (as defined in the Explanatory Memorandum)) by Lifi Labs Management Pty Ltd ACN 161 337 622 to the Company and its subsidiaries in connection with the indirect acquisition of all of the issued shares of that entity by the Company or one of its subsidiaries, as described in the Explanatory Memorandum accompanying the Notice of Meeting."

2. RESOLUTION 2 - RATIFICATION OF PRIOR ISSUE OF OPTIONS

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 Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 100,000,000 Options to Eastfield Lighting (Hong Kong) Co., Limited on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

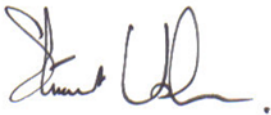
The Company will disregard any votes cast in favour of this Resolution by or on behalf of Eastfield Lighting (Hong Kong) Co., Limited or any of its associates.

The Company need not disregard a vote if:

- (a) it is cast by a person as 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 Chairman 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

Dated: 9 May 2019

By order of the Board

A handwritten signature in blue ink, appearing to read 'Stuart Usher', followed by a period.

Stuart Usher
Company Secretary

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared in connection with:

- (a) a resolution proposed to be passed as a special resolution of Shareholders pursuant to section 260B(2) of the Corporations Act to approve the giving by LIFX AU, a subsidiary of the Company, of financial assistance, within the meaning of section 260A of the Corporations Act, to the Company and its subsidiaries and in connection with resolutions of LIFX AU to approve the financial assistance; and
- (b) an ordinary resolution proposed to be passed by Shareholders to ratify the prior issue of the Eastfield Options as detailed in section 8.

It is a condition subsequent under the Acquisition Loan Agreements and under the Bridge Loan Facility Agreement (each as defined below) that the Shareholders pass the Proposed Financial Assistance Resolution. If Shareholders do not pass the Proposed Financial Assistance Resolution, an event of default will occur under the Acquisition Finance Transaction Documents and under the Bridge Loan Transaction Documents (each as defined below).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

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

2.1 Proxies

A Proxy Form is attached to this Explanatory Memorandum. 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. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) 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. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 11:00am (ACST) on 10 June 2019, being at least 48 hours before the Meeting.

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

3. EXECUTIVE SUMMARY - FINANCIAL ASSISTANCE

3.1 The Acquisition

The Company has completed the acquisition of the business known as the "LIFX Group" (including the entire issued share capital of LIFX AU) through the merger of its former wholly-owned subsidiary Buddy Apollo, Inc., a Delaware corporation (the **Merger Sub**), with and into LIFX US, being the sole shareholder of LIFX AU, with LIFX US surviving such merger and becoming a wholly-owned subsidiary of the Company pursuant to the terms of a merger agreement dated 5 February 2019 (the **Merger Agreement**) between, among others, the Company, the Merger Sub and LIFX US (the **Acquisition**). Completion of the Acquisition occurred on 29 March 2019.

Following completion of the Acquisition, LIFX AU became an indirect subsidiary of the Company, a listed domestic corporation (in this capacity the **Listed Australian Holding Company**).

3.2 The Financing Arrangements

In connection with the Acquisition and associated transactions, the Company and certain subsidiaries of the Company, being:

- (a) Buddy Platform Inc., a Delaware corporation;
- (b) Buddy Platform (Europe) Limited, a company registered in the Republic of Ireland, with registered no. 618524;
- (c) Buddy Finance Pty Ltd ACN 632 508 019;
- (d) Citadel Potash Pty Ltd ACN 126 233 421;
- (e) LIFX US; and
- (f) LIFX UK Ltd, a company registered in England with registration number 0904281,

(together the **Obligors**) have entered into the transaction documents detailed in Part 1 of Schedule 2 (together the **Acquisition Finance Transaction Documents**) and have entered into, or propose to enter into the transaction documents detailed in Part 2 of Schedule 2 (together the **WCF Transaction Documents**, and together with the Acquisition Finance Transaction Documents, the **Proposed Transaction Documents**), including, without limitation, the following key transaction documents:

- (i) a deferred consideration agreement governed by the State of Victoria dated 29 March 2019 (**Deferred Consideration Agreement**) for the provision of financial accommodation from Luminous Wide Limited, a corporation organized under Hong Kong law (**Luminous**), and Eastfield Lighting (Hong Kong)

Co., Limited with company registration number 1527128, a company duly organized under the applicable law of the Hong Kong Special Administrative Region of the People's Republic of China (**Eastfield** and together with Luminous the **Acquisition Finance Lenders**), to the Company to, among other things, finance the payment of a portion of the cash consideration due to Luminous (as majority seller) as part of the Acquisition purchase price under the Merger Agreement in an amount of up to US\$ 12,500,000 (**DCA Facility**);

- (ii) a loan agreement governed by the laws of the State of California dated 5 February 2019 (as amended and restated on 29 March 2019, the **Eastfield Loan Agreement** and together with the Deferred Consideration Agreement the **Acquisition Loan Agreements**) and entered into between the Company, LIFX US and Eastfield for the provision of financial accommodation from Eastfield to LIFX US by converting certain trade indebtedness owed by LIFX US to Eastfield in an aggregate amount of US\$ 18,643,081.86 (or as adjusted in accordance with the provisions of the Eastfield Loan Agreement) into loan obligations of LIFX US, divided into three tranches (the **LoC Facilities** and together with the DCA Facility the **Acquisition Facilities**); and
- (iii) working capital and trade finance facilities including, in particular, the facility under the Bridge Loan Facility Agreement and the facility under the ScotPac Facility Agreement, that will be in the form of secured trade finance and/or working capital facilities, receivables purchase agreements, other similar facilities and/or a combination of the foregoing (each a **Working Capital Facility**, and each related agreement being a **Working Capital Facility Agreement**) to be provided by certain financiers (each a **WCF Lender**), such Working Capital Facilities to be used to fund the working capital and trade finance requirements of the Group, and also to repay a portion of the indebtedness outstanding under the Acquisition Facilities,

(together with the Acquisition Finance Transaction Documents and the WCF Transaction Documents, the **Proposed Transaction Documents**).

3.2.1 The Acquisition financing - amounts and repayment dates

The DCA Facility has been drawn in an amount of US\$ 12,249,695. The current outstanding principal under the DCA Facility in an amount of US\$ 12,249,695 will automatically increase by US\$ 500,000 on 1 July 2019 unless (1) the Company has prepaid the loan under the DCA Facility in an amount of US\$ 2,800,000 and (2) the Company has prepaid or the Company has procured that LIFX US prepays the remaining loan under the LoC Facilities in an aggregate amount equal to or greater than US\$ 5,727,828, in each case on or before 30 June 2019. The DCA Facility has a term of one year and must be repaid by 31 March 2020.

The LoC Facilities have been drawn in an aggregate amount of US\$ 16,800,000 by converting the total existing trade indebtedness owed

by LIFX US to Eastfield as at completion under the Merger Agreement into loan obligations of LIFX US for the purpose of funding a portion of such existing trade indebtedness. Two of the three LoC Facilities were repaid at completion under the Merger Agreement on 29 March 2019 in an aggregate amount of US\$ 7,230,452 by way of issuance of certain shares to Eastfield by the Company and a cash payment. The only remaining LoC Facility drawn in an amount of currently US\$ 9,569,548 will automatically increase by US\$ 750,000 on 20 April 2019 unless LIFX US has prepaid a portion of the loan under the remaining LoC Facility in an amount of US\$ 2,027,828 on or before 19 April 2019. It should be noted that an amount of US\$ 2,027,829 was prepaid on 18 April 2019 pursuant to a drawing under the Bridge Loan Facility Agreement. Further, if the Company fails to prepay or the Company fails to procure that LIFX US prepays the loan under the remaining LoC Facility in an aggregate amount equal to or greater than US\$ 5,727,828 on or before 30 June 2019, the principal amount of the DCA Facility will increase by US\$ 500,000 on 1 July 2019 as set out above. As noted above, US\$ 2,027,829 of this total US\$ 5,727,828 required prepayment amount was prepaid on 18 April 2019. The remaining LoC Facility has a term of nine months and must be repaid by 31 December 2019, with a failure to repay outstanding amounts by such maturity date not constituting an event of default by itself, but with full repayment in cash being required to be made on or prior to March 31, 2020 (and with the loan becoming repayable on demand by Eastfield at any time after 31 December 2019).

The Acquisition Facilities are currently secured by security over all assets of the Obligors. Further, each of the Obligors (other than the Company) has guaranteed the obligations owing by the Company under the Deferred Consideration Agreement, and the Company and certain other Obligors have guaranteed the obligations owing by LIFX US under the Eastfield Loan Agreement.

3.2.2 The proposed Working Capital Facilities

It is intended that the Obligors raise additional financial accommodation for the purpose of repaying certain amounts that are outstanding under the Acquisition Facilities and also for trade finance and the working capital purposes of the Group. This financial accommodation under one or more Working Capital Facilities may involve a combination of formats, including a receivables purchase financing and a separate inventory financing, with the relevant WCF Lenders taking security over some or all assets of the Obligors and receiving guarantees from each of the Obligors.

In this context, a bridge loan facility agreement was entered into between LIFX US as borrower, the Company as parent and guarantor, LIFX UK Ltd as guarantor and Seisun Capital Pty Ltd as lender (the **Bridge WCF Lender**) on 18 April 2019 (**Bridge Loan Facility Agreement**). The Bridge Loan Facility Agreement and the relevant WCF Transaction Documents relating thereto (together the **Bridge Loan Transaction Documents**) are currently secured by security over all assets of LIFX US and LIFX UK Ltd (together the **WCF Security**), whereby the respective priorities of the WCF Security and the Acquisition Facility Security are regulated in the deed of priority between the Acquisition Finance Lenders, Seisun Capital Pty Ltd, LIFX US and LIFX UK Ltd dated 18 April 2019 (the **Intercreditor Deed**). Further, each of LIFX UK Ltd and Buddy have

guaranteed the obligations owing by LIFX US under the Bridge Loan Transaction Documents.

3.3 Shareholder approval required in connection with the financial assistance

It is a condition subsequent under the Acquisition Finance Transaction Documents and the Bridge Loan Transaction Documents that LIFX AU accedes to the Acquisition Finance Transaction Documents and the Bridge Loan Transaction Documents as a guarantor and security provider.

The accession by LIFX AU to, and the performance by LIFX AU of its rights and obligations under the Acquisition Finance Transaction Documents and the Acquisition Facility Security (as defined below) and the participation by LIFX AU in the funding arrangements and other transactions under any Working Capital Facility Agreement or other Proposed Transaction Documents, all as detailed in Section 6.1, constitutes the giving of financial assistance in connection with the Acquisition, within the meaning of Part 2J.3 of the Corporations Act.

Pursuant to section 260B of the Corporations Act:

- (a) LIFX AU must have the financial assistance outlined in an explanatory memorandum and approved by a resolution agreed to, at a general meeting, by its sole shareholder LIFX US, in accordance with section 260B(1)(b) of the Corporations Act; and
- (b) since the Company is a Listed Australian Holding Company, the financial assistance outlined in this Explanatory Memorandum must also be approved by a special resolution at a general meeting of the Company in accordance with section 260B(2) of the Corporations Act, and this is the subject of the Proposed Financial Assistance Resolution.

4. BACKGROUND TO THE REQUIREMENT FOR PROPOSED FINANCIAL ASSISTANCE

4.1 Restrictions on companies giving financial assistance

Under section 260A(1) of the Corporations Act a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act (as to which see Section 4.2 below); or
- (c) the assistance is exempted under section 260C of the Corporations Act.

Financial assistance is defined very broadly and may include giving security over a company's assets and giving a guarantee and indemnity in respect of another person's liability.

Under section 260A(2) of the Corporations Act, the financial assistance may be given before or after the acquisition of shares.

4.2 Shareholder approval of financial assistance

For a company to financially assist a person to acquire shares (or units of shares) in itself or a company of which it is a subsidiary, section 260B(1) of the Corporations Act states that the financial assistance must be approved by its shareholders by:

- (a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

If the company will be a subsidiary of a listed domestic corporation immediately after the acquisition, then section 260B(2) requires that the financial assistance must also be approved by a special resolution passed at a general meeting of that listed domestic corporation.

As, following the Acquisition, LIFX AU became the subsidiary of the Company as the Listed Australian Holding Company, the financial assistance must also be approved by special resolution passed at a general meeting of the Company's shareholders.

5. KEY OBLIGATIONS UNDER THE PROPOSED TRANSACTION DOCUMENTS

5.1 Undertakings, representations and events of default

- (a) The Acquisition Finance Transaction Documents and the Bridge Loan Transaction Documents include events of default, undertakings, representations and warranties from the Company and LIFX US as borrower (as applicable) and the other relevant Obligor(s) as guarantors and security grantors, as applicable, consistent with financings of their nature or as required by the Acquisition Finance Lenders and the Bridge WCF Lender due to the particular circumstances of the relevant transaction. Any other Proposed Transaction Documents will also include events of default, undertakings, representations and warranties from the relevant Obligor(s) as borrower(s), guarantors and security grantors (as applicable) consistent with financings of their nature or as required by the relevant WCF Lenders due to the particular circumstances of the relevant transaction.
- (b) The undertakings under the Acquisition Finance Transaction Documents include, but are not limited to:
 - (i) **(Financial covenants)** ensuring that at each Reporting Date (being 31 March, 30 June, 30 September and 31 December), the Group's consolidated net assets (excluding, for this purpose, the amounts owing under the Acquisition Facilities) should not be lower than the sum of all amounts owing under the Acquisition Facilities;
 - (ii) **(Accession of Obligor(s))** ensuring that each subsidiary incorporated after the date of the Deferred Consideration Agreement becomes an obligor within 30 days of the creation

and that all necessary approvals and lodgements are obtained and made pursuant to section 260B of the Corporations Act promptly at the appropriate time such that by no later than 90 days after the date of completion under the Merger Agreement:

- (A) each Australian subsidiary of the Company, including LIFX AU, provides effective security;
 - (B) each Australian subsidiary delivers to the Acquisition Finance Lenders a certificate signed by 2 directors of the relevant Australian subsidiary confirming that all such necessary approvals and lodgements are obtained and made pursuant to section 260B of the Corporations Act have been completed and the security to which the relevant Australian subsidiary is expressed to be a party have become effective;
 - (C) the Company as the ultimate holding company of each such Australian subsidiary delivers to the Acquisition Finance Lenders a certificate signed by 2 Directors confirming that all such necessary approvals and lodgements are obtained and made pursuant to section 260B of the Corporations Act have been contemplated and the securities to which each Australian subsidiary is expressed to be a party have become effective;
 - (D) if the Acquisition Finance Lenders request, the relevant Australian subsidiary or the Company supplies to the Acquisition Finance Lenders a copy of each ASIC form 2602 and 2601 lodged with ASIC (together with certified copies of all attachments thereto); and
- (iii) **(Other)** other customary terms, such as a negative pledge and restrictions on the disposal of assets, incurring financial indebtedness, providing financial accommodation and making certain distributions.
- (c) The undertakings under the Bridge Loan Transaction Documents include, but are not limited to:
- (i) **(Financial covenants)** ensuring that at each reporting date, being at the end of every two week period starting on financial close under the Bridge Loan Facility Agreement until the termination date), the aggregate value of the receivables owned by the relevant security providers is not lower than the aggregate of the then principal outstanding (plus the exit fee and all amounts of accrued interest) at such time under the Bridge Loan Facility Agreement; and the aggregate value of the inventory assets and receivables owned by the security providers is not lower than 2.0x the then principal outstanding (plus the exit fee and all amounts of accrued interest) at such time under the Bridge Loan Facility Agreement;
 - (ii) **(Accession of Obligors)** ensuring that:

- (A) on or before the date falling 20 days after the next AGM or EGM of the Company to be held after financial close under the Bridge Loan Facility Agreement, LIFX AU shall also become an additional guarantor under the Bridge Loan Facility Agreement;
 - (B) if no AGM is scheduled to be held within 60 days of financial close under the Bridge Loan Facility Agreement, the Company will schedule and hold an EGM on or before this date;
 - (C) LIFX AU has completed a financial assistance whitewash within the 20-day period specified in paragraph (A) above and has acceded to the Bridge Loan Facility Agreement; and
- (iii) **(Other)** other customary terms, such as a negative pledge and restrictions on the disposal of assets, incurring financial indebtedness, providing financial accommodation and making certain distributions.

5.2 Guarantees

The Acquisition Finance Transaction Documents include guarantees and indemnities by the Obligor in respect of amounts owing under or in connection with the Facilities, as well as any other indebtedness incurred under the 'Transaction Documents' designated under and in accordance with the Deferred Consideration Agreement and under the 'Loan Documents' designated under and in accordance with the Eastfield Loan Agreement from time to time, in each case as applicable and as further specified in Section 3.2.1 above.

The Bridge Loan Transaction Documents include an unsecured parent company guarantee from the Company and guarantees and indemnities by certain other Obligor in respect of amounts owing under or in connection with the facilities under the Bridge Loan Facility Agreement, as well as any other indebtedness incurred under the 'Transaction Documents' designated under and in accordance with the Bridge Loan Facility Agreement as further specified in Section 3.2.2 above.

Any other Proposed Transaction Documents may also include guarantees and indemnities by the Obligor (or some of them) as further specified in Section 3.2.2 above.

5.3 Security

The Obligor has provided all asset security to secure the amounts owing under the Acquisition Facilities, as well as any other indebtedness incurred under the 'Transaction Documents' designated under and in accordance with the Deferred Consideration Agreement and under the 'Loan Documents' designated under and in accordance with the Eastfield Loan Agreement from time to time, in each case as applicable and as further specified in Section 3.2.1 above.

Certain Obligor has provided all asset security to secure the amounts owing under or in connection with the facilities under the Bridge Loan Facility Agreement, as well as any other indebtedness incurred under the 'Transaction Documents' designated

under and in accordance with the Bridge Loan Facility Agreement as further specified in Section 3.2.2 above.

The Obligors (or some of them) may also provide security over all or some of their assets in respect of any other Proposed Transaction Documents as further specified in Section 3.2.2 above.

6. PROPOSED FINANCIAL ASSISTANCE

6.1 Accession to the Acquisition Finance Transaction Documents

It is a condition subsequent under the Acquisition Finance Transaction Documents, detailed in Section 3.2.1, that LIFX AU accedes to, or enters into, some of the Acquisition Finance Transaction Documents as a guarantor and security provider for the Acquisition Facilities. It is a condition subsequent under the Bridge Loan Transaction Documents, detailed in Section 3.2.2, that LIFX AU accedes to, or enters into, some of the Bridge Loan Transaction Documents as a guarantor and security provider for the facilities under the Bridge Loan Facility Agreement.

It is proposed that, pursuant to the terms of the Deferred Consideration Agreement, LIFX AU, in order to comply with the above requirement, will accede as a guarantor to the Deferred Consideration Agreement pursuant to an obligor accession letter (**DCA Accession Letter**). It is further proposed that, pursuant to the terms of the Bridge Loan Facility Agreement, LIFX AU, in order to comply with the above requirement, will accede as a guarantor to the Bridge Loan Facility Agreement pursuant to an obligor accession letter (**Bridge Facility Accession Letter**). LIFX AU will also need to accede to the Intercreditor Deed pursuant to an accession letter (the **Intercreditor Accession Letter** and together with the DCA Accession Letter and the Bridge Facility Accession Letter the **Accession Letters**).

Upon execution of the Accession Letters by all required parties (including the Company and LIFX AU), delivery of the same to the Acquisition Finance Lenders, the Bridge WCF Lender and other relevant parties, as applicable, and compliance with all other requirements under the Deferred Consideration Agreement, the Bridge Loan Facility Agreement and the Intercreditor Deed with regard to the accession of additional guarantors to such documents, as applicable, LIFX AU would (among other things) become bound by certain guarantees, indemnities and undertakings and give certain representations and warranties under the Proposed Transaction Documents referred to in Section 5.

In addition, it is proposed that LIFX AU will grant security over all of its assets and undertakings to the relevant Collateral Agent as security for the obligations of all borrowers and guarantors under the Acquisition Finance Transaction Documents (the **Acquisition Facility Security**) and to the relevant Collateral Agent as security for the obligations of the borrower and certain guarantors under the Bridge Loan Transaction Documents (the **WCF Security**). The Acquisition Facility Security and the WCF Security will take the form of a general security agreement over all assets of LIFX AU and/or such other form as may be agreed with the relevant financiers.

LIFX AU will also need to provide, incur indebtedness under, and/or provide guarantees and security in respect of the Working Capital Facilities (together with the Acquisition Facility Security and the WCF Security, the **Security**).

The actions required to be taken by LIFX AU above are to facilitate the financing of a portion of the overall consideration for the Acquisition, and to comply with obligations that relate to that financing. This gives rise to financial assistance.

6.2 Other Support

In addition, LIFX AU may be required to:

- (a) make available directly or indirectly its cash flows (whether through dividends, capital distributions, intercompany loans or otherwise) or other resources in order to enable the Company and the other Obligors to comply with their payment and other obligations in respect of the Acquisition Finance Transaction Documents and/or in respect of any Proposed Transaction Documents;
- (b) consent or agree to amendments to the Proposed Transaction Documents, including amendments that make their obligations more onerous;
- (c) provide additional support which may include incurring additional obligations including under any Proposed Transaction Documents and/or providing additional guarantees, mortgages and/or charges on the same or different terms to the Security;
- (d) provide other financial assistance in connection with any refinancing contemplated in connection with the Acquisition Facilities and/or the Working Capital Facilities; and/or
- (e) sell, transfer, assign or novate any of its receivables in connection with the Proposed Transaction Documents.

7. RESOLUTION 1 - PROPOSED FINANCIAL ASSISTANCE

7.1 Reasons for financial assistance

The reason for the giving of the Proposed Financial Assistance is to enable the Obligors to comply with their obligations under the Acquisition Finance Transaction Documents, the Bridge Loan Transaction Documents and any other Proposed Transaction Documents. The Obligors were required to agree to this obligation in order to obtain the financial accommodation provided under the above documents, and such financial accommodation was used to fund part of the consideration for the Acquisition.

If such obligations are not complied with an event of default will occur (where applicable after the expiry of relevant cure periods) under the Acquisition Finance Transaction Documents and under the Bridge Loan Transaction Documents and the financial accommodation under such documents may be required to be immediately repaid, returned and/or terminated. If this repayment or return does not occur, the relevant Collateral Agent would be able to enforce the security it holds over the assets of the Group.

Approval is also being sought for any financial assistance that may arise on any subsequent refinancing (including under any Working Capital Facilities given that a portion of these facilities will be, or has been, used to repay some of the Acquisition Facilities), variation or replacement of the Acquisition Finance Transaction

Documents and the Bridge Loan Transaction Documents or the facilities provided thereunder, the provision of further security in connection with the Proposed Transaction Documents or any sale, transfer, assignment or novation of receivables in connection with the Proposed Transaction Documents. This is to preserve the Company's right to refinance without seeking further Shareholder approval.

7.2 Advantages of the proposed resolution

The advantage to the Company and the Group of the proposed resolution is that LIFX AU will be able to accede to the Acquisition Finance Transaction Documents and the Bridge Loan Transaction Documents and so avoid an event of default occurring under these documents. Further, LIFX AU will be able to assist the Group to obtain further financing under the Working Capital Facilities.

The Directors believe that the transactions contemplated by this Explanatory Memorandum are in the interests of the Company and its Subsidiaries.

7.3 Disadvantages of the proposed resolution

The disadvantages of the proposed resolution for LIFX AU include the following:

- (a) it will become liable for the amounts due under the Acquisition Finance Transaction Documents, the Bridge Loan Transaction Documents and any other Proposed Transaction Documents that it may enter into, including where those amounts relate to obligations for which it is not currently liable;
- (b) its assets will be subject to security and its operations will be restricted by the representations and undertakings given by it under the Acquisition Finance Transaction Documents, the Bridge Loan Transaction Documents and any other Proposed Transaction Documents that it may enter into;
- (c) it or the relevant Obligors may default under the Acquisition Finance Transaction Documents, the Bridge Loan Transaction Documents or any other Proposed Transaction Documents and upon such default:
 - (i) the relevant financiers may make a demand for immediate repayment, termination or return of the funding under the relevant Proposed Transaction Documents; and
 - (ii) the Collateral Agent under the relevant Proposed Transaction Documents may enforce the guarantee and/or security granted by it to recover the amounts due,
- (d) This may result in the external administration and/or winding up of LIFX AU;
- (e) Further, a sale of LIFX AU's assets by the relevant Collateral Agent under the Proposed Transaction Documents upon an enforcement of the Security may result in a return to LIFX AU (and ultimately its unsecured creditors and shareholders) significantly lower than could have been achieved by LIFX AU had those assets been sold in the ordinary course of business or had LIFX AU continued trading; and

- (f) The Directors also considered the Group's consolidated balance sheet and future profits and cash flow and do not currently believe that either the Company, the Group or LIFX AU are likely to default in their obligations under the Acquisition Finance Transaction Documents.

7.4 Passing the proposed financial assistance resolution

The Proposed Financial Assistance Resolution is set out in the Notice that accompanies this Explanatory Memorandum.

The Proposed Financial Assistance Resolution will be passed if it is passed as a special resolution of the Company (if at least 75% of votes cast by shareholders entitled to vote on the resolution vote in favour of the Proposed Financial Assistance Resolution).

Shareholders may vote either for or against the Proposed Financial Assistance Resolution.

7.5 Effects of the proposed financial assistance

The substantial effect of the Proposed Financial Assistance is that LIFX AU will have guaranteed all amounts payable under the Acquisition Finance Transaction Documents and the Bridge Loan Transaction Documents and granted security for such obligations over its assets and undertaking. Further, LIFX AU may be required to enter into or accede to other Proposed Transaction Documents to *inter alia* assist with the refinancing of indebtedness of the Group incurred under the Acquisition Finance Transaction Documents in connection with the Acquisition and under the Bridge Loan Transaction Documents. The operations of LIFX AU will also be restricted by the representations and undertakings given by it under the Proposed Transaction Documents.

7.6 Directors' recommendation

The Directors unanimously recommend that the Shareholders vote in favour of the Proposed Financial Assistance Resolution to approve the giving of the Proposed Financial Assistance.

7.7 Notice to ASIC

In accordance with section 260B(5) of the Corporations Act, copies of this Notice and this Explanatory Memorandum were lodged with ASIC before they were sent to Shareholders.

7.8 Other relevant information

The Directors consider that the Explanatory Memorandum contains all information known to the Company that would be material to Shareholders in deciding how to vote on the proposed resolution other than the information which it would be unreasonable to require the Company to include because it has been previously disclosed to Shareholders.

8. RESOLUTION 2 - RATIFICATION OF PRIOR ISSUE OF OPTIONS

8.1 Background

As announced on 1 April 2019, Eastfield agreed to defer payment of a portion of the cash consideration under the Merger Agreement and amend the terms of the Eastfield Loan Agreement. In connection with the amended Eastfield Loan Agreement, the Company issued 100,000,000 Options to Eastfield (**Eastfield Options**).

8.2 General

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more 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 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1. The Company confirms that the issue of the Eastfield Options did not breach Listing Rule 7.1.

The effect of passing Resolution 2 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 2 is an ordinary resolution.

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

8.3 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided as follows:

- (a) 100,000,000 Options were issued on 1 April 2019;
- (b) The Eastfield Options were issued for nil cash consideration in connection with the Eastfield Loan Agreement. Accordingly, no funds were raised from the grant of the Eastfield Options;
- (c) The Eastfield Options were issued on the terms and conditions contained in Schedule 3;
- (d) The Eastfield Options were issued to Eastfield in connection with the Eastfield Loan Agreement; and
- (e) A voting exclusion statement is included in the Notice for Resolution 2.

8.4 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2.

SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa and the following definitions apply unless the context indicates otherwise:

\$ means Australian Dollars.

Accession Letters has the meaning given to such term in Section 6.1.

ACST means Australian Central Standard Time, being the time in Adelaide, South Australia.

Acquisition has the meaning given to such term in Section 3.1.

Acquisition Facilities has the meaning given to such term in Section 3.2.

Acquisition Facility Security has the meaning given to such term in Section 6.1.

Acquisition Finance Lenders has the meaning given to such term in Section 3.2.

Acquisition Finance Transaction Documents has the meaning given to such term in Section 3.2.

Acquisition Loan Agreements has the meaning given to such term in Section 3.2.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors of the Company.

Bridge Facility Accession Letter has the meaning given to such term in Section 6.1.

Bridge Loan Facility Agreement has the meaning given to such term in Section 3.2.2.

Bridge Loan Transaction Documents has the meaning given to such term in Section 3.2.2.

Bridge WCF Lender has the meaning given to such term in Section 3.2.2.

Chairman means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Collateral Agent means any entity that holds Security as agent or trustee for the benefit of any financiers under a Proposed Transaction Document.

Company means Buddy Technologies Ltd (ACN 121 184 316).

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

DCA Accession Letter has the meaning given to such term in Section 6.1.

DCA Facility has the meaning given to such term in Section 3.2.

Deferred Consideration Agreement has the meaning given to such term in Section 3.2.

Director means a director of the Company.

Eastfield has the meaning given to such term in Section 3.2.

Eastfield Options has the meaning given to such term in Section 8.1.

Eastfield Loan Agreement has the meaning given to such term in Section 3.2.

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

Group means the Company and its subsidiaries (as defined in the Corporations Act).

Intercreditor Accession Letter has the meaning given to such term in Section 6.1.

Intercreditor Deed has the meaning given to such term in Section 3.2.2.

LIFX AU has the meaning given to such term in Section 1.

LIFX US has the meaning given to such term in Section 1.

Listed Australian Holding Company has the meaning given to such term in Section 3.1.

Listing Rules means the listing rules of ASX.

LoC Facilities has the meaning given to such term in Section 3.2.

Luminous has the meaning given to such term in Section 3.2.

Meeting has the meaning given to such term in the introductory paragraph of the Notice.

Merger Agreement has the meaning given to such term in Section 3.1.

Merger Sub has the meaning given to such term in Section 3.1.

Notice means the notice of meeting which comprises the notice, agenda, Explanatory Memorandum and Proxy Form.

Obligors has the meaning given to such term in Section 3.2.

Option means an option to acquire a Share.

Proposed Financial Assistance means the various items of financial assistance described in Sections 6.1 and 6.2.

Proposed Financial Assistance Resolution has the meaning given to such term in Section 1.

Proposed Transaction Documents has the meaning given to such term in Section 3.2.

Proxy Form means the proxy form attached to the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Security has the meaning given to such term in Section 6.1.

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

Shareholder means a shareholder of the Company.

US\$ means United States Dollars.

WCF Lender has the meaning given to such term in Section 3.2.

WCF Security has the meaning given to such term in Section 3.2.2.

WCF Transaction Documents has the meaning given to such term in Section 3.2.

Working Capital Facilities has the meaning given to such term in Section 3.2.

Working Capital Facility Agreement has the meaning given to such term in Section 3.2.

SCHEDULE 2: PROPOSED TRANSACTION DOCUMENTS

Part 1: Acquisition Finance Transaction Documents

1. The Deferred Consideration Agreement;
2. the Eastfield Loan Agreement;
3. the Intercreditor Deed;
4. the Victorian law general security deed between Buddy Technologies Limited, Citadel Potash Pty Ltd, Buddy Finance Pty Ltd, Luminous and Eastfield, dated 29 March 2019;
5. the California law subsidiary guaranty in relation to the Deferred Consideration Agreement granted by Buddy Platform Inc and LIFX US in favour of Luminous dated 29 March 2019;
6. the California law subsidiary guaranty in relation to the Eastfield Loan Agreement granted by Buddy Platform Inc in favour of Eastfield dated 29 March 2019;
7. the California law security agreement between Buddy Platform Inc, LIFX US, Eastfield and Luminous dated 29 March 2019;
8. the California law intellectual property security agreement between LIFX US, Eastfield and Luminous dated 29 March 2019;
9. the English law charge over shares between LIFX US, Eastfield and Luminous dated 29 March 2019;
10. the English law guarantee between LIFX UK Ltd, Eastfield and Luminous dated 29 March 2019;
11. the English law general security deed between LIFX UK Ltd, Eastfield and Luminous dated 29 March 2019;
12. the Irish law charge of shares between Buddy Technologies Limited, Eastfield and Luminous dated 29 March 2019;
13. the Irish law debenture between Buddy Platform (Europe) Limited, Eastfield and Luminous dated 29 March 2019;
14. any other "Transaction Document" as defined in the Deferred Consideration Agreement and any "Loan Document" as defined in the Eastfield Loan Agreement;
15. all notices, forms and other documents under any relevant law made, executed or entered into in connection with the above documents or the transactions contemplated by them; and
16. each other document referred to in, or incidental or ancillary to the above documents or the transactions to which they relate, including any applicable title office forms, Australian Securities and Investments Commission forms and any financing statements necessary or desirable under the Personal Property Securities Act 2009 (Cth).

Part 2: WCF Transaction Documents

1. Each Accession Letter;
2. the Bridge Loan Facility Agreement;
3. the Intercreditor Deed;
4. the English law Debenture between LIFX UK Ltd and Seisun Capital Pty Ltd dated 18 April 2019;
5. the New York law pledge and security agreement between LIFX US and Seisun Capital Pty Ltd dated 18 April 2019;
6. any other "Transaction Document" as defined in the Bridge Loan Facility Agreement;
7. the debtor finance facility agreement to be entered between, amongst others, Scottish Pacific Business Finance Pty Ltd and LIFX AU or any other subsidiary of the Company (including any terms and conditions and any addendum relating thereto) (**ScotPac Facility Agreement**);
8. any other "Transaction Document" as defined in or as referred to in the ScotPac Facility Agreement, and any security or ancillary document to be made, executed or entered into in connection with the ScotPac Facility Agreement;
9. any other Working Capital Facility Agreement;
10. each facility or finance agreement to be entered into by Buddy Technologies Limited and/or its subsidiaries (including the Company) in connection with any Working Capital Facility;
11. each guarantee and/or security document to be entered into by Buddy Technologies Limited and/or its subsidiaries (including the Company) in connection with the Working Capital Facility under the Bridge Loan Facility Agreement or any other Working Capital Facility;
12. any ancillary document to be made, executed or entered into in connection with the Bridge Loan Facility Agreement or any other Working Capital Facility Agreement;
13. any notices, forms or other documents under any relevant law to be made, executed or entered into in connection with the above documents or the transactions contemplated by them; and
14. any other document referred to in, or incidental or ancillary to, or which a director or company secretary or any authorised officer of any of the Obligor thinks necessary, advisable or desirable to give effect to the above documents or the transactions to which they relate, including any applicable title office forms, Australian Securities and Investments Commission forms and any financing statements necessary or desirable under the Personal Property Securities Act 2009 (Cth).

SCHEDULE 3: TERMS OF EASTFIELD OPTIONS

1. Entitlement

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

2. Exercise Price and Expiry Date

The Eastfield Options have an exercise price of A\$0.0759 per Eastfield Option (**Exercise Price**) and an expiry date of 5:00 pm (Beijing time) on a date that is 5 years from the date of issue (**Expiry Date**).

A Eastfield Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

3. Exercise Period

The Eastfield Options are exercisable at any time on or prior to the Expiry Date.

4. Quotation of the Eastfield Options

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

5. Notice of Exercise

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

Any Notice of Exercise of a Eastfield Option received by the Company will be deemed to be a notice of the exercise of that Eastfield Option as at the date of receipt.

6. Shares Issued on Exercise

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

7. Timing of the Issue of Shares on Exercise and Quotation

Within 5 business days of a Notice of Exercise being given in accordance with these terms and conditions and payment of the Exercise Price for each Eastfield Option being exercised, the Company will:

- (a) issue the Shares pursuant to the exercise of the Eastfield Options; and
- (b) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Eastfield Options.

8. Participation in New Issues

There are no participation rights or entitlements inherent in the Eastfield Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Eastfield Options. However, the Company will ensure that for

the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give the holders of Eastfield Options the opportunity to exercise their Eastfield Options prior to the date for determining entitlements to participate in any such issue.

9. Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a Eastfield Option will be increased by the number of Shares which the Eastfield Option holder would have received if the Eastfield Option holder had exercised the Eastfield Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

10. Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Eastfield Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Eastfield Option.

E = the number of underlying Shares into which one Eastfield Option is exercisable.

P = average market price (as defined in the ASX Listing Rules) per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

11. Adjustment for Reorganisation

- (a) Subject to clause (b), if prior to the Expiry Date and for so long as any Eastfield Options remain on issue, there occurs:
- (i) a consolidation or sub-division of capital of the Company, the number of unexercised Eastfield Options must be consolidated or sub-divided (as the case may be) in the same ratio as the capital of the Company is consolidated or sub-divided, and the Exercise Price per Eastfield Option must be amended appropriately to reflect that ratio;
 - (ii) a return of capital of the Company, the number of unexercised Eastfield Options will remain the same, and the Exercise Price per Eastfield Option must be reduced by the same amount as the amount returned in relation to each issued Share;
 - (iii) a pro-rata cancellation of capital of the Company, the number of unexercised Eastfield Options must be reduced in the same ratio as the capital of the Company is cancelled, and the Exercise Price per Eastfield Option must be amended appropriately to reflect that ratio; and
 - (iv) a reduction of capital of the Company by way of a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled, the number of unexercised Eastfield Options and the Exercise Price must remain unaltered,
- in each case, with the intention that any such adjustment will have an economically neutral effect on the Company and the Optionholders, and will not result in any benefits being conferred on the Optionholders which are not conferred on holders of issued Shares (without preventing any rounding of the number of Shares received on exercise of Eastfield Options where the rounding is approved at a meeting of Shareholders approving the relevant reorganisation of capital).
- (b) If prior to the Expiry Time and for so long as any Eastfield Options remain on issue the capital of the Company is reorganised, the rights of the Optionholders will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

12. Transferability

The Eastfield Options are transferable.



Buddy Technologies Ltd
ACN 121 184 316

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Buddy Technologies Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

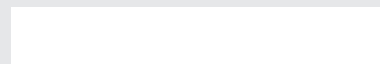
I/We being a member(s) of Buddy Technologies Ltd and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the
Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting
as your proxy, please write the name of the person or
body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act 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 the law, as the proxy sees fit) at the General Meeting of the Company to be held at **11:00am (ACST) on Wednesday, 12 June 2019 at The Ibis Adelaide, Meeting Room: The Hub, 122 Grenfell St, Adelaide SA 5000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

For Against Abstain*

- 1 Approval of Financial Assistance

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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- 2 Ratification of prior Issue of Options

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* 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 SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)



Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)



Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)



Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder'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).

BUD PRX1902A

HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO 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 those 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 Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities 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 securities 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 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 the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities 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.

SIGNING INSTRUCTIONS

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

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

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A 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 (ACST) on Monday, 10 June 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Buddy Technologies Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

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