



LINIUS TECHNOLOGIES LIMITED

ACN 149 796 332

Notice of 2019 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
The Como Melbourne M Gallery by Sofitel
630 Chapel Street, South Yarra, Victoria
on 26 November 2019
commencing at 3:00pm AEDT

NOTICE OF 2019 ANNUAL GENERAL MEETING

Notice is given that the 2019 Annual General Meeting of the Shareholders of Linius Technologies Limited ACN 149 796 332 (**Company**) will be held at The Como Melbourne M Gallery by Sofitel, 630 Chapel Street, South Yarra, Victoria on 26 November 2019 commencing at 3.00pm 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 Section 7 (Definitions) located at the end of the Explanatory Statement.

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 2019.

There is no vote on this item of business.

Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2019 (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 2019 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 – Stephen McGovern

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, Stephen McGovern, 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 or on behalf of any person who is expected to participate in the issue of Equity Securities under this Resolution or 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 or any associates of those persons.

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

Resolution 4 – Ratification of prior issue of Shares – September 2019 placement

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

“That, for the purpose of Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the prior issue by the Company under Listing Rule 7.1 of 127,272,730 Shares 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 or on behalf of a person (or any associates of that person) who participated in the issue.

However, the Company need not disregard a vote on this resolution if:

- 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
- 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 5 – Approval for the issue of Shares to Gerard Bongiorno – September 2019 placement

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

“That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue by the Company of up to 9,090,909 Shares to Gerard Bongiorno (or his nominees) 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 Gerard Bongiorno and any of his nominees or any of their associates.

However, the Company need not disregard a vote on this resolution:

- 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
- 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 6 – Adoption of New Constitution

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

“That, in accordance with section 136 of the Corporations Act, and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chairperson of the Meeting for identification purposes.”

Resolution 7 – Approval of Proportional Takeover Provisions in New Constitution

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

“That, subject to Resolution 16 being passed, the proportional takeover provisions in the form of schedule 5 of the new Constitution be included in the new Constitution for a period of three years commencing from the date of this Meeting.”

OTHER BUSINESS

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

BY ORDER OF THE BOARD



Giuseppe Rinarelli
Company Secretary
28 October 2019

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 24 November 2019. 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 2019 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 2019 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
Suite 13, Level 3, 299 Toorak Road
South Yarra Vic 3141
Telephone: +61 (0)3 8672 7186
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. 19 November 2019.

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** – Linius Technologies Limited, Suite 13, Level 3, 299 Toorak Road, South Yarra Vic 3141
- b) **Post** - Linius Technologies Limited, Suite 13, Level 3, 299 Toorak Road, South Yarra Vic 3141
- c) **Email** – info@linius.com

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 2019 Annual General Meeting of Linius Technologies Limited ACN 149 796 332 to be held at 3:00pm AEDT on 26 November 2019 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 Section 7 (Definitions) 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 2019 Annual Report of the Company.
- Adoption of the Remuneration report for the year ended 30 June 2019 (Resolution 1).
- To re-elect Stephen McGovern as a Director (Resolution 2).
- Approval for additional 10% placement capacity (Resolution 3)
- Ratification of prior issue of Shares – September 2019 placement (Resolution 4)
- Approval for the issue of Shares to Gerard Bongiorno – September 2019 placement (Resolution 5)
- Adoption of New Constitution (Resolution 6)
- Adoption of Proportional Takeover Provisions in New Constitution (Resolution 7)

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 2019, 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 2019 (Resolution 1)

2.1 Background

The Remuneration Report is contained in the Directors' Report in the 2019 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 2019.

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 – Stephen McGovern (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.

Stephen McGovern 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 McGovern's experience and expertise are contained in the Company's 2019 Annual Report.

All Directors (with the exception of Mr McGovern 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 \$46.8 million based on the number of unrestricted securities on issue and the closing price of Shares on ASX on 25 October 2019) 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 1,168,870,280 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, 175,330,542 Shares under Listing Rule 7.1; and
- (2) subject to Shareholders approving Resolution 3, 116,887,028 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 25 October 2019.

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 \$0.020 (50% decrease in current issue price)	Funds raised based on an issue price of \$0.040 (Current issue price)	Funds raised based on an issue price of \$0.060 (50% increase in current issue price)
1,168,870,280 (Current)	116,887,027	\$2,337,741	\$4,675,481	\$7,013,222
1,753,305,420 (50% increase)	175,330,541	\$3,506,611	\$7,013,222	\$10,519,833
2,337,740,560 (100% increase)	233,774,055	\$4,675,481	\$9,350,962	\$14,026,443

*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 25 October 2019.
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 29 November 2018.

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 290,680,232 Equity Securities comprising 229,772,732 Shares and 60,907,500 Options were issued by the Company representing approximately 24.9% of the total number of Equity Securities (Shares and Options) on issue in the Company on 29 November 2018.

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

4.9 Recommendation

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

5 Ratification of prior issue of Shares – September 2019 placement (Resolution 4)

5.1 Background

On 23 September 2019, the Company announced to ASX that it had commitments under a placement to raise \$4,500,000 by the issue of an aggregate 136,363,640 Shares issued to sophisticated and professional investors and related parties (approval for the issue of securities to the latter is sought under resolution 5) (**Placement**).

The Company issued the Shares to non-related parties within the 15% annual limit set out in Listing Rule 7.1 (described below). By issuing those Shares under the Placement, the Company's capacity to issue further Equity Securities without Shareholder approval within that limit was accordingly reduced.

Resolution 4 seeks Shareholder approval for the prior issue of the Shares to the placees noted below. It is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the resolution. Shareholders' attention is drawn to the voting exclusion statement in relation to resolution 4 in the Notice.

5.2 Listing Rules 7.1 and 7.4

Subject to a number of exceptions, in general terms, Listing Rule 7.1 limits the number of Equity Securities (for example, shares, options and convertible notes) that a listed company may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued ordinary shares (**15% share issue capacity**).

Without Shareholder approval pursuant to Listing Rule 7.4, the issue will be counted towards the Company's 15% share issue capacity and will therefore reduce the Company's capacity to issue securities in the future without obtaining Shareholder approval.

Accordingly, the Resolution seeks shareholder approval to allow the Company to substantially refresh its 15% share issue capacity.

5.3 Information required for Shareholder approval under Listing Rules

In accordance with Listing Rule 7.5, the following information is provided for Shareholders:

- (1) An aggregate of 127,272,730 Shares were issued pursuant to the Placement under the Company's Listing Rule 7.1 (15% capacity) on 1 and 21 October 2019;
- (2) The Shares were issued at \$0.033 per Share.
- (3) The Shares rank equally with all other Shares on issue in the Company.
- (4) The placees were sophisticated and professional investors, including clients of the lead manager for the Placement, Blue Ocean Equities Pty Limited AFSL 412765, and existing shareholders of the Company.
- (5) The funds were raised for continuing operations along the Company's vision of making all the world's video accessible as data, including investing in its cloud based Linius Video Services platform, scaling distribution through partnerships including Microsoft, AWS and IBM, replicating solutions in key verticals including sports, news, security and defence, education and corporate communications, securing further proofs of concepts and commercial transactions, continuing development of its intellectual property suite, and general working capital.

6 Approval for the issue of Shares to Gerard Bongiorno – September 2019 placement (Resolution 5)

6.1 Background

As announced to ASX on 23 September 2019, commitments under a placement to raise \$4,500,000 by the issue of an aggregate 136,363,640 Shares issued to sophisticated and professional investors and related parties.

Mr Gerard Bongiorno, a Director, agreed to subscribe for 9,090,909 Shares under the Placement, subject to the Company obtaining Shareholder approval for the issue of those Shares. Further details of the Placement are set out in Section 5.

Accordingly the Company seeks Shareholder approval for the subscription of those Shares (**Director Capital Raising Shares**).

6.2 Listing Rules 10.11

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders.

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Director Capital Raising Shares to Mr Bongiorno (and/or his nominees). If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

Furthermore, Shareholder approval of the issue of the Director Capital Raising Shares means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is an ordinary resolution.

6.3 Information required for Shareholder approval under Listing Rules

In accordance with Listing Rule 10.13, the following information is provided for Shareholders:

- (1) Mr Bongiorno is a related party of the Company by virtue of his being a Director.
- (2) The maximum number of securities to be issued to Mr Bongiorno (and/or his nominee) is 9,090,909 Shares.
- (3) The issue of the Director Capital Raising Shares will occur no later than one month after the date of the Meeting.
- (4) The Director Capital Raising Shares will be issued at an issue price of \$0.033 per Share, being the issue price under the Placement. The Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (5) A voting exclusion statement is included in the Notice.
- (6) The funds raised from the issue of the Director Capital Raising Shares will be used for continuing operations along the Company's vision of making all the world's video accessible as data, including investing in its cloud based Linius Video Services platform, scaling distribution through partnerships including Microsoft, AWS and IBM, replicating solutions in key verticals including sports, news, security and defence, education and corporate communications, securing further proofs of concepts and commercial transactions, continuing development of its intellectual property suite, and general working capital.

7 Adoption of New Constitution (Resolution 6)

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 6 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new Constitution which is of the type required for a listed public company limited by shares and updated to ensure it reflects the current provisions of the Corporations Act and the Listing Rules.

This will incorporate amendments to the Corporations Act and the Listing Rules since the current Constitution was adopted in 2010. It will also incorporate amendments to the Listing Rules proposed by ASX to streamline the escrow regime in Chapter 9 and Appendix 9B of the Listing Rules.

Restricted securities are defined in Chapter 19 of the Listing Rules as securities issued in circumstances set out in Appendix 9B of the Listing Rules and securities that, in ASX's opinion, should be treated as restricted securities. The proposed changes to Chapter 9 of the Listing Rules, in particular new Listing Rule 9.1(a), require that an entity which issues restricted securities or has them on issue must include in its constitution the provisions set out in rule 15.12 (being the proposed new Listing Rule 15.12).

The new constitution will comply with the proposed changes to Listing Rule 15.12 which are due to be finalised and released in December 2019. Under these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will instead permit the Company to issue restriction notices to holders of restricted securities in the form of a new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

The Company currently has no restricted securities on issue and there are no plans to issue restricted securities.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the proposed constitution in its entirety rather than to amend a multitude of specific provisions in the existing Constitution.

It is not practicable to list all of the changes to the Constitution in this Explanatory Statement and Shareholders are invited to contact the Company if they have any queries or concerns. For this purpose, Shareholders wishing to obtain a copy of the proposed constitution should contact the Company.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

Directors' recommendation

The Board of Directors recommend that Shareholders vote for this Resolution.

8 Adoption of Proportional Takeover Provisions in New Constitution (Resolution 7)

The proposed new Constitution, the subject of Resolution 7, contains proportional takeover provisions which are set out in schedule 5 of the proposed new Constitution.

Resolution 7 seeks Shareholder approval for the proportional takeover provisions to be included in the new constitution with effect from the close of the Meeting, and is a special resolution, requiring approval of 75% of the votes cast by Shareholders entitled to vote on the resolution in order to be passed. Resolution 7 is subject to Shareholders approving the adoption of the new constitution under Resolution 6.

If Resolution 7 is passed, then schedule 5 of the proposed new Constitution will have effect as and from the close of the Meeting for a period of three years. After a period of three years, schedule 5 would cease to apply unless renewed by a further special resolution of Shareholders.

Section 648G(5) of the Corporations Act requires certain information to be included in a notice of meeting where a company seeks the approval of its members to adopt proportional takeover provisions. This information is set out below.

Proportional takeover bid

A proportional takeover bid is a takeover offer sent to all shareholders of a company, offering to purchase only a specified proportion of each shareholder's shares. If a shareholder accepts, the shareholder disposes of that specified portion of shares and retains the balance.

Effects of the proposed proportional takeover provisions

The effects of the proposed proportional takeover provisions in the proposed new Constitution are that:

- (a) if a bidder makes a proportional takeover bid for any class of shares in the Company, the Directors must ensure that a general meeting of members of that class is convened where a resolution to approve the bid is voted upon. The vote is decided on a simple majority. The bidder and its associates are excluded from voting on that approving resolution;
- (b) the resolution will be required to be passed in a general meeting before the time stated in section 648D of the Corporations Act, being the 14th day before the last day of the bid period (approving resolution deadline); and
- (c) if the approving resolution is:
 - (i) not voted on at the end of the day before the approving resolution deadline, the bid will be taken to have been approved;

- (ii) put to members and rejected before the approving resolution deadline, the bid cannot proceed and the offer will be taken to have been withdrawn. Any transfers giving effect to takeover contracts for the bid will not be registered and all offers under the takeover bid are taken to be withdrawn and all takeover contracts must be rescinded; or
- (iii) passed (or taken to have been approved), the transfers must be registered (subject to other provisions of the Corporations Act and the Constitution).

The proportional takeover provisions do not apply to full takeover bids.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all of their Shares. By making a proportional bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of not being able to exit their investment in the Company by selling their entire shareholding and consequently being left as a minority shareholder in the Company. The bidder may be able to acquire control of the Company without payment of an adequate control premium.

The proportional takeover provisions allow Shareholders to decide if a proportional takeover bid is acceptable in principle and may assist in ensuring that any proportional takeover bid is appropriately priced. To assess the merits of the proportional takeover provisions, Shareholders should make a judgement as to what events are likely to occur in relation to the Company during the three year life of the proposed provisions.

Advantages and disadvantages

The Corporations Act requires this Explanatory Statement to discuss the advantages and disadvantages for Directors and Shareholders of the proportional takeover provisions which are proposed to be inserted in the proposed new Constitution.

The potential advantages for Shareholders of the proportional takeover provisions include the following:

- (a) Shareholders have the right to decide, by majority vote, whether an offer under a proportional takeover bid should proceed. The proposal would enable Shareholders to act in a cohesive manner and thereby avoid the coercion of Shareholders that arises where they believe the offer to be inadequate, but nevertheless accept through fear that other Shareholders will accept;
- (b) the provisions may assist Shareholders and protect them from being locked in as a minority;
- (c) the existence of the approval machinery in the proposed new Constitution may make it more probable that any takeover bid will be a full bid for the whole shareholding of each Shareholder, so that Shareholders may have the opportunity of disposing of all their shares rather than of a proportion only;
- (d) the provisions may increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- (e) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under a proportional takeover bid.

The potential disadvantages for Shareholders include the following:

- (a) proportional takeover bids for Shares in the Company may be discouraged;
- (b) Shareholders may lose an opportunity to sell some of their Shares at a premium;

- (c) it is possible that the existence of the provisions might have an adverse effect on the market value of the Shares by making a proportional takeover bid less likely and thereby reducing any takeover speculation element in the Share price;
- (d) individual Shareholders may consider that the proportional takeover provisions would restrict their ability to deal with their shares as they see fit; and
- (e) the likelihood of a proportional takeover bid succeeding may be reduced.

Knowledge of any acquisition proposal

At the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of a substantial interest in the Company.

Right to set aside Resolution

If Resolution 7 is passed, then within 21 days after the meeting, the holders of at least 10% of the Company's shares have the right to apply to the court to have the resolution set aside. The court may set aside the Resolution if the court is satisfied in all the circumstances that it is appropriate to do so.

Directors' recommendation

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provisions in the new constitution are in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 7.

9 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 2019 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 Linius 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.

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

Schedule means schedule of this Explanatory Statement.

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 - Equity Securities issued since 2018 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	
15 February 2019	1,250,000	Ordinary shares	Issued to consultant for consideration of services. Number and terms of securities issued in accordance with consultancy agreement.	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 market value at date of issue \$75,000.
15 February 2019	2,200,000	Options	Issued to consultants for consideration of services Exercise price of \$0.06 each, expiring 30 June 2020 Number and terms of securities issued in accordance with consultancy agreement.	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 Black-Scholes model calculation is \$63,900.
15 February 2019	2,000,000	Options	Issued to consultant for consideration of services Exercise price of \$0.06 each, expiring 15 February 2022 Number and terms of securities issued in accordance with consultancy agreement.	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 Black-Scholes model calculation is \$38,000.
15 February 2019	6,187,500	Options	Issued to employees under the Employee share Option Plan. Exercise price of \$0.06 each, expiring 31 December 2022	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 \$173,500.
15 April 2019	71,428,572	Ordinary shares	Placement issued to sophisticated investors	\$0.035 18.7% discount	Total cash consideration	\$2,500,000
					Amount of cash consideration spent and description of what consideration was spent on	\$2,500,000 for the development and commercialisation of the Linius 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
5 July 2019	28,571,430	Ordinary shares	Issued to directors and their nominees after approval at 2019 EGM. Part of April 2019 placement issued to sophisticated investors,	\$0.035 18.7% discount	Total cash consideration	\$1,000,000
					Amount of cash consideration spent and description of what consideration was spent on	\$1,000,000 for the development and commercialisation of the Linius 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

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	
5 July 2019	2,500,000	Options	Issued to existing holders of options expiring 30 May 2019 after approval at 2019 EGM. Exercise price of \$0.075 each, expiring 29 November 2019	Nil	Total cash consideration	\$250
					Amount of cash consideration spent and description of what consideration was spent on	\$250 for the development and commercialisation of the Linius 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
5 July 2019	1,250,000	Ordinary shares	Issued to consultant for consideration of services. Number and terms of securities issued in accordance with consultancy agreement.	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 market value at date of issue \$47,500.
28 August 2019	42,220,000	Options	Issued to existing holders of options expiring 30 May 2019 after approval at 2019 EGM. Exercise price of \$0.075 each, expiring 29 November 2019	Nil	Total cash consideration	\$4,222
					Amount of cash consideration spent and description of what consideration was spent on	\$4,222 for the development and commercialisation of the Linius 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
28 August 2019	2,000,000	Options	Issued to consultant for consideration of services. Exercise price of \$0.053 each, expiring 15 April 2022 Number and terms of securities issued in accordance with consultancy agreement.	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 Black-Scholes model calculation is \$36,000.
28 August 2019	1,500,000	Options	Issued to employees under the Employee share Option Plan. Exercise price of \$0.0353 each, expiring 29 May 2023	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	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$33,000.
28 August 2019	300,000	Options	Issued to employees under the Employee share Option Plan. Exercise price of \$0.0359 each, expiring 3 June 2023	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	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$5,400.
30 September 2019	119,696,980	Ordinary shares	Placement issued to sophisticated investors	\$0.033 8.8% discount	Total cash consideration	\$3,950,000
					Amount of cash consideration spent and description of what consideration was spent on	N/A.
					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	
21 October 2019	7,575,750	Ordinary shares	Placement issued to sophisticated investors	\$0.033 8.8% discount	Total cash consideration	\$250,000
					Amount of cash consideration spent and description of what consideration was spent on	N/A.
					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
21 October 2019	2,000,000	Options	Issued to consultant for consideration of services. Exercise price of \$0.0495 each, expiring 30 September 2022 Number and terms of securities issued in accordance with consultancy agreement.	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 Black-Scholes model calculation is \$36,000.

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.

2019 ANNUAL GENERAL MEETING PROXY FORM

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

APPOINT A PROXY

The Chairman of the meeting

OR



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

STEP 1

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chairman 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 The Como Melbourne M Gallery by Sofitel, 630 Chapel Street, South Yarra, Victoria on 26 November 2019 at 3:00pm AEDT** and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though this resolution is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chairman. I/we acknowledge the Chairman of the Meeting intends to vote all undirected proxies available to them in favour of each Resolution of Business.

VOTING DIRECTIONS
Resolutions

Resolutions	For	Against	Abstain*
1 Adoption of the Remuneration Report for the year ended 30 June 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Stephen McGovern	<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 Ratification of prior issue of Shares – September 2019 placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval for the issue of Shares to Gerard Bongiorno – September 2019 placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of Proportional Takeover Provisions in New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular resolution, 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.

STEP 2

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.

STEP 3

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 Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, 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 CHAIRMAN 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 Chairman 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 resolution 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 resolution 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 resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) 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 Resolution 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1.

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

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 3:00pm AEDT on 24 November 2019, 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