
Vortiv Limited
ACN 057 335 672

NOTICE OF GENERAL MEETING

A general meeting of the Company will be held at Level 1, 16 Gympie Way, Willetton, Western Australia on Monday, 30 March 2020 at 10:00am (WST).

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

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary on +61 8 9259 1592.

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Vortiv Limited (**Company**) will be held at Level 1, 16 Gympie Way, Willetton, WA on Monday, 30 March 2020 at 10:00am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice 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 28 March 2020 at 10:00am (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 10.

AGENDA

1. Resolution 1 – Approval to issue Non-related Party Replacement Convertible Notes

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of the Non-related Party Replacement Convertible Notes to the Non-related Party Noteholders on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Non-related Party Noteholders or a person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder) or any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. Resolution 2 – Approval to issue Lai Replacement Convertible Notes

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of the Lai Replacement Convertible Notes to Polaris Equity Pty Ltd, an entity controlled by Director, Mr Jeffrey Lai, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Polaris Equity Pty Ltd and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder) or any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. Resolution 3 – Approval to issue Foster Replacement Convertible Notes

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of the Foster Replacement Convertible Notes to Director, Mr Gary Foster and Mrs Lisa Foster on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Gary Foster and Mrs Lisa Foster and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder) or any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. Resolution 4 - Ratification of October Placement under Listing Rule 7.1 capacity

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

"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 14,117,647 Shares each at an issue price of \$0.0085 to the October Placement Participants on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the October Placement Participants, and any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Resolution 5 - Ratification of October Placement under Listing Rule 7.1A capacity

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

"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 235,294,118 Shares each at an issue price of \$0.0085 to the October Placement Participants on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the October Placement Participants, and any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Resolution 6 – Ratification of November Placement

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

"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 79,934,433 Shares each at an issue price of \$0.011 to the November Placement Participants on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the November Placement Participants, and any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. Resolution 7 – Authority to grant Incentive Options to Gregg Taylor

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

"That, for the purposes of Listing Rule 10.11, and for all other purposes, approval is given for the Company to grant 4,000,000 Incentive Options (each exercisable at \$0.013 on or before the date that is two years from the date of grant) (on a pre-Consolidation basis) to Gregg Taylor (or his nominees) 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 Gregg Taylor or his nominees and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. Resolution 8 – Authority to grant Incentive Options to Gary Foster

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

"That, for the purposes of Listing Rule 10.11, and for all other purposes, approval is given for the Company to grant 4,000,000 Incentive Options (each exercisable at \$0.013 on or before the date that is two years from the date of grant) (on a pre-Consolidation basis) to Gary Foster (or his nominees) 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 Gary Foster or his nominees and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. Resolution 9 – Authority to grant Incentive Options to Howard Digby

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

"That, for the purposes of Listing Rule 10.11, and for all other purposes, approval is given for the Company to grant 3,000,000 Incentive Options (each exercisable at \$0.013 on or before the date that is two years from the date of grant) (on a pre-Consolidation basis) to Howard Digby (or his nominees) 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 Howard Digby or his nominees and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. Resolution 10 – Amendment to Constitution

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

"That, for the purposes of section 136(2) of the Corporations Act, the Constitution of the Company be modified by making the amendment contained in the document tabled at the Meeting and signed by the Chair for the purposes of identification, with effect from the passing of this Resolution."

11. Resolution 11 – Approval of Share Consolidation

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

*"That, for the purposes of section 254H of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to consolidate the issued capital of the Company on the basis that every 20 Shares on issue be consolidated into one Share and Options on issue be adjusted in accordance with the Listing Rules (**Consolidation**) with effect from 3 April 2020."*

Dated 26 February 2020

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Phillip MacLeod', written in a cursive style.

Phillip MacLeod
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 1, 16 Gympie Way, Willetton, WA on Monday, 30 March 2020 at 10:00am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

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

2. Action to be taken by Shareholders

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

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

3. Resolution 1 – Approval of issue of Non-related Party Replacement Convertible Notes

3.1 General

On 13 December 2017 the Company announced that it had agreed to raise \$670,000 through the issue of convertible notes to staff, management and Directors. These convertible notes were originally due to expire on 15 December 2019.

On 16 December 2019 the Company announced that six of the 11 convertible note holders (including Polaris Equity Pty Ltd, an entity controlled by Director Mr Jeffrey Lai, and Director, Mr Gary Foster and his spouse, Mrs Lisa Foster (refer to Section 4.1 below)) have agreed to extend their notes (with an aggregate face value of \$590,000) (**Debt Notes**) until 15 September 2020. The note holders that did not accept the extension offer have had the total amount payable on their convertible notes, including interest payments, repaid in cash. Following the extension, the Debt Notes (as varied) are debt securities until Shareholder approval is obtained to replace the Debt Notes with convertible equity securities, with such Shareholder approval to be sought by the Company by 3 April 2020.

The key terms of the Debt Notes are as follows:

- (a) The Debt Notes were drawn down as a single drawdown on the issue date.
- (b) The Debt Notes have a maturity date of 15 September 2020.
- (c) Interest accrues daily and compounds monthly at the rate of:
 - (i) during the period from the issue date until 15 December 2019, 10% per annum; and
 - (ii) during the period from 15 December 2019 until maturity, 8% per annum, and is payable at maturity in cash.
- (d) The Company is obligated by 3 April 2020 to:
 - (i) seek shareholder approval at a general meeting to issue the Noteholders with replacement convertible equity securities on the same terms as the Debt Notes, other than the replacement convertible equity securities (and any interest payable in respect of them) will be convertible into Shares at the election of the holder at the conversion price of 1.1 cents (**Replacement Convertible Notes**); and
 - (ii) issue the Replacement Convertible Notes.
- (e) If the Replacement Convertible Notes are not issued by 3 April 2020 then the aggregate amount of the face value of the Debt Notes plus interest must be repaid to the Noteholders in cash by 10 April 2020.
- (f) The Debt Notes are unsecured.
- (g) The Debt Notes are not transferable.

The Replacement Convertible Notes will be issued on the same terms as the Debt Notes other than the Replacement Convertible Notes (and any interest payable in respect of them) are convertible to Shares at the election of the holder at the conversion price of 1.1 cents and the terms of the Debt Notes set out in paragraphs (d) and (e) above will not apply to the Replacement Convertible Notes.

If Resolution 11 is passed and the Consolidation takes effect, the conversion price of the Replacement Convertible Notes will increase according to the Consolidation ratio to \$0.22.

\$40,000 of the Debt Notes (**Non-related Party Debt Notes**) are held by the Non-related Party Noteholders. The remaining \$550,000 of the Debt Notes are held by Polaris Equity Pty Ltd, an entity controlled by Director Mr Jeffrey Lai, and Director, Mr Gary Foster and his spouse, Mrs Lisa Foster (refer to Section 4.1 below for further details).

For illustrative purposes, the table below sets out the face value of the Debt Notes held by the Non-related Party Noteholders and each of the Director Noteholders, the maximum number of Shares that may be issued to each of these parties on conversion of the face value and interest (both a pre-Consolidation and post-Consolidation basis) and the dilutive effect of the issue of such Shares.

		Non-related Parties	Related Parties		Total
			Polaris Equity Pty Ltd*	Mr Gary Foster and Mrs Lisa Foster	
Face Value of Debt Notes		\$40,000	\$500,000	\$50,000	\$590,000
Max Shares for conversion of face value	Pre-Consolidation	3,636,364	45,454,545	4,545,455	53,636,364
	Post-Consolidation	181,818	2,272,727	227,273	2,681,818
Dilutive Effect of conversion of face value**		0.13%	1.60%	0.16%	1.89%
Max Shares for conversion of Interest ***	Pre-Consolidation	1,076,189	13,452,344	1,345,235	15,873,767
	Post-Consolidation	53,809	672,617	67,262	793,688
Dilutive Effect**		0.04%	0.48%	0.05%	0.58%

* An entity controlled by Director, Mr Jeffrey Lai.

** Assumes no other additional Shares are issued.

*** Assumes interest is payable on the maximum term of the relevant Debt Notes and Replacement Convertible Notes of 33 months.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Replacement Convertible Notes with an aggregate face value of \$40,0000 (**Non-related Party Replacement Convertible Notes**) to the Non-related Party Noteholders.

If Resolution 1 is passed, the Company will issue the Non-related Party Replacement Convertible Notes to the Non-related Party Noteholders and upon such issue the Non-related Party Debt Notes will be redeemed and the Non-related Party Replacement Convertible Notes will be outstanding. The aggregate face value of the Non-related Party Replacement Convertible Notes will be \$40,000 being the aggregate face value of the Non-related Party Debt Notes.

The Non-related Party Replacement Convertible Notes will be convertible at the election of the Non-related Party Noteholders at any time during the period commencing on the date of issue of the Non-related Party Replacement Convertible Notes and ending on the earlier to occur of 15 September 2020 and the occurrence of an event of default under the Replacement Convertible Note terms.

The maximum number of Shares that may be issued for conversion of the face value of the Non-related Party Replacement Convertible Notes is 3,636,364 Shares (on a pre-Consolidation basis) and 181,818 (on a post-Consolidation basis). The maximum number of Shares that may be issued for the conversion of interest is 1,076,189 Shares (on a pre-Consolidation basis) and 53,809 (on a post-Consolidation basis) (which assumes interest is payable on the maximum term of the Non-related Party Debt Notes and the Non-related Party Replacement Convertible Note of 33 months).

In addition Shareholder approval will not be required under Listing Rule 7.1 for the issue of the Shares to the Non-related Party Noteholders on conversion of the Non-related Party Replacement Convertible Notes pursuant to exception 9 of Listing Rule 7.2 and the issue of those Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed then the Non-related Party Replacement Convertible Notes will not be issued to the Non-related Party Noteholders and the Company must repay the aggregate amount of the face value of the Non-related Party Debt Notes plus interest to the Non-related Party Noteholders in cash by 10 April 2020.

Resolution 1 is an ordinary resolution.

3.2 Information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The Non-related Party Debt Notes are currently held by the Non-related Party Noteholders, none of whom are related parties of the Company. Refer to Section 4.1 below for information about the Debt Notes held by related parties of the Company. The Non-related Party Replacement Convertible Notes will be issued to, and convertible by, the Non-related Party Noteholders.

- (b) If Resolution 1 is passed, the Non-related Party Debt Notes will be replaced by the issue of the Non-related Party Replacement Convertible Notes no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Non-related Party Replacement Convertible Notes will occur on or about the same date. The aggregate issue price of the Non-related Party Replacement Convertible Notes is \$40,000.
- (c) The amount drawdown under the Non-related Party Replacement Convertible Notes (\$40,000 in aggregate) plus outstanding interest (see section 3.1 above) will be convertible into Shares each at an issue price of \$0.011 (on a pre-Consolidation basis) and \$0.22 (on a post-Consolidation basis).
- (d) The Non-related Party Replacement Convertible Notes will be convertible into a maximum of 4,712,553 Shares (on a pre-Consolidation basis) and 235,628 (on a post-Consolidation basis) which comprises a maximum of:
 - (i) 3,636,364 Shares (on a pre-Consolidation basis) and 181,818 (on a post-Consolidation basis) for repayment of the face value of the Replacement Convertible Notes; and
 - (ii) 1,076,189 Shares (on a pre-Consolidation basis) and 53,809 (on a post-Consolidation basis) for repayment of interest (which assumes interest is payable on the maximum term of the Debt Notes and the Replacement Convertible Notes of 33 months).
- (e) Shares issued on conversion of the Non-related Party Replacement Convertible Notes will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (f) Further terms and conditions of the Non-related Party Debt Notes and Non-related Party Replacement Convertible Notes are set out in Section 3.1
- (g) The Non-related Party Replacement Convertible Notes will be convertible at the Non-related Party Noteholders' election at any time during the period commencing on the date of issue of the Non-related Party Replacement Convertible Notes and ending on the earlier to occur of 15 September 2020 and the occurrence of an event of default under the Replacement Convertible Note terms.
- (h) The funds raised from the issue of the Non-related Party Debt Notes have been used for working capital requirements including the evaluation of cybersecurity acquisition opportunities. No further funds will be raised from the issue of the Non-related Party Replacement Convertible Notes or the issue of Shares on conversion of the Non-related Party Replacement Convertible Notes.
- (i) A voting exclusion statement is included in the Notice.

4. Resolutions 2 and 3 – Approval to issue Director Replacement Convertible Notes to the Director Noteholders

4.1 General

As noted in the Company's announcement on 13 December 2017, \$550,000 of the Debt Notes (**Director Debt Notes**) are held by Polaris Equity Pty Ltd, an entity controlled by Director Mr

Jeffrey Lai, and Director, Mr Gary Foster and his spouse, Mrs Lisa Foster (together the **Director Noteholders**).

The key terms of the Debt Notes are set out in Section 3.1

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the six months prior to the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the six months prior to the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them the right or expectation to do so;
- (d) an associate of a person referred to in paragraphs (a) to (c) above; or
- (e) a person whose relationship with the company or a person referred to in a Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Replacement Convertible Notes to the Director Noteholders falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires Shareholder approval under Listing Rule 10.11.

Resolutions 2 and 3 seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Replacement Convertible Notes with an aggregate face value of \$550,000 (**Director Replacement Convertible Notes**) to the Director Noteholders.

If Resolutions 2 and 3 are passed, the Company will issue the Director Replacement Convertible Notes to the Director Noteholders and upon such issue the Director Debt Notes will be redeemed and the Director Replacement Convertible Notes will be outstanding. The aggregate face value of the Director Replacement Convertible Notes will be \$550,000 being the aggregate face value of the Director Debt Notes.

The Director Replacement Convertible Notes will be convertible at the election of the Director Noteholders at any time during the period commencing on the date of issue of the Director Replacement Convertible Notes and the earlier to occur of 15 September 2020 and the occurrence of an event of default under the Replacement Convertible Note terms.

The maximum number of Shares that may be issued for conversion of the face value of the Director Replacement Convertible Notes is 50,000,000 Shares (on a pre-Consolidation basis) and 2,500,000 Shares (on a post-Consolidation basis). The maximum number of Shares that may be issued for the conversion of interest is 14,797,578 Shares (on a pre-Consolidation basis) and 739,879 Shares (on a post-Consolidation basis) (which assumes interest is payable on the maximum term of the Director Debt Notes and the Director Replacement Convertible Notes of 33 months).

In addition, Shareholder approval will not be required under Listing Rule 10.11 for the issue of the Shares to the Director Noteholders on conversion of the Director Replacement Convertible

Notes pursuant to exception 7 of Listing Rule 10.12 and the issue of those Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 2 and 3 are not passed then the Director Replacement Convertible Notes will not be issued to the Director Noteholders and the Company must repay the aggregate amount of the face value of the Director Debt Notes plus interest in cash by 10 April 2020.

Resolutions 2 and 3 are ordinary resolutions.

4.2 Information required by Listing Rule 10.13

The following information is provided for the purposes of Listing Rule 10.13:

- (a) The Director Debt Notes are currently held by Polaris Equity Pty Ltd, an entity controlled by Director Mr Jeffrey Lai, and Director Mr Gary Foster and Mrs Lisa Foster. The Director Replacement Convertible Notes will be issued to, and convertible by, the Director Noteholders.
- (b) Polaris Equity Pty Ltd is a related party of the Company by virtue of being controlled by Director, Mr Jeffrey Lai, and Mr Gary Foster and Mrs Lisa Foster are related parties of the Company by virtue of Mr Foster being a Director and Mrs Foster being his spouse.
- (c) If Resolutions 2 and 3 are passed, the Director Debt Notes will be replaced by the issue of the Director Replacement Convertible Notes no later than one month after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Director Replacement Convertible Notes will occur on or about the same date. The aggregate issue price of the Director Replacement Convertible Notes is \$550,000 which will be held by the Director Noteholders as follows:
 - (i) Replacement Convertible Notes with an aggregate face value of \$500,000 to be issued to Polaris Equity Pty Ltd (**Lai Replacement Convertible Notes**); and
 - (ii) Replacement Convertible Notes with an aggregate face value of \$50,000 to be issued to Mr Gary Foster and Mrs Lisa Foster (**Foster Replacement Convertible Notes**).
- (d) The amount drawdown under the Director Replacement Convertible Notes (\$550,000 in aggregate) plus outstanding interest (see section 3.1 above) will be convertible into Shares each at an issue price of \$0.011.
- (e) The Replacement Director Convertible Notes will be convertible into a maximum number of Shares as follows:
 - (i) 58,906,889 Shares (on a pre-Consolidation basis) and 2,945,344 Shares (on a post-Consolidation basis) to Polaris Equity Pty Ltd which comprises a maximum of:
 - (A) 45,454,545 Shares (on a pre-Consolidation basis) and 2,272,727 Shares (on a post-Consolidation basis) for repayment of the face value of the Convertible Notes; and

- (B) 13,452,344 Shares (on a pre-Consolidation basis) and 672,617 Shares (on a post-Consolidation basis) for repayment of interest (which assumes interest is payable on the maximum term of the Director Debt Notes and the Director Replacement Convertible Notes of 33 months); and
- (ii) 5,890,689 Shares (on a pre-Consolidation basis) and 294,534 Shares (on a post-Consolidation basis) to Mr Gary Foster and Mrs Lisa Foster which comprises a maximum of
 - (A) 4,545,455 Shares (on a pre-Consolidation basis) and 227,273 (on a post-Consolidation basis) for repayment of the face value of the Convertible Notes; and
 - (B) 1,345,235 Shares (on a pre-Consolidation basis) and 67,262 Shares (on a post-Consolidation basis) for repayment of interest (which assumes interest is payable on the maximum term of the Director Debt Notes and the Director Replacement Convertible Notes of 33 months).
- (f) Shares issued on conversion of the Director Replacement Convertible Notes will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (g) Further terms and conditions of the Replacement Convertible Notes are set out in Section 3.1
- (h) The Director Replacement Convertible Notes will be convertible at the Director Noteholders' election at any time during the period commencing on the date of issue of the Director Replacement Convertible Notes and ending on the earlier to occur of 15 September 2020 and the occurrence of an event of default under the Convertible Note terms.
- (i) The funds raised from the issue of the Director Debt Notes have been used for working capital requirements including the evaluation of cybersecurity acquisition opportunities. No further funds will be raised from the issue of the Director Replacement Convertible Notes or the issue of Shares on conversion of the Director Replacement Convertible Notes.
- (j) A voting exclusion statement is included in the Notice.

5. Resolutions 4 and 5 – Ratification of October Placement

5.1 General

On 23 September 2019 the Company announced an institutional placement of 249,411,765 Shares (**October Placement Shares**) at an issue price of \$0.0085 per Share, to raise \$2,000,000 (net of costs) (**October Placement**).

The Company completed the October Placement on 8 October 2019. The October Placement Shares were issued by the Company to the October Placement Participants using its annual limit permitted under Listing Rule 7.1 and the additional 10% annual limit approved by Shareholders under Listing Rule 7.1A at the Company's 2019 Annual General Meeting, without the need for Shareholder approval.

The funds raised from the issue of the October Placement Shares will be used to strengthen the Company's balance sheet and to satisfy all remaining deferred payment tranches for the Cloudten acquisition. The strengthened balance sheet will enable management to focus on growing its core business and pursue both organic and inorganic opportunities.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting at which shareholders approve the 10% placement facility. The 10% placement facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (including the additional 10% capacity under Listing Rule 7.1A), providing that the previous issue did not breach Listing Rule 7.1, the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.4 for the ratification of the issue of 14,117,647 of the October Placement Shares which were issued pursuant to the 15% capacity under Listing Rule 7.1. Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.4 for the ratification of the issue of 235,294,118 of the October Placement Shares which were issued pursuant to the additional 10% capacity under Listing Rule 7.1A.

If Resolutions 4 and 5 are passed, the issue of the October Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and additional 10% placement capacity under Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the October Placement Shares or during the balance of the 12 months from the date of the Company's 2019 Annual General Meeting (as applicable).

If Resolutions 4 and 5 are not passed, the issue of the October Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1 and additional 10% placement capacity under Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the October Placement Shares or during the balance of the 12 months from the date of the Company's 2019 Annual General Meeting (as applicable).

Resolutions 4 and 5 are ordinary resolutions.

5.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding the issue of the October Placement Shares is provided as follows:

- (a) On 8 October 2019, 249,411,765 Shares were issued pursuant to the October Placement as follows:

- (i) 14,117,647 Shares were issued pursuant to the 15% capacity under Listing Rule 7.1. Ratification of the issue of these Shares is being sought pursuant to Resolution 4.
- (ii) 235,294,118 Shares were issued pursuant to the additional 10% capacity under Listing Rule 7.1A. Ratification of the issue of these Shares is being sought pursuant to Resolution 5.
- (b) The October Placement Shares were issued at \$0.0085 each.
- (c) The October Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The October Placement Shares were issued to Regal Funds Management and Bombora Investment Management, neither of whom is a related party of the Company.
- (e) The October Placement raised \$2,000,000 (net of costs). The funds raised from the issue of the October Placement Shares will be used for the purposes set out in Section 5.1. 14,117,647 of the October Placement Shares were issued in lieu of commission payable on the October Placement of \$120,000. Accordingly, no funds were raised from the issue of these Shares.
- (f) A voting exclusion statement is included in the Notice.

6. Resolution 6 – Ratification of November Placement

6.1 General

On 22 October 2019 the Company announced that it had entered into an Option shortfall agreement with Red Leaf Securities to secure commitments to underwrite the shortfall from unlisted Options expiring on 7 November 2019.

On 20 November 2019 the Company completed the issue of 79,934,433 Shares (**November Placement Shares**) at an issue price of \$0.011 per Share to raise \$879,279 (before costs) (**November Placement**). The November Placement Shares were issued by the Company to the November Placement Participants using its annual limit permitted under Listing Rule 7.1 without the need for Shareholder approval.

The funds raised from the issue of the November Placement Shares will be used for the growth of the Company's core business, costs of the issue and working capital.

A summary of Listing Rules 7.1 and 7.4 is set out in Section 5.1.

The Company wishes to retain as much flexibility as possible to issue additional securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.4 for the ratification of the issue of the November Placement Shares.

If Resolution 6 is passed, the issue of the November Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the November Placement Shares.

If Resolution 6 is not passed, the issue of the November Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the November Placement Shares.

Resolution 6 is an ordinary resolution.

6.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding the issue of the November Placement Shares is provided as follows:

- (a) On 20 November 2019, 79,934,433 Shares were issued pursuant to the November Placement.
- (b) The November Placement Shares were issued at \$0.011 each.
- (c) The November Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The November Placement Shares were issued to the November Placement Participants, none of whom are a related party of the Company.
- (e) The funds raised from the issue of the November Placement Shares will be used for the purposes set out in Section 6.1.
- (f) A voting exclusion statement is included in the Notice.

7. Resolutions 7 to 9 – Authority to grant Incentive Options to Directors

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to grant the following Incentive Options to the Non-Executive Directors:

- (a) 4,000,000 Incentive Options (on a pre-Consolidation basis) to Gregg Taylor (or his nominees);
- (b) 4,000,000 Incentive Options (on a pre-Consolidation basis) to Gary Foster (or his nominees); and
- (c) 3,000,000 Incentive Options (on a pre-Consolidation basis) to Howard Digby (or his nominees).

The above Incentive Options are to be issued to the Non-Executive Directors for nil cash consideration as incentive-based remuneration in connection with their roles as directors of the Company. The Board considers that the incentives provided to the Non-Executive Directors represented by the grant of the Incentive Options is a cost effective and efficient way for the Company to appropriately incentivise and reward each Non-Executive Director's performance and assist with retaining and motivating the Non-Executive Directors in their current roles, as opposed to alternative forms of incentive such as the payment of cash compensation.

The Incentive Options are each exercisable at \$0.013 (on a pre-Consolidation basis) on or before the date that is two years from the date of grant. The Incentive Options are otherwise on the terms and conditions set out in Schedule 1.

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Incentive Options to each of the Non-Executive Directors pursuant to Resolutions 7 to 9 constitutes giving a financial benefit and Gregg Taylor, Gary Foster and Howard Digby are each a related party of the Company by virtue of being a Director.

After a review of publicly available information relating to the remuneration structures of ASX listed companies, including those operating in the software and services industry, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the above Incentive Options to each of Gregg Taylor, Gary Foster and Howard Digby because the grant of these Incentive Options is considered reasonable remuneration in the circumstances.

7.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is provided in Section 4.1.

The grant of Incentive Options to Gregg Taylor, Gary Foster and Howard Digby falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires Shareholder approval pursuant to Listing Rule 10.11.

Resolutions 7 to 9 seek the required Shareholder approval to the grant of Incentive Options to Gregg Taylor, Gary Foster and Howard Digby respectively for the purposes of Listing Rule 10.11.

If all or any of Resolutions 7 to 9 are passed, the Company will grant Incentive Options to the relevant Non-Executive Directors as detailed above and the Incentive Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1

If all or any of Resolutions 7 to 9 are not passed, the Company will not be able to proceed with the grant of Incentive Options to the relevant Non-Executive Director/s.

Resolutions 7 to 9 are ordinary resolutions.

7.4 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the grant of Incentive Options under Resolutions 7 to 9 is provided as follows:

- (a) The maximum number of Incentive Options the Company will grant to the Non-Executive Directors (or their nominees) is:
 - (i) 4,000,000 Incentive Options (on a pre-Consolidation basis) to Gregg Taylor (or his nominees);
 - (ii) 4,000,000 Incentive Options (on a pre-Consolidation basis) to Gary Foster (or his nominees); and
 - (iii) 3,000,000 Incentive Options (on a pre-Consolidation basis) to Howard Digby (or his nominees).
- (b) The Incentive Options will be granted no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) Gregg Taylor, Gary Foster and Howard Digby are related parties of the Company by virtue of being Directors.
- (d) The Incentive Options are each exercisable at \$0.013 (on a pre-Consolidation basis) on or before the date that is two years from the date of grant. Full terms and conditions of the Incentive Options are set out in Schedule 1. Shares issued on exercise of the Incentive Options will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (e) The Incentive Options will be granted for nil consideration as they are being issued as incentive based remuneration. Accordingly, no funds will be raised from the grant of the Incentive Options.
- (f) Each of the Non-Executive Directors receive a total annual remuneration package as follows:
 - (i) Gary Foster - \$72,000 (exclusive of GST);
 - (ii) Gregg Taylor - \$42,000 (exclusive of GST); and
 - (iii) Howard Digby - \$36,000 (exclusive of GST).
- (g) A voting exclusion statement is included in the Notice.

8. Resolution 10 – Amendment to Constitution

8.1 General

The Company is currently governed by its Constitution.

Under section 136(2) of the Corporations Act, a Company can modify its constitution or a provision of its constitution by special resolution. Accordingly, the Company seeks Shareholder approval to amend its Constitution by a special resolution of Shareholders as set out below.

A copy of the amended Constitution will be sent to Shareholders on request and will also be available for inspection at the registered office of the Company during normal business hours prior to the Meeting.

Changes to the Listing Rules that commenced on 1 December 2019 require a listed entity's constitution to contain certain provisions regarding Restricted Securities (as that term is defined in the Listing Rules) if the entity has any Restricted Securities on issue. Although the Company does not presently have any Restricted Securities on issue and does not have any present intentions to undertake a transaction which would result in the issue of Restricted Securities, the Board considers it prudent to take this opportunity to update the Constitution to ensure it complies with these new escrow requirements.

With effect from 1 December 2019, the ASX applied a two-tier escrow regime where ASX can require certain more significant holders of Restricted Securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A of the Listing Rules, as was previously the case. However, for less significant holders of Restricted Securities, ASX instead permits an entity to rely on a provision in its constitution imposing appropriate escrow restrictions on the holders of Restricted Securities and to simply give a notice to such holders in the form set out in Appendix 9C of the Listing Rules, advising them of those restrictions.

To facilitate the operation of the new two-tier escrow regime implemented by the ASX, certain changes are required to the customary provisions of constitutions of ASX-listed entities regarding Restricted Securities.

8.2 Proposed amendment

Articles 4.5(d) and 4.5(f) of the Constitution currently provide as follows:

"(d) Except as permitted by the Listing Rules or ASX, the Company must refuse to acknowledge a disposal (including registering a transfer) of restricted securities during the escrow period for those securities.

...

(f) The Company may apply, or may ask ASX Settlement to apply, a holding lock (including to prevent a transfer, or to refuse to register a paper-based transfer document) where the Applicable Law permits the Company to do so."

Pursuant to Resolution 10, the Company seeks Shareholder approval to delete Articles 4.5(d) and 4.5(f) of the Constitution in their entirety and replace them with the following:

- "(d) The Company must comply with the Listing Rules in respect of restricted securities. Without limiting the Company's obligations to comply with the Listing Rules:*
- (i) a holder of restricted securities must not Dispose of, or agree to offer to Dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*
 - (ii) if the restricted securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;*
 - (iii) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer), of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*

- (iv) *a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX; and*
- (v) *if a holder of restricted securities breaches a restriction deed or a provision of this Constitution restricting a Disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.*

For the purposes of this Article 4.5(d), "Dispose" has the meaning given to that term in the Listing Rules and Disposal has a corresponding meaning.

...

- (f) *Without limiting Article 4.5(d), the Company may apply, or may ask ASTC to apply, a holding lock (including to prevent a transfer, or to refuse to register a paper-based transfer document) where the Applicable Law permits the Company to do so."*

Resolution 10 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 cast of a corporate Shareholder, by a corporate representative).

9. Resolution 11 – Approval of Share Consolidation

Resolution 11 seeks Shareholder approval for the Company to undertake a consolidation of the number of Shares on issue on the basis that every 20 Shares held be consolidated into one Share. Similarly, the number of Options on issue will be consolidated on the basis of one Option for every 20 Options held and the exercise price of such Options will increase according to the consolidation ratio.

It is proposed that the Incentive Options to be issued to the Non-Executive Directors pursuant to Resolutions 7 to 9 will be granted pre-Consolidation on or about 31 March 2020. See Section 7 for further details.

The result of the Consolidation is that each Security holding will be reduced by 20 times its current level. Each Shareholder's proportional interest in the Company's share capital will remain unchanged as a result of the Consolidation. Any fractional entitlements of Security holders as a consequence of the Consolidation will be rounded up.

The change in capital structure of the Company following the Consolidation, which is subject to adjustments for rounding, is as follows:

	Number on issue (pre consolidation)	Number on issue (post consolidation)
Shares	2,789,180,264	139,459,013
Options	214,659,774 ^{1, 3}	10,732,989 ^{2, 3}

Notes

1. Unlisted Options on issue pre-Consolidation:

- (a) 48,181,818 Options each exercisable at 1.7c on or before 3 April 2020;
- (b) 5,000,000 Options each exercisable at 2c on or before 3 April 2020;
- (c) 30,375,000 Options each exercisable at 0.851c on or before 23 September 2020;
- (d) 59,551,478 Options each exercisable at 1.3c on or before 21 December 2020;
- (e) 59,551,478 Options each exercisable at 1.5c on or before 21 December 2021;
- (f) 1,000,000 Options each exercisable at 1.22c on or before 6 February 2021; and
- (g) 11,000,000 Incentive Options exercisable at 1.3c on or before 31 March 2022.

2. Unlisted Options on issue post-Consolidation:

- (a) 2,409,091 Options each exercisable at \$0.34 on or before 3 April 2020;
- (b) 250,000 Options each exercisable at \$0.40 on or before 3 April 2020;
- (c) 1,518,750 Options each exercisable at \$0.1702 on or before 23 September 2020;
- (d) 2,977,574 Options each exercisable at \$0.26 on or before 21 December 2020;
- (e) 2,977,574 Options each exercisable at \$0.30 on or before 21 December 2021;
- (f) 50,000 Options each exercisable at \$0.244 on or before 6 February 2021; and
- (g) 550,000 Incentive Options exercisable at \$0.26 on or before 31 March 2022.

3. Assumes proposed Incentive Options are granted to the Non-Executive Directors pursuant to Resolutions 7 to 9 pre-Consolidation on 31 March 2020. See Section 7 for further details.

If Resolution 11 is passed, the Consolidation will take effect from 3 April 2020 (**Effective Date**).

Uncertificated security holding statements or certificates (as applicable) reflecting the change in the number of Securities held will be sent to Security holders not earlier than the fourth Business Day after the Effective Date and not later than the eighth Business Day after the Effective Date.

Resolution 11 is an ordinary resolution.

Based upon the above, an indicative timetable assuming Shareholder approval is obtained will be as follows:

Date	Event
30 March 2020	Following Shareholder approval Company announces effective date of the Consolidation.
3 April 2020	Effective Date
6 April 2020	Last day for trading in pre-Consolidation Shares.
7 April 2020	Trading in post-Consolidation Shares commences on a deferred settlement basis.
8 April 2020	Record Date Last day to register transfers on a pre-Consolidation basis.

Date	Event
9 April 2020	First day for Company to update register and send security holding statements or certificates (as applicable) to Security holders reflecting the change in the number of Securities held.
17 April 2020	Last day for Company to update register and send security holding statements or certificates (as applicable) to Security holders reflecting the change in the number of Securities held and notify ASX that this has occurred.

10. Definitions

\$ means Australian Dollars.

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.

Chair means the chair of this Meeting.

Company means Vortiv Limited ACN 057 335 672.

Constitution means the existing constitution of the Company.

Consolidation has the meaning given in Resolution 11.

Corporations Act means the Corporations Act 2001 (Cth).

Debt Notes has the meaning given in Section 3.1.

Director means a director of the Company.

Director Debt Notes has the meaning given in Section 4.1.

Director Noteholders has the meaning given in Section 4.1.

Director Replacement Convertible Notes has the meaning given in Section 4.1.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Foster Replacement Convertible Notes has the meaning given in Section 1(c).

Incentive Option means an Option on the terms and conditions set out in Schedule 1.

Lai Replacement Convertible Notes has the meaning given in Section 1(c).

Listing Rules means the listing rules of ASX.

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

Non-related Party Debt Notes has the meaning given in Section 3.1.

Non-related Party Noteholders means the staff and management of the Company (or entities related to them) that hold the Non-related Party Debt Notes, none of whom are related parties of the Company.

Non-related Party Replacement Convertible Notes has the meaning given in Section 3.1.

Noteholders means the Non-related Party Noteholders and the Director Noteholders.

Notice means this notice of meeting.

November Placement has the meaning given in Section 6.1.

November Placement Participants means institutional and sophisticated investors introduced by Red Leaf Securities including Regal Funds Management.

November Placement Shares has the meaning given in Section 6.1.

October Placement has the meaning given in Section 5.1.

October Placement Participants means Regal Funds Management and Bombora Investment Management.

October Placement Shares has the meaning given in Section 5.1.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to the Notice.

Replacement Convertible Notes has the meaning given in Section 3.1.

Resolution means a resolution contained in this Notice.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

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

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

Schedule 1 – Terms and Conditions of Incentive Options

- (a) Each Incentive Option entitles the holder to subscribe for one Share upon exercise of the Incentive Option.
- (b) The Incentive Options have an exercise price of \$0.013 (Exercise Price) and an expiry date that is the date 2 years after the date of grant of an Incentive Option (Expiry Date).
- (c) An Incentive Option may be exercised at any time on or prior to the Expiry Date.
- (d) The Incentive Options may be exercised by notice in writing to the Company (Notice of Exercise) and payment of the Exercise Price for each Incentive Option being exercised. Any Notice of Exercise of an Incentive Option received by the Company will be deemed to be a notice of the exercise of that Incentive Option as at the date of receipt.
- (e) Shares issued on exercise of the Incentive Options will rank equally with the then shares of the Company.
- (f) After an Incentive Option is validly exercised, the Company must as soon as possible after receipt of the Notice of Exercise and cleared funds equal to the sum payable on the exercise of the Incentive Option:
 - (i) issue the Share; and
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 15 business days after issuing the Shares.
- (g) There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options. However, the Company will give holders of the Incentive Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (h) 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):
 - (i) the number of Shares which must be issued on the exercise of an Incentive Option will be increased by the number of Shares which the Incentive Optionholder would have received if the Incentive Optionholder had exercised the Incentive Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (i) If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Incentive Option.

- (j) If there is any reconstruction of the issued share capital of the Company, the rights of the Incentive Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (k) Incentive Options will be unquoted upon grant. No application for quotation of Incentive Options will be made by the Company.
- (l) The Incentive Options are transferable with the prior written consent of the Board and provided that the transfer of Incentive Options complies with the Corporations Act.
- (m) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Incentive Options with the appropriate remittance should be lodged at the Company's registered address.

VORTIV LIMITED

ACN 057 335 672

PROXY FORM

The Company Secretary
Vortiv Limited

By delivery or by post:

Unit 8-9, 88 Forrest Street, Cottesloe, WA 6011

By facsimile:

+61 8 9463 1426

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We¹ _____
of _____
being a Shareholder/Shareholders of the Company and entitled to _____
votes in the Company, hereby appoint:

**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 and address of the person or body corporate
(excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally on my/our behalf at the Meeting to be held at Level 1, 16 Gympie Way, Willetton, Western Australia on 30 March 2020 at 10:00am (WST) and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit, except for as set out below).

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

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Step 2 – Instructions as to Voting on Resolutions

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

	For	Against	Abstain*
Resolution 1 – Approval to issue Non-related Party Replacement Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Approval to issue Lai Replacement Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval to issue Foster Replacement Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Ratification of October Placement under Listing Rule 7.1 capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 - Ratification of October Placement under Listing Rule 7.1A capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Ratification of November Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Authority to grant Incentive Options to Gregg Taylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Authority to grant Incentive Options to Gary Foster	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Authority to grant Incentive Options to Howard Digby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 – Approval of Share Consolidation	<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.

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

Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

Proxy Notes:

A Shareholder entitled to attend and vote at the General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting. If the Shareholder is entitled to cast 2 or more votes at the General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting, the representative of the body corporate to attend the General Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

Joint Holding: where the holding is in more than one name all of the holders should sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the General Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the General Meeting (WST).

Hand deliveries: Unit 8-9, 88 Forrest Street, Cottesloe, WA 6011

Postal address: Unit 8-9, 88 Forrest Street, Cottesloe, WA 6011

Facsimile: (08) 9463 1426 if faxed from within Australia or + 61 8 9463 1426 if faxed from outside Australia.