



Vmoto Limited
ABN 36 098 455 460

**NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY STATEMENT
PROXY FORM**

Date of Meeting

14 May 2020

Time of Meeting

10:00am (WST)

Place of Meeting

The Park Business Centre
45 Ventnor Avenue
West Perth WA 6005

Important Note: In light of the rapidly evolving COVID-19 pandemic and resultant government directives on public gatherings, Vmoto encourages all shareholders to lodge a proxy in advance of the meeting and to re-consider attending the AGM in person if possible. In the event the AGM is not able to proceed as planned and it becomes necessary or appropriate to make alternate arrangements, further information will be made available to shareholders via the ASX and the Company's website at the time.

YOUR ANNUAL REPORT IS AVAILABLE ONLINE, SIMPLY VISIT:

<http://www.vmoto.com/Corporate/Investors>

Please read this Notice of Annual General Meeting and Explanatory Statement carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Shareholders of Vmoto Limited ABN 36 098 455 460 (**Company**) is to be held on Thursday, 14 May 2020 at The Park Centre, 45 Ventnor Avenue, West Perth WA 6005, commencing at 10.00am (WST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting (**Notice**).

Capitalised terms and abbreviations used in this Notice and accompanying Explanatory Statement are defined in the glossary to the Explanatory Statement.

The Explanatory Statement that accompanies and forms part of this Notice describes the matters to be considered at this Meeting.

ORDINARY BUSINESS

Annual Financial Statements – Financial Year ended 31 December 2019

To receive and consider the consolidated Annual Financial Statements of the Company for the year ended 31 December 2019 including the Directors' Declaration and Report and the Auditor's Report as set out in the Company's Annual Report.

Note: there is no requirement for Shareholders to approve these reports.

Resolution 1 – Non-Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, to pass the following Resolution as a **non-binding resolution**:

“That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Annual Report for the year ended 31 December 2019.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this Resolution.

Voting Exclusion

The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of a Restricted Voter;¹ or
- (b) the proxy is the Chair of the Meeting voting an undirected proxy and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you are a member of the Key Management Personnel of the Company or a closely related party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

¹ “Restricted Voter” means Key Management Personnel and their Closely Related Parties as defined in the glossary.

Resolution 2 – Re-Election of Director – Mr Kaijian Chen

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

“That, Mr Kaijian Chen, who retires in accordance with Listing Rule 14.4 and clause 12.3 of the Company’s Constitution and, being eligible and offering himself for re-election, be re-elected as a Director of the Company.”

Resolution 3 – Ratification of Issue of Employee Shares

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 the issue of 2,850,000 Shares on 17 March 2020 to employees of the Company, for the purpose and on the terms and conditions set out in the Explanatory Statement that forms part of this Notice.”

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who participated in the issue of Shares the subject of Resolution 3 or any Associate of those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the 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 the directions given by the beneficiary to the holder to vote in that way.

Resolution 4 – Issue of Shares to Director - Mr Kaijian Chen

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 all other purposes, the Directors be and are hereby authorised to issue up to 242,424 Shares to Mr Kaijian Chen and/or his nominee(s) in lieu of fees and otherwise on the terms and conditions set out in the Explanatory Statement that forms part of this Notice.”

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Mr Kaijian Chen or any Associates of Mr Kaijian Chen. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the 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 the directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard any votes cast on this Resolution 4 by a member of the Key Management Personnel or their Closely Related Parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote on this Resolution, with the exception that votes cast by the Chair as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

Resolution 5 – Issue of Shares to Director - Mr Phillip Campbell

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 all other purposes, the Directors be and are hereby authorised to issue up to 378,808 Shares to Mr Phillip Campbell and/or his nominee(s) in lieu of fees and otherwise on the terms and conditions set out in the Explanatory Statement that forms part of this Notice.”

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Mr Phillip Campbell or any Associate of Mr Phillip Campbell. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the 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 the directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard any votes cast on this Resolution 5 by a member of the Key Management Personnel or their Closely Related Parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote on this Resolution, with the exception that votes cast by the Chair as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 5.

Resolution 6 – Replacement of Constitution

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

“That, for the purposes of section 136(2) 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 of the document tabled at the Meeting and signed by the chairman of the Meeting for identification purposes.”

Other Business

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

DATED THIS 1st DAY OF APRIL 2020

BY ORDER OF THE BOARD



Shannon Coates
Non-Executive Director and Company Secretary

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions by post, electronic lodgement or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend, and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed, and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote an undirected proxy on Resolutions 1, 4 and 5 if the proxy is the Chair of the Meeting and the appointment expressly **authorises the Chair to exercise the undirected proxy even if Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel**. The Chair will use any such proxies to vote in favour of the Resolutions.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Meeting, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes

as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.

- To be effective, proxies must be lodged by 10:00am (WST) on 12 May 2020. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - online at www.investorvote.com.au;
 - by returning a completed proxy form in person to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001;
 - by mobile by scanning the QR Code on your proxy form and following the prompts; or
 - by faxing a completed proxy form to 1800 783 447 (within Australia) or (+61 3) 9473 2555.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10:00am (WST) on 12 May 2020. If facsimile transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5:00pm (WST) on 12 May 2020.

Voting

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on the Resolutions.

VMOTO LIMITED
ABN 36 098 455 460

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Vmoto Limited (**Company**).

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Certain capitalised terms and abbreviations used in this Explanatory Statement have defined meanings which are explained in the glossary appearing at the end of this Explanatory Statement.

ANNUAL FINANCIAL STATEMENTS - FINANCIAL YEAR ENDED 31 DECEMBER 2019

The first item of the Notice deals with the consolidated annual financial statements of the Company for the financial year ended 31 December 2019, together with the Directors' declaration and report in relation to that financial year and the auditor's report on those annual financial statements.

Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

Written questions to the Company's auditor relevant to the content of the auditor's report or the conduct of the audit of the Annual Report may be submitted to the Company no later than 9 May 2020.

RESOLUTION 1 - REMUNERATION REPORT

The Directors' report for the year ended 31 December 2019 contains a Remuneration Report which sets out the policy for the remuneration of the Directors and executives of the Company. In accordance with section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's 2019 Annual Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Annual Report and is also available on the Company's website at <http://www.vmoto.com/Corporate/Investors>

If at least 25% of the votes cast are against the adoption of the Remuneration Report at the Annual General Meeting held on 14 May 2020, and then again at the 2021 annual general meeting, the Company will be required to put a resolution to the 2021 annual general meeting, to approve calling an extraordinary general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (**spill meeting**) within 90 days of the 2021 annual general meeting. All of the Directors who were in office when the Directors' report for the 2020 financial year was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share-based compensation.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of Resolution 1.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

RESOLUTION 2 - RE-ELECTION OF DIRECTOR - MR KAIJIAN CHEN

Mr Kaijian Chen retires by rotation in accordance with Listing Rule 14.4 and clause 12.3 of the Company's Constitution, and, being eligible, offers himself for re-election.

Mr Chen has extensive experience in the motorcycle manufacturing industry in China. He was formerly vice president of Hainan Sundiro Motorcycle Co, which was the second largest motorcycle manufacturer in China at the time, which was subsequently acquired by Honda in 2001.

Mr Chen also served as vice president for Xinri E-Vehicle Co. Ltd, which is one of the largest electric two-wheel vehicle manufacturers in China at present and the first electric two-wheel vehicle enterprise in China that listed on securities exchange. Currently, Mr Chen is vice president of Changzhou Supaiqi E-Vehicle Co, Ltd, which is one of the most renowned electric vehicle manufacturers in China at present.

Mr Kaijian Chen is considered an independent director.

Board Recommendation

The Board (other than Mr Kaijian Chen) recommends Shareholders vote in favour of Resolution 2.

RESOLUTION 3 - RATIFICATION OF ISSUE OF EMPLOYEE SHARES

Background

On 17 March 2020, the Company issued 2,850,000 Shares for nil cash consideration under the Company's 15% placement capacity under Listing Rule 7.1, to employees of the Company in recognition of, and to reward, their efforts and contribution to the Company (the **Employee Share Issue**).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of the period.

The Employee Share Issue does not fall within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date of the Employee Share Issue.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issued under Listing Rule 7.1.

To this end, Resolution 3 seeks Shareholder approval to the Employee Share Issue under and for the purposes of Listing Rule 7.4.

If Resolution 3 is passed, the Employee Share Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the issue date of the Employee Share Issue.

If Resolution 3 is not passed, the Employee Share Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the issue date of the Employee Share Issue.

The securities issued, for which approval and ratification is sought under Resolution 3, comprise 1.23% of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice of Annual General Meeting).

Technical information required by ASX Listing Rule 7.5

In compliance with the information requirements of Listing Rule 7.5, the following information is provided in relation to the Employee Share Issue the subject of this Resolution:

- (a) the Shares were issued to employees of the Company, none of whom are related parties of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person;
- (b) 2,850,000 Shares were issued by the Company;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company which ranked equally with the Company's existing Shares;
- (d) the Shares were issued on 17 March 2020;
- (e) the Shares were issued for nil consideration;
- (f) the purpose of the issue was to recognise and to reward, the efforts and contribution of employees to the Company. Accordingly, no funds were raised by the issue of Shares; and
- (g) a voting exclusion statement has been included for the purposes of Resolution 3.

Board recommendation

The Board believes that the ratification of this issue is beneficial for the Company as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months. Accordingly, the Directors unanimously recommend Shareholders vote in favour of Resolution 3.

RESOLUTIONS 4 AND 5 - ISSUE OF SHARES TO DIRECTORS - MR KAIJIAN CHEN AND MR PHILLIP CAMPBELL

Background

The Company is proposing to up to 242,424 and 378,808 Shares, at the deemed prices set out in the below table, to Mr Kaijian Chen and to Mr Phillip Campbell (or their nominee(s)) (together, the **Relevant Directors**) respectively in lieu of:

- (a) in respect of Mr Chen, outstanding Directors' fees for the period between 1 May 2019 and 30 April 2020, amounting to \$40,000; and
- (b) in respect of Mr Campbell, \$50,000 of his agreed annual remuneration, (the **Director Issue**).

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 (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rule 10.1.1 - 10.1.3 (Listing Rule 10.11.4); or
- (e) a person whose relationship with the company or a person referred to in Listing Rule 10.1.1 - 10.1.3 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

The Director Issue falls within Listing Rule 10.11.1 by reason of Mr Chen and Mr Campbell being Directors of the Company and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolutions 4 and 5 seek the required Shareholder approval to the Director Issue under the purposes and for the purposes of Listing Rule 10.11

If Resolutions 4 and 5 are passed, the Company will be able to issue Shares to Mr Chen and to Mr Campbell in lieu of their outstanding Directors' fees for the period between 1 May 2019 and 30 April 2020 and agreed annual remuneration respectively. In addition, if Resolutions 4 and 5 are passed, the Director Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the issue date of the Director Issue.

If Resolutions 4 and 5 are not passed, the Company will not be able to issue Shares to Mr Kaijian Chen and to Mr Phillip Campbell in lieu of their outstanding Directors' fees for the period between 1 May 2019 and 30 April 2020 and agreed annual remuneration respectively. Accordingly, the Company will be required to pay the outstanding liability to Mr Chen and Mr Campbell in cash.

The securities issued, for which approval is sought under Resolutions 4 and 5 comprise 0.27% of the Company's fully-diluted issued capital (based on the number of Shares and Options on issue at the date of this Notice of Meeting). For the purposes of calculations, the total number of Equity Securities (including Shares and Options) on issue at the date of these calculations is 229,877,331.

As Shareholder approval is being sought under Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

Details of the Director Issue

In consideration for Mr Campbell's appointment as a non-executive Chairman and subject to Shareholder approval, the Company has agreed to pay a portion of Mr Campbell's annual remuneration in equity. Consequently, a total of \$50,000 worth of Shares per annum will be issued to Mr Campbell or his nominee(s), calculated pro rata quarterly in arrears with a deemed issue price for each tranche based on the five (5) trading day volume weighted average price (VWAP) of the Company's shares prior to the end of each relevant financial quarter.

In consideration for outstanding Directors' fees due to Mr Chen for the period between 1 May 2019 and 30 April 2020 and subject to Shareholder approval, the Company agreed to pay Mr Chen's outstanding annual remuneration in equity. Consequently, a total of \$40,000 worth of Shares will be issued to Mr Chen or his nominee(s), calculated in arrears with a deemed issue price based on the five (5) trading day VWAP of the Company's shares prior to the date of this Notice.

The following table sets out the details of proposed issue the subject of Resolutions 4 and 5:

Directors	Amount	Details of Director Fees	Number of Shares	Deemed Issue Price per Share
Kaijian Chen	\$40,000	Unpaid Director Fees for 1 May 2019 to 30 April 2020	242,424	\$0.165 ¹
Phillip Campbell	\$12,500	Portion of Director Fees valued at quarter ending 30 June 2019	125,000	\$0.100 ²
	\$12,500	Portion of Director Fees valued at quarter ending 30 September 2019	117,924	\$0.106 ³
	\$12,500	Portion of Director Fees valued at quarter ending 31 December 2019	53,648	\$0.233 ⁴
	\$12,500	Portion of Director Fees valued for quarter ending 31 March 2020	82,236	\$0.152 ⁵
Total for Mr Campbell			378,808	

¹The deemed issue price is the closing Share price of the Company's quoted Shares on ASX on the day prior to the date of this Notice.

²The deemed issue price is the 5-trading day VWAP of the Company's shares on ASX prior to 30 June 2019.

³ The deemed issue price is the 5-trading day VWAP of the Company's shares on ASX prior to 30 September 2019.

⁴The deemed issue price is the 5-trading day VWAP of the Company's shares on ASX prior to 31 December 2019.

⁵The deemed issue price is the 5-trading day VWAP of the Company's shares on ASX prior to 31 March 2020.

The Shares will be issued for no cash consideration to the Relevant Directors, as they will be issued in lieu of the payment of Directors' fees of an amount totalling \$40,000] and \$50,000 for Mr Kaijian Chen and Mr Phillip Campbell respectively. The Company will issue the Shares to the Relevant Directors at the deemed issue prices set out in the above table.

In the event Shareholder approval is not received for these proposed issues of Shares, the Company will pay the outstanding liability in cash.

Regulatory Requirements - 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.

Mr Chen and Mr Campbell are related parties of the Company by virtue of being Directors of the Company.

The Board (other than Mr Kaijian Chen in respect of Resolution 4 and Mr Phillip Campbell in respect of Resolution 5) has considered the application of Chapter 2E of the Corporations Act to the proposed issue of securities to Mr Chen and Mr Campbell and considers that the financial benefit given by such grant of such securities constitutes reasonable remuneration to Mr Chen and Mr Campbell given:

- (a) the Shares are being issued to Messrs Campbell and Chen in lieu of, and not in addition to their annual Director fees;
 - (b) the circumstances of the Company; and
 - (c) Mr Chen and Mr Campbell's respective roles and responsibilities with the Company,
- for the purposes of the exception contained in section 211(1) of the Corporations Act.

Therefore, the Company is not seeking Shareholder approval for the Director Issue pursuant to section 208 of the Corporations Act in addition to the approvals being sought under the Listing Rules for the grants of securities to Mr Chen and Mr Campbell.

Information required by Listing Rule 10.13

In compliance with the information requirements of Listing Rule 10.13, the following information is provided in relation to the Director Issue the subject of Resolutions 4 and 5:

- (a) the Shares will be issued to Mr Kaijian Chen and Mr Phillip Campbell, and/or their nominees, as noted above;
- (b) Mr Kaijian Chen and Mr Phillip Campbell are related parties of the Company by virtue of being directors of the Company and are accordingly captured under Listing Rule 10.11.1;
- (c) the number of Shares to be issued is 621,232 with:
 - (i) 242,424 to be issued to Mr Kaijian Chen pursuant to Resolution 4; and
 - (ii) 378,808 to be issued to Mr Phillip Campbell pursuant to Resolution 5;
- (d) the Shares to be issued will be fully paid ordinary shares in the capital of the Company which rank equally with the Company's existing Shares
- (e) the Shares will be issued on one date which will be no later than one (1) month after the date of this Meeting, or such later date as approved by ASX;
- (f) the Shares will be issued at the deemed issue prices set out above in the table in this Explanatory Statement;
- (g) no funds will be raised from the issue of the Shares as the Shares to be issued under Resolutions 4 and 5 are being issued in lieu of Director's fees;
- (h) details of the current remuneration package for Mr Kaijian Chen and Mr Phillip Campbell are as follows:

Director	Current Remuneration Package				
	Base Salary & Fees	Superannuation (if applicable)	Share based payments	Bonus	Total Salary and Fees
Mr Kaijian Chen	-	-	\$40,000	N/A	\$40,000
Mr Phillip Campbell	\$50,000	\$5,000-	\$50,000	N/A	\$105,000

- (i) the Company has agreed, subject to Shareholder approval, to pay a portion of Mr Campbell's annual remuneration and Mr Chen's outstanding annual remuneration in equity as detailed above; and

(j) a voting exclusion statement has been included for the purposes of Resolutions 4 and 5.

Board recommendation

The Directors (other than Mr Kaijian Chen) recommend that Shareholders vote in favour of Resolution 4. Mr Kaijian Chen declines to make a recommendation about Resolution 4 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed issue of Shares to him or his nominee(s).

The Directors (other than Mr Phillip Campbell) recommend that Shareholders vote in favour of Resolution 5. Mr Phillip Campbell declines to make a recommendation about Resolution 5 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed issue of Shares to him or his nominee(s).

RESOLUTION 6 - REPLACEMENT OF CONSTITUTION

General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 6 seeks the approval of Shareholders to repeal the Company's existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated.

The Proposed Constitution incorporates amendments the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2015. Given the length of time since last approved, the Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution and many of the changes are administrative or minor in nature. The Directors believe these amendments are not material nor will they have any significant impact on Shareholders.

It is not practicable to list all the changes to the Constitution in detail however many of the proposed changes in detail in this Explanatory Statement, however a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary.

Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 6 is 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).

Summary of material proposed changes

(a) Restricted Securities (article 26)

ASX introduced a number of changes to the escrow regime in the Listing Rules in December 2019 to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient for issuers and for ASX.

Amongst these, ASX introduced a two-tier escrow regime where ASX can and will require certain more significant holders of Restricted Securities (as defined by the Listing Rules) and their controllers to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX now permits entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of Restricted Securities and to simply give a notice to the holder of Restricted Securities in the form of a new Appendix 9C advising them of those restrictions.

Under article 26 of the Proposed Constitution, holders of Restricted Securities will be taken to have agreed in writing that those Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the applicable escrow period. Holders of Restricted Securities will also not be entitled to participate in any return of capital on those Securities during the applicable escrow period, except as permitted by the Listing Rules or ASX.

(b) Minimum Shareholdings (article 27)

Article 27 of the Proposed Constitution outlines how the Company can manage shareholdings which represent "less than a marketable parcel" of Shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time (**Minimum Shareholding**).

The Proposed Constitution is in line with the requirements for dealing with Minimum Shareholdings outlined in the Corporations Act and Listing Rules such that where the Company elects to undertake a sale of Minimum Shareholdings, the Company is only required to give one notice to holders of Minimum Shareholdings to elect to retain their shareholding before the Minimum Shareholdings can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 27 of the Proposed Constitution outlines in detail the process that the Company must follow for dealing with Minimum Shareholdings.

(c) Direct Voting (article 11.17)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

(d) Partial (proportional) takeover provisions (article 9)

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

While the original Constitution included a provision regarding proportional takeover bids, this provision ceased to have effect on 22 April 2018.

Information required by section 648G of the Corporations Act

(a) Effect of proposed proportional takeovers provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(b) Reasons for proportional takeovers provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(c) Knowledge of any acquisition proposals

As at the date of this Notice, other than as disclosed in this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(d) Potential advantages and disadvantages of proportional takeovers provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

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

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;

- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (v) proportional takeover bids may be discouraged;
- (vi) lost opportunity to sell a portion of their Shares at a premium; and
- (vii) the likelihood of a proportional takeover bid succeeding may be reduced.

(e) Recommendation of the Board

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 provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

"**Annual General Meeting**" or "**Meeting**" means the annual general meeting the subject of the Notice;

"**Annual Report**" means the annual report of the Company for the financial year ended 31 December 2019;

"**Associate**" has the meaning set out in the Corporations Act except that a reference to "Associate" in relation to a Listing Rule has the meaning given to it in the note to Listing Rule 14.11.

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of Directors of the Company;

"**Chair**" means the chair of the Annual General Meeting;

"**Closely Related Party**" has the meaning given to that term in the Corporations Act;

"**Company**" means Vmoto Limited ABN 36 098 455 460;

"**Constitution**" means the constitution of the Company;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Director**" means a director of the Company;

"**Equity Securities**" has the meaning given to that term in the Listing Rules;

"**Explanatory Statement**" means this Explanatory Statement accompanying this Notice;

"**Key Management Personnel**" has the meaning given in the Corporations Act;

"**Listing Rules**" means the Listing Rules of the ASX;

"**Notice**" or "**Notice of Meeting**" means this notice of annual general meeting;

"**Option**" means an option to subscribe for a Share;

"**Related Party**" has the meaning given to that term in the Corporations Act;

"**Relevant Directors**" means, for the purposes of Resolutions 4 and 5, Mr Kaijian Chen and Mr Phillip Campbell respectively;

"**Remuneration Report**" means the remuneration report set out in the Director's report section of the Company's Annual Report.

"**Resolution**" means a resolution the subject of the Notice;

"**Restricted Voter**" means Key Management Personnel and their Closely Related Parties;

"**Share**" means an ordinary fully paid share in the issued capital of the Company;

"**Shareholder**" means a shareholder of the Company;

"**Trading Day**" means a day determined by ASX to be a trading day in accordance with the Listing Rules;

"**VWAP**" volume weighted average price; and

"**WST**" means Australian Western Standard Time.



Vmoto Limited
ABN 36 098 455 460



Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (WST) Tuesday, 12 May 2020.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 183686

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Vmoto Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

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 at the meeting on my/our behalf and 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 Vmoto Limited to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on Thursday, 14 May 2020 at 10:00am (WST) 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 Resolutions 1, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 4 and 5 by marking the appropriate box in step 2.

Step 2 Items of Business

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

	For	Against	Abstain
1 Non-Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Director – Mr Kaijian Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of Issue of Employee Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Shares to Director - Mr Kaijian Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Shares to Director - Mr Phillip Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

