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**QUICKFLIX LIMITED**

**ACN 102 459 352**

**NOTICE OF GENERAL MEETING**

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**TIME:** 2.30pm (WST)

**DATE:** Monday, 24 August 2015

**PLACE:** Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia

**This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.**

**Should you wish to discuss the matters in this Notice of General Meeting please do not hesitate to contact the Company Secretary on +61 8 9347 4900.**

**QUICKFLIX LIMITED**  
**ACN 102 459 352**  
**NOTICE OF GENERAL MEETING**

Notice is hereby given that the General Meeting of the Shareholders of Quickflix Limited ("Quickflix" or "the Company") will be held as follows:

**TIME: 2.30pm (WST)**

**DATE: Monday, 24 August 2015**

**LOCATION: Conference Room, Ground Floor, BGC Centre, 28 The Esplanade,  
Perth, Western Australia**

**This Notice of General Meeting should be read in its entirety.  
If Shareholders are in doubt as to how they should vote, they should seek advice from their  
professional advisers without delay.**

**If you wish to discuss any aspects of this document with the Company, please contact  
the Company Secretary on +61 8 9347 4900.**

Words and phrases used in the Resolutions are defined in Section 6 of the accompanying Explanatory Statement and these words and phrases have the same meaning in this Notice of General Meeting as defined in the Explanatory Statement.

## **AGENDA**

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### **BUSINESS OF THE MEETING**

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#### **Resolution 1: Ratification of Share Placement**

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

**"That pursuant to ASX Listing Rule 7.4, the issue on 29 August 2014 of 2,700,000 Shares at an issue price of \$0.01 per Share on the terms and conditions set out in the Explanatory Statement be ratified."**

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### **Resolution 2: Ratification of Share Placement**

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

**“That pursuant to ASX Listing Rule 7.4, the issue on 24 November 2014 of 50,000,000 Shares at an issue price of \$0.003 per Share on the terms and conditions set out in the Explanatory Statement be ratified.”**

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### **Resolution 3: Ratification of Issue of Preference Shares to StreamCo Media Pty Limited**

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

**“That pursuant to ASX Listing Rule 7.4, the issue on 1 May 2015 of 917,385 Preference Shares issued to StreamCo Media Pty Limited on the terms and conditions set out in the Explanatory Statement be ratified.”**

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by StreamCo Media Pty Limited and an Associate of StreamCo Media Pty Limited. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### **Resolution 4: Ratification of Share Placement**

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

**“That pursuant to ASX Listing Rule 7.4, the issue on 28 May 2015 of 387,344,222 Shares at an issue price of \$0.002 per Share on the terms and conditions set out in the Explanatory Statement be ratified.”**

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of General Meeting for further explanation of the Resolutions.

## PROXIES

Members are encouraged to attend the meeting, but if you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is 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.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- delivering it or posting it to Quickflix Limited, Suite 40, 460 Stirling Highway, Cottesloe, Western Australia 6011; or
- faxing it to the Company on facsimile number +61 8 9347 4901; or
- emailing it to the Company at [investors@quickflix.com.au](mailto:investors@quickflix.com.au).

To be effective, a Proxy Form and, if the Proxy Form is signed by the shareholder's attorney, the authority under which the appointment is signed (or a certified copy of that authority) must be received by the Company not later than 48 hours before the time specified for the commencement of the General Meeting.

## CORPORATE REPRESENTATIVES

A body corporate that is a Shareholder, or which has been appointed as proxy, may appoint an individual to act as its representative at the General 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, unless it has previously been given to the Company.

## DATE FOR DETERMINING HOLDERS OF SHARES

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have set a date to determine the identity of those entitled to attend and vote at the General Meeting. For the purposes of determining voting entitlements at the General Meeting, Shares will be taken to be held by the persons who are registered as holding at 2.30pm (WST) on 22 August 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Dated this 23 July 2015

By order of the Board



Susan Hunter  
Company Secretary

**QUICKFLIX LIMITED**  
**ACN 102 459 352**

**EXPLANATORY STATEMENT TO SHAREHOLDERS**

**1. ACTION TO BE TAKEN BY SHAREHOLDERS**

This Explanatory Statement sets out information about the Resolutions to be considered by the Shareholders at the General Meeting. Defined terms used in this Explanatory Statement are set out in Section 6. Accompanying this Explanatory Statement is the Notice of General Meeting convening the General Meeting and a Proxy Form.

Shareholders are encouraged to attend and vote on the Resolutions to be put to the General Meeting. If a Shareholder is not able to attend and vote at the General Meeting, the Shareholder may complete the Proxy Form and return it not later than 48 hours before the time specified for the commencement of the General Meeting.

**2. RESOLUTION 1 – RATIFICATION OF SHARE PLACEMENT**

On 29 August 2014, the Company issued 2,700,000 Shares in the capital of the Company at an issue price of \$0.01 per Share to raise approximately \$27,000 (before costs).

The Company issued these Shares under its available placement capacity pursuant to Listing Rule 7.1.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the 2,700,000 Shares at \$0.01 per share issued on 29 August 2014 pursuant to Listing Rule 7.1.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

This placement of Shares was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 1:

**Number of Shares Issued:** 2,700,000 Shares.

**Issue Price:** \$0.01 per Share.

**Terms:** The Shares rank equally in all respects with the existing Shares on issue.

**Allottees:** The Shares were issued to existing Shareholders pursuant to section 708 of the Corporations Act. The allottees were not Related Parties of the Company.

**Use of Funds:** The funds raised from this issue of shares have been applied to working capital as well as investment in content and marketing.

**Date of Issue:** 29 August 2014.

**Voting Exclusion:** An appropriate voting exclusion statement is included in the Notice of General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

### 3. RESOLUTION 2 – RATIFICATION OF SHARE PLACEMENT

On 24 November 2014, the Company issued 50,000,000 Shares in the capital of the Company at an issue price of \$0.003 per share in consideration for corporate advisory services to be provided to the Company.

The Company issued these Shares under its available placement capacity pursuant to Listing Rule 7.1.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the 50,000,000 Shares at \$0.003 per share issued on 24 November 2014 pursuant to Listing Rule 7.1.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

This issue of Shares was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 2:

**Number of Shares Issued:** 50,000,000 Shares.

**Issue Price:** \$0.003 per Share.

**Terms:** The Shares rank equally in all respects with the existing Shares on issue.

**Allottees:** The Shares were issued to the Company's corporate advisor. The allottee was not a Related Party of the Company.

**Use of Funds:** The Shares were issued in consideration for corporate advisory services and consequently no funds were raised by the issue.

**Date of Issue:** 24 November 2014.

**Voting Exclusion:** An appropriate voting exclusion statement is included in the Notice of General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

### 4. RESOLUTION 3: RATIFICATION OF ISSUE OF PREFERENCE SHARES

On 1 May 2015 the Company issued 917,385 Preference Shares to StreamCo Media Pty Limited ("StreamCo") as consideration for accumulated dividends owed to StreamCo for the March 2015 quarter.

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of 917,385 Preference Shares to StreamCo on 1 May 2015.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

This issue of Preference Shares was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 3:

**Number of Shares Issued:** 917,385 Preference Shares.

**Issue Price:** \$0.12 per Preference Share.

**Allottees:** The Preference Shares were issued to StreamCo who is not a Related Party of the Company.

**Terms:** The terms and conditions of the Preference Shares are attached as Annexure A.

**Intended Use of Funds:** The Preference Shares were issued in satisfaction of dividends owed to StreamCo for the March 2015 quarter and consequently no funds were raised by the issue.

**Date of Issue:** 1 May 2015.

**Voting Exclusion:** An appropriate voting exclusion statement is included in the Notice of General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

## 5. RESOLUTION 4 – RATIFICATION OF SHARE PLACEMENT

On 28 May 2015, the Company issued a total of 387,344,222 Shares in the capital of the Company at an issue price of \$0.002 per Share raising approximately \$775,000 (before costs). The Company issued 210,959,579 Shares under its available placement capacity pursuant to Listing Rule 7.1 and issued 176,384,643 Shares under its available placement capacity pursuant to Listing Rule 7.1A.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the 387,344,222 Shares at \$0.002 per share issued on 28 May 2015 pursuant to Listing Rule 7.1 and 7.1A.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares 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 their issued capital through placements over a 12 month period after the Annual General Meeting at which Shareholders approve such issue in addition to the Company's 15% placement capacity under Listing Rule 7.1. On 24 October 2014 the Company received Shareholder approval at its 2014 Annual General Meeting by special resolution to have the ability to issue equity securities under the additional 10% placement capacity.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 or 7.1A is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1 or 7.1A; and
- Shareholders subsequently approve it.

The placement of 210,959,579 Shares was within the Company's 15% limit and the placement 176,384,643 Shares was within the Company's additional 10% placement capacity and subsequent approval under Listing Rule 7.4 is now being sought.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 4:

**Number of Shares Issued:** 387,344,222 Shares. 210,959,579 Shares were issued pursuant to the Company's Listing Rule 7.1 15% placement capacity and 176,384,643 Shares were issued pursuant to the Company's additional Listing Rule 7.1A 10% placement capacity.

**Issue Price:** \$0.002 per Share. The issue price was greater than 75% of the VWAP of Shares calculated over the 15 Trading Days immediately before the date on which the price at which the Shares were issued was agreed as required under Listing Rule 7.1A.3. 75% of the 15 Trading Day VWAP was \$0.0018.

**Terms:** The Shares rank equally in all respects with the existing Shares on issue.

**Allottees:** The Shares were issued to professional and sophisticated investors pursuant to section 708 of the Corporations Act. The allottees were not Related Parties of the Company.

**Use of Funds:** The funds raised from this issue of shares have been applied to the continued development of the Company's streaming service and working capital.

**Date of Issue:** 28 May 2015.

**Voting Exclusion:** An appropriate voting exclusion statement is included in the Notice of General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

## 6. DEFINITIONS

In this Explanatory Statement:

**\$** means Australian dollars.

**Associate** has the meaning set out in sections 11 to 17 of the Corporations Act.

**ASX** means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

**Board** means the Board of Directors of the Company.

**Company** or **Quickflix** means Quickflix Limited, ACN 102 459 352.

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

**Director** means a director of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of General Meeting.

**General Meeting** means the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice of General Meeting.

**Listing Rules** means the listing rules of the ASX.

**Notice of General Meeting or Notice** means the notice convening the General Meeting accompanying this Explanatory Statement.

**Preference Share** means a fully paid redeemable convertible preference share in the capital of the Company issued on the terms set out in Annexure A to this Explanatory Statement.

**Proxy Form** means the form of proxy accompanying this Notice of General Meeting.

**Related Party** means a party so defined by section 228 of the Corporations Act.

**Resolution** means a resolution proposed to be passed at the General Meeting and contained in the Notice of General Meeting.

**Section** means a section of this Explanatory Statement.

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

**Shareholder** means a person entered in the Company's register as a holder of a Share.

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

**VWAP** means the volume weighted average price.

**WST** means Western Standard Time.



## ANNEXURE A

### TERMS AND CONDITIONS OF THE REDEEMABLE CONVERTIBLE PREFERENCE SHARES

#### 1 Terms of issue

- (a) These terms set out the terms of Preference Shares and Options which may be issued by the Issuer from time to time.
- (b) Each Preference Share will be issued as fully paid at an issue price of \$0.12 (**Issue Price**).

#### 2 Dividends

##### 2.1 Dividends

Subject to clause 2.3, each Preference Share entitles the Holder on the relevant Record Date to receive on the relevant Dividend Payment Date, a dividend for the Dividend Period ending on that Dividend Payment Date (**Dividend**), calculated according to the following formula:

$$\text{Dividend} = \frac{\text{DR} \times (\text{IP} + \text{UD}) \times n}{365}$$

where:

**DR** = 4.0%

**IP** = issue price of the Preference Shares of the Holder (\$0.12 per Preference Share)

**UD** = any Dividend on a Preference Share which remain unpaid as at that Dividend Payment Date

**n** = number of days in that Dividend Period

##### 2.2 Cumulative

- (a) The right to be paid Dividends on a Preference Share is cumulative such that if all or any part of a Dividend is not paid on the relevant Dividend Payment Date due to the application of clause 2.3 or otherwise, then the unpaid amount of that Dividend (**Unpaid Dividend**) will be payable as a Dividend on the next Dividend Payment Date (to the extent that it may then be paid in accordance with clause 2.3).
- (b) The Issuer must pay all Dividends which have accumulated, before paying any dividends to holders of Shares.

##### 2.3 Condition to the payment of Dividends

The payment of a Dividend is subject to that payment not being in breach of any applicable law.

##### 2.4 Method of paying Dividends

- (a) Subject to clause 2.4(b), the Issuer will pay the Dividend by the issue of additional Preference Shares to the Holder, at an issue price of \$0.12 per Preference Share.
- (b) If a Holder would, on conversion of all Preference Shares, have voting power (as defined in the Corporations Act) of greater than 20%, the Issuer must pay the Dividend to that Holder in cash if requested to do so by the Holder.
- (c) If the Issuer does not have sufficient cash to pay the amount of the Dividend to the Holder, the Holder and the Issuer may agree that the amount of the Dividend will be treated as a loan from the Holder to the Issuer on the terms set out in clause 2.5.

##### 2.5 Loan terms

- (a) The loan will be repayable on the earlier of:
  - (i) the date which is 12 months after the date on which it is incurred; and
  - (ii) the date on which a Liquidation Event occurs;
 or such longer period (not to exceed 10 years) as agreed by the Holder, by a payment in Immediately Available Funds.
- (b) Until the loan is repaid, the Issuer may not, without the prior written consent of the Holder:
  - (i) pay or declare any dividends on the Shares
  - (ii) return capital to any shareholder, by a buy-back, capital return or any other method;
  - (iii) grant security over any of its assets; or
  - (iv) incur any borrowings except in the ordinary course of business.
- (c) The loan will accrue interest at the rate of 12% per annum.
- (d) The accrued interest shall be paid to the Holder quarterly in arrears on each of 31 March, 30 June, 30 September and 31 December, and on the date on which the loan is repaid. Any interest which is not paid when due will be added to the principal amount due to the Holder and will accrue interest from the date on which it is due for payment to the Holder.
- (e) For the avoidance of doubt, the Issuer may repay the loan in full (including accrued and unpaid interest) at any time prior to the date referred to in paragraph (a) without penalty.

### **3 Conversion**

#### **3.1 Right to convert**

- (a) At any time, the Holder may elect in its discretion to require the Issuer to convert some or all of the Preference Shares held by that Holder by giving the Issuer a Conversion Notice in accordance with clause 3.1(b).
- (b) A Conversion Notice for the purposes of clause 3.1(a) must:
  - (i) be in writing;
  - (ii) if less than all of the Preference Shares are to be converted, state the proportion or number of those Preference Shares to be converted; and
  - (iii) be accompanied by all certificates (if any) for that Holder's Preference Shares that are converted.
- (c) The Issuer must convert the Preference Shares in accordance with clause 3.3, within 5 Business Days of receipt of a Conversion Notice.

#### **3.2 Mandatory conversion**

- (a) Subject to clause 3.2(b), at any time which is at least 36 months after first issue of the Preference Shares, the Issuer may notify in writing the Holder that all of the Preference Shares will be converted, on a date which is specified in the notice.
- (b) The Issuer may not give a notice under clause 3.2(a) unless the VWAP has been greater than the Trigger Price for at least 30 consecutive Trading Days the last of which occurred no more than 10 Business Days before the date of the notice.
- (c) Where the Issuer gives a notice under clause 3.2(a), the Preference Shares will be converted on the date which is:
  - (i) 60 days after the notice is given, if conversion of the Preference Shares will not result in the Holder having voting power of greater than 20% in the Issuer; or
  - (ii) 30 days after shareholder approval is obtained for the issue of Shares to the Holder on conversion, for the purposes of section 611 of the Corporations Act provided that the VWAP is greater than the Trigger Price in the 3 Trading Days before the conversion will take effect.
- (d) For the avoidance of doubt, a mandatory conversion of Preference Shares does not affect the terms on which any Options may be exercised.

#### **3.3 Issue of Shares and Options on conversion**

- (a) On the date when Preference Shares must be converted under clause 3.1 or 3.2, the Issuer must:
  - (i) issue one Share to the Holder for every Preference Share which is converted;
  - (ii) issue one Option to the Holder, for every five Preference Shares which are converted (such Options to be exercisable according to their terms under clause 5);
  - (iii) give the Holder a new certificate for any remaining Preference Shares (if some but not all of the Preference Shares have been converted); and
  - (iv) give the Holder a certificate evidencing ownership of the Options.
- (b) The Shares will, upon their issue, rank equally with, and have the same voting rights, dividend rights and other entitlements as the other Shares.

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### **4 Redemption on a Liquidation Event**

#### **4.1 Redemption**

- (a) Subject to this clause 4 and any applicable law, the Issuer must redeem each Preference Share for the Redemption Amount.
- (b) A Redemption may be effected in any manner permitted by law.

#### **4.2 Redemption Notice**

- (a) The Issuer must promptly notify each Holder if a Liquidation Event occurs.
- (b) Within 40 Business Days of receipt by the Holder of a notice of a Liquidation Event, the Holder may elect in its discretion to require the Issuer to redeem some or all of the Preference Shares held by that Holder by giving the Issuer a Redemption Notice in accordance with clause 4.2(c).
- (c) A Redemption Notice for the purposes of clause 4.2(b) must:
  - (i) be in writing;
  - (ii) state the date on which the Redemption is to occur;
  - (iii) if less than all of the Preference Shares are to be redeemed, state the proportion or number of those Preference Shares to be redeemed;

- (iv) be given to the Issuer at least 10 Business days prior to the Redemption Date stated in that Redemption Notice; and
- (v) be accompanied by all certificates (if any) for that Holder's Preference Shares that are redeemed.

#### **4.3 Redemption Amount**

The amount payable by the Issuer to the Holder on Redemption of a Preference Share will be equal to the Issue Price for that Preference Share plus any Dividends which have accrued but have not been paid by the Issuer to the Holder (**Redemption Amount**).

#### **4.4 Effect of Redemption**

Upon the payment of the Redemption Amount:

- (a) each Preference Share that is the subject of redemption will be immediately cancelled; and
- (b) all other rights conferred or restrictions imposed under these terms in respect of each Preference Share that is the subject of redemption will no longer have effect.

#### **4.5 Buy-back or reduction of capital**

- (a) If the Issuer does not have sufficient available profits or sufficient available proceeds from a new issue of shares to redeem the relevant Preference Shares when required to do so, then the Issuer must cancel the relevant Preference Shares under a reduction of capital or a share buy-back under Part 2J.1 of the Corporations Act for an amount equal to the Redemption Amount.
- (b) Where the Issuer cancels Preference Shares under a reduction of capital or a share buy-back in accordance with clause 4.5(a), the cancellation shall, subject to compliance with the Corporations Act, take place on, or as soon as reasonably practicable after, the Redemption Date.

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## **5 Option terms**

The Options entitle the Holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option entitles the holder to subscribe for one (1) Share upon the payment of \$0.12 per Share subscribed for on or before the date that is 3 years after the date the Option is issued (subject to paragraph 5(c) and 5(e)).
- (b) Holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option, unless the Holder exercise the Option before the applicable record date.
- (c) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Issuer, the Options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (d) If there is a bonus share issue to the holders of Shares (either before or after the issue of the Options), the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Holder would have received if the Option had been exercised before the record date for the bonus issue.
- (e) If there is a pro rata issue to holders of Shares (other than a bonus issue) either before or after the issue of the Options, the exercise price of an Option may be varied in accordance with ASX Listing Rule 6.22.
- (f) The Options shall be exercisable by the delivery to the Issuer of a notice in writing stating the intention of the Holder to exercise all or a specified number of Options held by them accompanied by an Option Certificate and payment to the Issuer for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the Holder to the balance of the Options held by it.
- (g) The Issuer must issue Shares within 5 Business Days of receipt of payment of any exercise moneys from a Holder and, if necessary, arrange for the issue of a new option certificate in respect of any remaining Options of that Holder. Clause 6 will apply following the exercise of any Options.
- (h) The Shares will, upon their issue, rank equally with, and have the same voting rights, dividend rights and other entitlements as the other Shares.

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## **6 Obligation following conversion or exercise**

Immediately following conversion of any Preference Shares or on exercise of any Options, the Issuer must:

- (a) apply for and use its best endeavours to obtain quotation of the Shares by ASX;
- (b) notify ASX:

- (i) that the Shares were issued without disclosure to the Holder under Part 6D.2 of the Corporations Act;
  - (ii) that the notification is being given under sub-section 708A(5)(e) of the Corporations Act;
  - (iii) that, as at the date of the notice, the Issuer has complied with:
    - (A) the provisions of Chapter 2M of the Corporations Act as it applies to the Issuer; and
    - (B) section 674 of the Corporations Act; and
  - (iv) of any "excluded information" (within the meaning of sub-sections 708A(7) and (8) of the Corporations Act) as at the date of the notice; and
- (c) deliver to the Holder (or, if applicable, the Holder's nominee), a CHESS holding statement or issuer-sponsored holding statement for the Shares.
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## **7 Payments**

### **7.1 Manner of payments to Holders**

Any money payable in respect of any Preference Share may be paid by:

- (a) cheque in favour of the Holder, crossed "Not Negotiable" and sent to the registered address of the Holder; or
- (b) any method requested by the Holder and approved by the Issuer; or
- (c) to such account as nominated by the Holder 2 Business Days prior to the Redemption Date or Dividend Payment Date.

### **7.2 Deductions**

If the Issuer is required by law to deduct or withhold Taxes from a payment to a Holder in respect of a Preference Share, the Issuer must increase the amount payable to the Holder, so that, after deduction or withholding the amount of any such Taxes, the amount received by the Holder is the amount payable under these Terms of Issue.

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## **8 Ranking for payment**

With respect to amounts to be paid or repaid in respect of Preference Shares under these Terms of Issue (including dividends and capital amounts payable on redemption), Preference Shares will:

- (d) rank equally among themselves; and
  - (e) rank senior to all other Securities issued by the Issuer, whether issued before or after the date of issue of the Preference Shares.
- 

## **9 Meetings and voting rights**

### **9.1 Voting rights**

- (a) A Preference Share does not confer on a Holder any right to attend or vote at any general meeting of the Issuer except:
  - (i) as permitted by Listing Rule 6.3 of the ASX Listing Rules; or
  - (ii) where a resolution is proposed for, or in relation to, any amendment to these Terms of Issue, in which case a Holder shall be entitled to vote only upon such resolution and (in relation only to a vote at a general meeting of the Issuer, if present in person or by proxy) shall have one vote in respect of each Preference Share it holds.
- (b) A Preference Share confers on a Holder a right to be given copies of all documents sent by the Issuer to its members (whether in connection with a general meeting of members or otherwise).

### **9.2 Class rights**

Without prejudice to clause 9.1, to the extent that a resolution seeks to vary or cancel any of these Terms of Issue, that variation is not effective unless Holders with at least 75% of the Preference Shares consent to that variation at a duly called meeting of the Holders or by circular resolution of the Holders.

### **9.3 Restrictions on Issuer**

The Issuer agrees that it will not:

- (a) vary any term of the Constitution without the prior consent of the Holders of at least 75% of the Preference Shares (either in writing or at a duly convened meeting of the Holders) to the terms of the variation; or
- (b) issue or agree to issue any class of security which will rank pari passu or in priority to the Preference Shares with respect to dividends, rights on a Liquidation Event or rights on a winding up of the Issuer, without the prior consent of the Holders of at least 75% of the

Preference Shares (either in writing or at a duly convened meeting of the Holders) to the terms of the issue.

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**10 Transfer of Preference Shares and Options**

The Holder may transfer all or a portion of the Preference Shares and Options by giving a notice, in a form approved by the Issuer, acting reasonably, signed by or on behalf of the Holder

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**11 Set off**

The Issuer has no right to set off any amounts owing by it to any Holder against any claims owing to it by such Holder in respect of the Preference Shares.

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**12 Amendment**

An amendment to the Terms of Issue may only be made if it has been approved by a special resolution of the Holders at a meeting held in accordance with the requirements of the Constitution and the Corporations Act or by a circular resolution of Holders signed by Holders of at least 75% of the Preference Shares.

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**13 Governing law**

These Terms of Issue are governed by the law in force in the State of New South Wales, Australia.

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**14 Definitions and interpretation**

**14.1 Definition**

In these Terms of Issue:

**ASX** means ASX Limited ACN 008 624 691 and, where the context requires, includes the market operated by it.

**Board** means the board of directors of the Issuer.

**Constitution** means the constitution of the Issuer.

**Conversion Notice** means a notice issued under clause 3.1(b).

**Dividend** means a dividend payable on the Preference Shares.

**Dividend Payment Date** means the date which is 10 Business Days after the end of a Dividend Period.

**Dividend Period** means each period of 3 months ending on 31 March, 30 June, 30 September and 31 December.

**Holder** means the registered holder of a Preference Share or an Option

**Immediately Available Funds** means cash, bank cheque or electronic funds transfer.

**Insolvency Event** means the occurrence of any one or more of the following events in relation to any person:

- (f) an application is made to a court for an order, or an order is made, that it be wound up, declared bankrupt or that a provisional liquidator or receiver or receiver and manager be appointed;
- (a) a liquidator or provisional liquidator is appointed;
- (b) it enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors, in each case other than to carry out a reconstruction or amalgamation while solvent;
- (c) a notice is issued under sections 601AA or 601AB of the Corporations Act; or
- (d) anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the events set out in the above paragraphs of this definition.

**Issue Price** means \$0.12 per Preference Share.

**Issuer** means Quickflix Limited ABN 62 102 459 352

**Liquidation Event** means:

- (g) any Insolvency Event occurs in relation to the Issuer;
- (h) any sale, lease or other transfer of substantially all of the Issuer's assets, in one or a series of transactions;
- (i) any merger, consolidation or similar business combination transaction, in which the Issuer becomes a subsidiary of another entity;
- (j) any change in the majority of the members of the Board, unless the replacement directors were nominated by the majority of the Board, immediately before that change occurred; or
- (k) any person (other than a Holder) acquires voting power (as defined in the Corporations Act) in the Issuer of more than 51%, provided the Holder gives notice to the Issuer within 30 Business Days of receiving notice in writing from the Issuer of the acquisition of that voting power.

**Option** means an option to subscribe for one Share.

**Preference Share** means a convertible, redeemable preference share issued by the Issuer.

**Redemption Amount** has the meaning given in clause 4.3.

**Redemption Notice** means a notice given in accordance with clause 4.2(b).

**Share** means a fully paid ordinary share of the Issuer.

**Trading Day** means a day on which the ASX is open for trading.

**Trigger Price** means \$0.15 per Share, adjusted on a pro rata basis if the issued capital of the Issuer is consolidated or if the Issuer undertakes a capital reduction or buy-back before conversion of the Preference Shares.

**VWAP** means the daily volume weighted average market price per Share on ASX, to be calculated including all trades on ASX's trading platform including the closing single price auction, but excluding all off-market trades including but not limited to transactions defined in the ASX Operating Rules as special crossings, crossings prior to the commencement of the open session state, crossings during overnight trading, overseas trades, trades pursuant to the exercise of options over Shares and any other trades that the Issuer and the Holder agree to exclude on the basis that the trades are not fairly reflective of supply and demand.

## 14.2 Interpretation

In these terms the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of these terms;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
  - (i) a person includes a natural person, partnership, joint venture, Government Agency, association, corporation or other body corporate;
  - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
  - (iii) a party includes its successors and permitted assigns;
  - (iv) a document includes all amendments or supplements to that document;
  - (v) a clause, term, schedule or attachment is a reference to a clause or term of, or schedule or attachment to these terms;
  - (vi) these terms include all schedules and attachments to them;
  - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
  - (viii) an agreement includes an undertaking or legally enforceable arrangement or understanding, whether or not in writing; and
  - (ix) a monetary amount is in Australian dollars;
- (g) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (h) in determining the time of day, where relevant to these terms, the relevant time of day is:
  - (i) for the purposes of giving or receiving notices, the time of day where the person receiving a notice is located; or
  - (ii) for any other purpose under these terms, the time of day in the place where the person required to perform an obligation is located.

**QUICKFLIX LIMITED**  
**ACN 102 459 352**  
**PROXY FORM**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**SRN / HIN:** \_\_\_\_\_

**Appointment of a proxy**

I/We being a member(s) of Quickflix Limited hereby appoint:

\_\_\_\_\_  
(Write here the name of the person you are appointing)

or failing the person named, or if no person is named, the Chairman as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Quickflix Limited to be held at the Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia at 2.30pm on Monday, 24 August 2015 and at any adjournment of that meeting.

**IMPORTANT - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default and you do not mark any of the boxes below you are expressly authorising and directing the Chairman of the Meeting to exercise your proxy on that Resolution in accordance with the Chairman's voting intentions.**

The Chairman of the Meeting intends to vote all non-directed proxies in favour of all Resolutions.

**Votes on items of business**

(Voting directions to your proxy – please mark **X** to indicate your directions)

		FOR	AGAINST	ABSTAIN*
<b>Resolution 1</b>	Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>	Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	Ratification of Issue of Preference Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b>	Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

**Appointment of a second proxy**

If two proxies are being appointed, the proportion of voting rights this proxy represents is  %.

**Authorised signature(s)**

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

**INDIVIDUAL/SECURITY HOLDER 1**

Individual/Sole Director and  
Sole Company Secretary

**SECURITY HOLDER 2**

Director

**SECURITY HOLDER 3**

Director/Company Secretary

**Contact Details**

**Contact Email address**

**Contact Telephone Number**

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# Voting By Proxy - How to complete the Proxy Form

## Your Name, Address and Shareholder Details

Please complete your name and address as it appears on the share register of Quickflix Limited. Please also include your SRN or HIN.

## Appointment of a Proxy

Please write the name of that person you wish to appoint as proxy in the space indicated. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy and vote on your behalf. A proxy need not be a shareholder of Quickflix Limited.

## Votes on Items of Business

You may direct your proxy how to vote by placing a mark one of the three boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy will vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

## Appointment of a Second Proxy

If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must state the percentage of your voting rights on each of the first Proxy Form and the second Proxy Form and return both forms.

## Authorised Signature/s

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

- Joint Holding in the case of joint holders the Proxy Form must be signed by all holders.
- Power of Attorney if signed under a Power of Attorney, you must have already lodged it with the Company, or alternatively, attach the Power of Attorney or a copy 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 the sole Secretary can also sign. Please indicate the office held by signing in the appropriate space.

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## Lodgement of Proxy Form

This Proxy Form and any Power of Attorney or other authority under which it is signed (or a copy or facsimile which appears on its face to be an authentic copy of the proxy, power or authority) must be received **no later than 48 hours before the commencement of the meeting**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

### Documents may be lodged by:

- delivering or posting to Quickflix Limited, Suite 40, 460 Stirling Highway, Cottesloe WA 6011; or
- faxing to the Company on facsimile number +61 8 9347 4901; or
- emailing to the Company at [investors@quickflix.com.au](mailto:investors@quickflix.com.au).