



**NEWZULU LIMITED**

ACN 078 661 444

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

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**Date of Meeting**

Wednesday, 25 November 2015

**Time of Meeting**

10:00 am (WST)

**Place of Meeting**

The Vault  
Spacecubed  
Ground Floor, 45 St Georges Terrace  
Perth WA 6000

**ANNUAL REPORT**

The 2015 Annual Report is available from the Company's website via the following link  
<http://newzululimited.com/investors/reports/>

## NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Newzulu Limited (**Company** or **Newzulu**) is to be held on Wednesday, 25 November 2015, at The Vault, Spacecubed, Ground Floor, 45 St George's Terrace, Perth WA 6000, commencing at 10:00 am (WST).

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

### BUSINESS

#### Financial and Other Reports – Year Ended 30 June 2015 (no resolution required)

To receive and consider the financial report, the Remuneration Report, and the reports of the Directors and of the Auditor for the year ended 30 June 2015.

#### Resolution 1 – Non-Binding Resolution to Adopt Remuneration Report

To consider and, if thought fit, to pass with or without amendment the following resolution as a **non-binding resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given to adopt the Remuneration Report as set out in the Annual Report for the year ended 30 June 2015.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

#### Voting Prohibition Statement:

The Company will disregard any votes cast on Resolution 1 by, or on behalf of, any of the following persons:

- (a) a member of the Key Management Personnel, as disclosed in the Remuneration Report; or
- (b) a Closely Related Party (such as close family members and any controlled companies) of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

#### Resolution 2 – Re-election of Director – Mr James J Bodel

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

*“That Mr Bodel, being a director of the Company who, having been appointed on 18 March 2015, retires in accordance with Clause 13.5 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 – Re-election of Director – Mr Philip Kiely

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

*“That Mr Kiely, being a director of the Company who retires by rotation in accordance with Clause 13.2 of the Company's Constitution and being eligible and offering himself for re-election, be re-elected as a director of the Company.”*

#### **Resolution 4 – Approval of Placement Shares**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$6,000,000 on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **Resolution 5 – Approval of 10% Placement Capacity**

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

*"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Ordinary Securities if the resolution is passed, and any associate of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the vote is cast by the Chair 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.

#### **EXPLANATORY MEMORANDUM**

The Explanatory Memorandum is incorporated in and comprises part of this Notice. Shareholders are referred to the Definitions in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice and the Explanatory Memorandum.

#### **PROXIES**

Please note that:

- A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member.
- A proxy need not be a member of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (e.g. "the Company Secretary").
- Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If no such proportion is specified, each proxy may exercise half of the member's votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

#### **Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and

- if the proxy is the Chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

***Transfer of non-chair proxy to Chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. Completed Proxy Forms (together with any authority under which the proxy was signed or a certified copy of the authority) must be returned before 10:00 am (WST) on 23 November 2015.

**VOTING ENTITLEMENTS**

For the purposes of section 1074E(2) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members holding ordinary shares as set out in the Company's share register at 4:00 pm (WST) on 23 November 2015 will be entitled to attend and vote at the Annual General Meeting.

**CORPORATE REPRESENTATIVE**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with an original (or certified copy) certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company in advance of the meeting or handed in at the meeting when registering as a corporate representative. The appointment must comply with section 250D of the Corporations Act 2001.

**ATTORNEYS**

If an attorney is to attend the meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms, being no later than 10:00 am (WST) on 23 November 2015. Previously lodged powers of attorney will be disregarded by the Company.

**DATED THIS 27<sup>TH</sup> OF OCTOBER 2015  
BY ORDER OF THE BOARD**



**Karen Logan**  
*Company Secretary*

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum 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 Newzulu Limited (**Company** or **Newzulu**).

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

### **Financial Statements and Report**

Under the Corporations Act, the directors of the Company must table the Financial Report, the Directors' Report and the Auditor's Report for Newzulu for the year ended 30 June 2015 at the meeting.

These reports are set out in the 2015 Annual Report. Shareholders who elected to receive a printed copy of annual reports should have received the 2015 Annual Report with this Notice of Annual General Meeting.

In accordance with section 314 (1AA)(c) of the Corporations Act, the Company advises the 2015 Annual Report is available from the Company's website: (<http://newzululimited.com/investors/reports/>).

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2015.

There is no requirement for Shareholders to approve the 2015 Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the 2015 Annual Report which is available online;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the Auditor questions about:
  - i. the conduct of the audit;
  - ii. the preparation and contents of the Auditor's Report;
  - iii. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - iv. the independence of the Auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Auditor about:

- (a) the content of the Auditor's Report; and
- (b) the conduct of the audit of the Annual Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

### **1. Resolution 1 – Adoption of Remuneration Report**

#### 1.1 General

Under the Corporations Act, the Company is required to include, in the Directors' Report, a detailed Remuneration Report setting out the prescribed information in relation to the remuneration of directors and executives of Newzulu and the Company's remuneration practices.

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the Remuneration Report.

Under section 250R(2) of the Corporations Act, the Remuneration Report is required to be submitted for adoption by a resolution of Shareholders at the Annual General Meeting. The vote on this resolution is advisory only and does not bind the directors or the Company. However, the

Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

### 1.2 Voting consequences

Under the Corporations Act, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### 1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### 1.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

- <sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
- <sup>2</sup> Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member.
- <sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
- <sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

### 1.5 Voting Intention

The Chair of the meeting intends to vote all available proxies in favour of the Resolution.

## **2. Resolution 2 - Re-election of Director - Mr James J Bodel**

Clause 13.5 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Bodel was appointed to the board as a non-executive director on 18 March 2015. He retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Bodel is a director of Goodtime Hospitality Group and in the past was the Managing Director of Assess Medical Group for over eight years and is Investment Manager for Blueroom Capital Pty Ltd. Mr Bodel holds an MBA (Executive) with the Australian Graduate School of Management (UNSW) and holds degrees in Commerce, Law and Medicine.

During the year the Company has undertaken the appropriate searches from government authorities and no exceptions were noted. The Board has prepared a skills matrix which is included in the Company's corporate governance statement dated 30 September 2015 and considers that Mr Bodel possess the required broad based skills to help drive the Company's performance.

The Board has considered Mr Bodel's independence and considers that he is not an independent Director.

#### 2.1 Board Recommendation

The Board (other than Mr Bodel) recommends Shareholders vote in favour of the Resolution.

#### 2.2 Voting Intention

The Chair of the meeting intends to vote undirected proxies in favour of the Resolution.

### **3. Resolution 3 - Re-election of Director - Mr Philip Kiely**

Clause 13.2 of the Constitution requires that at the annual general meeting, one third of the Directors for the time being, or, if their number is not a multiple of 3, then such number as is appropriate to ensure that no director other than the Managing Director holds office for more than 3 years or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself for re-election. A retiring director is eligible for re-election.

Mr Kiely retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Kiely has over 30 years' experience in the technology and digital media sectors in Australia and internationally, serving as Vice President Oracle Online, Asia Pacific and Regional Managing Director of Oracle Corporation, Australia. He has been a member of the Victorian Government IT Task Force and Career Education Foundation and member of the review committee into Teaching and Teacher Education.

The Board has considered Mr Kiely's independence and considers that he is an independent Director.

#### 3.1 Board Recommendation

The Board (other than Mr Kiely) recommends Shareholders vote in favour of the Resolution.

#### 3.2 Voting Intention

The Chair of the meeting intends to vote undirected proxies in favour of the Resolution.

### **4. Resolution 4 - Approval of Placement Shares**

#### 4.1 Background

Resolution 4 seeks Shareholder approval for the issue of up to that number of Shares, when multiplied by the issue price, will raise up to \$6,000,000 (**Placement Shares**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 4 will be to allow the Company to issue the Placement Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### 4.2 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement Shares:

- (a) the maximum number of Placement Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$6,000,000;

- (b) the Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressively;
- (c) the Placement Shares will be issued at a price per Share calculated in accordance with Listing Rule 7.3.3 of at least 80% of the volume weighted average market price of the Shares over the last five days on which sales of the Shares are recorded before the day of issue of the Placement Shares (or, if a prospectus or offer information statement is issued in relation to the issue, before the date of signing of that document);
- (d) as at the date of this Notice the identity of the investors was not known. However, all the investors of the Placement Shares will be international and domestic institutional and sophisticated investors, none of whom will be related parties of the Company;
- (e) the Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the issue of the Placement Shares as follows:

Item	Amount (\$)
Operational, journalistic and technical costs of the Newzulu business	1,500,000
Product development costs	2,000,000
Costs associated with pursuing expansion plans in the United States market	2,000,000
Estimated costs of the issue of the Placement Shares	375,000
General working capital	125,000
<b>Total funds raised</b>	<b>6,000,000</b>

#### 4.4 Board recommendation

The Board recommends Shareholders vote in favour of the Resolution.

#### 4.5 Voting intention

The Chair of the meeting intends to vote all undirected proxies in favour of the Resolution.

### **5. Resolution 5 – Approval of 10% Placement Capacity**

#### 5.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued share capital over a 12 month period after the annual general meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**10% Placement Capacity**).

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on deferred settlement basis); and
- (b) the entity is not included in the S&P ASX 300 Index.

The Company is an eligible entity for the purposes of Listing Rule 7.1A as it is not included in the S&P ASX 300 Index and has a current market capitalisation of \$22,387,595 (as at the close of the market on 16 October 2015).

The effect of Resolution 5 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid Ordinary Securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 5 is a special resolution, requiring 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) in order to be passed.



### 5.2 Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that an eligible entity which has obtained shareholder approval at an annual general meeting may issue or agree to issue, during the Placement Period (as defined below), a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

- A is the number of fully paid shares on issue 12 months before the date of issue or agreement:
- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
  - plus the number of partly paid shares that became fully paid in the 12 months;
  - plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
  - less the number of fully paid shares cancelled in the 12 months.
- D is 10%.
- E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

#### *Listing Rule 7.1A*

Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has one class of Equity Securities on issue, being the Shares (ASX: NWZ).

At the date of this Notice, the Company has 639,645,568 Shares on issue and therefore, subject to Shareholder approval being sought under Resolution 5, 63,964,557 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A at the time of issue of the Equity Securities. The table in section 5.3 of this Notice demonstrates various examples as to the number of Equity Securities that may be issued under the 10% Placement Capacity.

### 5.3 Specific Information required by Listing Rule 7.1A

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price for the Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
  - i. the date on which the price at which the Equity Securities are to be issued is agreed; or
  - ii. if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of those Shareholders who do not receive any Shares under the issue. There is also a risk that:
  - i. the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting; and
  - ii. the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders of the issue of the maximum number of Equity Securities under the 10% Placement Capacity using variables for the number of Ordinary Securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that the variable "A" is based on the number of Ordinary Securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- i. examples where variable "A" is at its current level and where variable "A" has increased by 50% and 100%;
- ii. examples of where the issue price of Ordinary Securities is the current market price as at close of trade on 16 October 2015, being \$0.035, (**current market price**), where the issue price is halved, and where it is doubled; and
- iii. the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the 10% Placement Capacity are issued.

Variable "A"	Number of Shares issued and funds raised under the 10% Placement Capacity and dilution effect	Dilution		
		\$0.018 Issue Price at half the current market price	\$0.035 Issue Price at current market price	\$0.070 Issue Price at double the current market price
<b>Current Variable A</b> 639,645,568 Shares	Shares issued	63,964,557	63,964,557	63,964,557
	Funds raised	\$1,119,380	\$2,238,759	\$4,477,519
	Dilution	10%	10%	10%
<b>50% increase in current Variable A</b> 959,468,352 Shares	Shares issued	95,946,835	95,946,835	95,946,835
	Funds raised	\$1,679,070	\$3,358,139	\$6,716,278
	Dilution	10%	10%	10%
<b>100% increase in current Variable A</b> 1,279,291,136 Shares	Shares issued	127,929,114	127,929,114	127,929,114
	Funds raised	\$2,238,759	\$4,477,519	\$8,955,038
	Dilution	10%	10%	10%

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

Note this table assumes:

- i. No Options are exercised and no performance rights vest before the date of the issue of the Equity Securities.
- ii. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares.
- iii. The current shares on issue are the Shares on issue as at 16 October 2015.
- iv. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- v. The Company has included in the calculation all shares that have been issued 12 months prior to 16 October 2015 and that have been issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 or 7.4.
- vi. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- vii. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- viii. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- ix. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

- (c) Approval of the 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:

- i. the date that is 12 months after the date of the Annual General Meeting; and
- ii. the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to that nature of scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

**(Placement Period).**

(d) The Company may seek to issue the Equity Securities for the following purposes:

- i. cash consideration. If Equity Securities are issued for cash consideration, the Company intends to use the funds raised towards the development and marketing of the Editorial, Platform, Live and Prime product offerings, operational and journalistic technical costs, pursuing expansion plans in the United States market, and to supplement the Company's working capital including any potential new opportunities and to cover the costs of the issue of Equity Securities; or
- ii. non-cash consideration for the settlement of liabilities of the Group. If Equity Securities are issued for non-cash consideration, the Company will comply with Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

(e) The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be determined having regard to purpose(s) of the issue(s) the prevailing market conditions at the time of the proposed issue(s).

The identity of the allottees under the 10% Placement Capacity will be determined on a case-by-case basis having regard to factors which may include the following:

- i. the methods of raising funds that are available to the Company, including but not limited to, entitlements issues or other issues in which existing security holders can participate;
- ii. the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issue of Equity Securities;
- iii. the financial situation and solvency of the Company; and
- iv. advice from professional advisers, including corporate, financial and broking advisers (if applicable).

The Company notes that:

- i. any funds raised from the issue of Shares under the 10% Placement Capacity are likely to be applied towards continued development and marketing of the Editorial, Platform, Live and Prime product offerings, operational and journalistic technical costs, pursuing expansion plans in the United States market, and to supplement the Company's general working capital including any potential new opportunities and to cover the costs of the issue of Equity Securities;
- ii. it is not possible to determine whether any existing Shareholders, or class of Shareholders, would be invited to apply for any Shares to be issued under the 10% Placement Capacity, or to determine the category of any new investors that may be invited to participate in such a fundraising;
- iii. prior to undertaking any fundraising, the Board will have regard to whether it is in the Company's best interests to structure such a fundraising as an entitlements issue to all of the Company's existing Shareholders at that time; and
- iv. the reason for undertaking any particular issue under the 10% Placement Capacity would be announced at the time the Company sought to issue shares under that Additional 10% Placement Capacity.

At the date of this Notice, the allottees under the 10% Placement Capacity have not been determined. They may, however, include substantial Shareholders and/or new Shareholders who are not related parties (or their associates) of the Company. If the Company issues the Equity Securities for the settlement of liabilities of the Group, it is likely that the allottees under the 10% Placement Capacity will be those parties to whom the liabilities are owed.

- (f) The Company has not previously obtained shareholder approval under Listing Rule 7.1A.
- (g) When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:
  - i. a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
  - ii. the information required by Listing Rule 3.10.5A for release to the market.
- (h) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the 10% Placement Capacity. The Company has not, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the 10% Placement Capacity, and therefore no Shareholder will be excluded from voting on Resolution 5.

#### 5.4 Board recommendation

The Board recommends Shareholders vote in favour of the Resolution.

#### 5.5 Voting intention

The Chair of the meeting intends to vote all undirected proxies in favour of the Resolution.

## DEFINITIONS

**\$** means an Australian dollar.

**Annual General Meeting** means the annual general meeting the subject of this Notice.

**Annual Report** has the same meaning as Financial Report.

**ASIC** means the Australian Securities & Investments Commission.

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

**ASX Listing Rules** and **Listing Rules** mean the official listing rules of ASX.

**Auditor** means the Company's auditor from time to time, at the date of the Notice, being KPMG.

**Auditor's Report** means the auditor's report on the Financial Report.

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

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** or **Newzulu** means Newzulu Limited (ACN 078 661 444).

**Constitution** means the Company's constitution.

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

**Director** means a Director of the Company and **Directors** means the directors of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act 2001 (Cth).

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Annual General Meeting.

**Financial Report** means the annual financial report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act 2001 (Cth).

**Group** means the Company and its subsidiaries.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

**Meeting** means the meeting of Shareholders convened by the Notice of Annual General Meeting.

**Notice** or **Notice of Meeting** means the notice of annual general meeting accompanying this Explanatory Memorandum.

**Option** means an option which entitles the holder to subscribe for one Share.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means a proxy form attached to the Notice.

**Remuneration Report** means the remuneration report as contained in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2015.

**Schedule** means a schedule to the Explanatory Memorandum.

**Share** means a fully paid ordinary share in the 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.

**WST** means Australian Western Standard Time.



## PROXY FORM

MR SAM SAMPLE  
UNIT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE WA 6060

### 1. Appointment of Proxy

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

the Chair of  
the  
Meeting

OR

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

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:00 am (WST) on Wednesday, 25 November 2015 at The Vault, Spacecubed, Ground Floor, 45 St George's Terrace, Perth, WA 6000, and at any adjournment thereof.

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business in which the Chair is entitled to vote. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

**Authority for Chair to vote undirected proxies on remuneration-related resolutions:** Where I/we appoint the Chair of the Meeting as my/our proxy (or where the Chair of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel of Newzulu Limited, which may include the Chair. I/we acknowledge that if the Chair of the Meeting is my/our proxy and I/we have not marked any of the boxes opposite Resolutions 1 to 5, the Chair of the Meeting intends to vote my/our proxy in favour of Resolutions 1 to 5.

### 2. Items of Business

Please mark ☒ to indicate your voting directions.

	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 James J Bodel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Director – Mr Philip Kiely	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**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 on a poll and your votes will not be counted in computing the required majority.

If two proxies are being appointed, the proportional voting rights this proxy represents is \_\_\_\_\_ %

### 3. Signature of Securityholder(s)

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

Individual or Securityholder 1

Individual/ Sole Director and  
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/ Company Secretary

Contact Name

Contact Daytime Telephone

Date



## HOW TO COMPLETE THE PROXY FORM

### 1. 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 as they choose. 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. The appointment of a second proxy must be done on a separate copy of the Proxy Form. If a member appoints two proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded.

A duly appointed proxy need not be a securityholder of the company.

### 2. Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with your directions. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### 3. Signing Instructions

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

**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 must sign.

**Power of Attorney:** If you have not previously 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.

### Lodgement of a Proxy

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

- (a) Post to Newzulu Limited, C/- PO Box 356, West Perth, WA 6872; or
- (b) Facsimile to the Company on facsimile number +61 8 9321 0721; or
- (c) Email to the Company at [investors@newzulu.com](mailto:investors@newzulu.com).

This Proxy Form (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting.

Proxy Forms received after this time will be invalid.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from the Company Secretary.