

iWEBGATE LIMITED

ACN 141 509 426

**NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY STATEMENT**

**Annual General Meeting to be held at the offices Trident Capital,
Level 24, 44 St George's Terrace, Perth, Western Australia
on Friday, 27 November 2015 commencing at 12.00pm (WST).**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.
If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or
other professional adviser without delay.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of iWebGate Limited will be held at the offices of Trident Capital, Level 24, 44 St George's Terrace, Perth, Western Australia on Friday, 27 November 2015 commencing at 12.00pm (WST).

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive and consider the annual financial reports, together with the Directors' and auditor's reports, for the financial year ending 30 June 2015.

2. Resolution 1 – Approval of Remuneration Report

To consider and, if thought fit, pass the following **advisory only resolution**:

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2015 be adopted.”

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

Voting exclusion

The Company will disregard any votes cast on this Resolution:

- (a) by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- (b) by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
- (c) as a proxy by a member of Key Management Personnel or a Closely Related Party,

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairman pursuant to an express authorisation to exercise the proxy.

3. Resolution 2 – Re-election of Mr Adam Sierakowski as a Director

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

“That, in accordance with the Company's Constitution and for all other purposes, Mr Adam Sierakowski, who retires by rotation under Clause 59.1 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company”.

4. Resolution 3 – Ratification of Issue of Shares under June Placement

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 10,225,000 Shares to Exempt Investors under the June Placement on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast on this Resolution by any person who participated in the issue the subject of this Resolution and any person associated with those persons.

However, the Company need not disregard any 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) 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.

5. Resolution 4 – Ratification of Issue of Shares and Options under October Placement

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 11,768,821 Shares and 11,768,821 Options to Exempt Investors under the October Placement on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast on this Resolution by any person who participated in the issue the subject of this Resolution and any person associated with those persons.

However, the Company need not disregard any 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) 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.

6. Resolution 5 – Approval of 10% Placement Facility

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities 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 in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

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 directions on the Proxy Form; or
- (b) it is cast by the Chairman 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 Statement

The accompanying Explanatory Statement forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice of Annual General Meeting and the Explanatory Statement.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a 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 or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.


Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm (WST) on Wednesday, 25 November 2015. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

Enquiries

Shareholders may contact the Company on +61 8 6211 5099 if they have any queries in respect of the matters set out in these documents.

By Order of the Board of Directors



Adam Sierakowski
Chairman

Dated this 20 October 2015

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

Item 1 - Annual Financial Report

The 2015 Annual Report, Directors' reports and auditor' reports for the Company for the year ended 30 June 2015 will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about these reports and the management of the Company. Shareholders will also be given an opportunity to ask the auditor questions about the:

- conduct of the audit;
- preparation and content of the auditor's report;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; or
- independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about the content of the auditor's reports of the conduct of the audit may be submitted no later than 5 Business Days before the Annual General Meeting date to the Company Secretary at c/o Trident Capital Level 24, 44 St Georges Terrace Perth WA 6000, or by facsimile on +61 8 9218 8875.

Item 2 - Approval of Remuneration Report (Resolution 1)

Section 249L(2) of the Corporations Act requires a company to inform Shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report adopted be put to the vote. Resolution 1 seeks this approval.

In accordance with Section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" Resolution which does not bind the Directors or the Company.

Following consideration of the Remuneration Report, the Chairman, in accordance with Section 250SA of the Corporations Act, must give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

If at least 25% of the votes on Resolution 1 are voted against adoption of the Remuneration Reports at the Annual General Meeting, and then again at the Company's 2016 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of the Directors (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2016 annual general meeting. All of the Directors who are in office when the Company's 2016 Directors' Report is 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 is approved will be the directors of the Company.

Item 3 – Re-election of Mr Adam Sierakowski (Resolution 2)

Resolution 2 is an ordinary resolution.

Clause 59.1 of the Company's Constitution requires that one third of the Company's director's must retire at each annual general meeting. Accordingly, Mr Sierakowski retires by rotation and, being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote.

Mr Sierakowski is a lawyer and director of the legal firm Price Sierakowski. He has over 20 years of experience in legal practice, much of which he spent as a corporate lawyer consulting and advising on a range of transactions to a variety of large private and listed public entities.

Mr Sierakowski is a director of Trident Management Services Pty Ltd and Trident Capital Pty Ltd.

Mr Sierakowski is currently a director of ASX listed companies Kinetiko Energy Limited (Non-Executive Chairman), ResApp Health Limited (Non-Executive Director) and Coziron Resources Limited (Non-Executive Chairman). He was previously a director of Carnavale Resources Limited (Non-Executive Chairman), Triangle Energy Limited (Non-Executive Director) and Stirling Biofuels International Limited (Non-Executive Director). He is a member of the Australian Institute of Company Directors and the Association of Mining Exploration Companies.

The Directors (other than Mr Sierakowski) recommend that Shareholders vote in favour of Resolution 2 to reappoint Mr Sierakowski as a Director.

Item 4 – Ratification of Issue of Shares under the June Placement (Resolution 3)

On 17 June 2015 the Company announced that it had successfully completed a placement of Shares to Exempt Investors at an issue price of \$0.20 per Share to raise \$2.045 million ("**June Placement**").

Shareholder approval is sought to ratify the 10,225,000 Shares previously issued at \$0.20 under the June Placement and referred to in Resolution 3.

Listing Rules

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 4 for the purposes of Listing Rule 7.4:

1. Number of Securities Issued

A total of 10,225,000 Shares were issued.

2. The price at which the Securities were issued

The Shares had an issue price of \$0.20 per Share.

3. The terms of the Securities

The Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue.

4. Names of the persons to whom the entity issued the securities or the basis on which those persons were determined

The Shares issued under the June Placement were issued to sophisticated and/or professional Investors under section 708A(5) of the Corporations Act. None of these investors were related parties of the Company.

5. The use of (or intended use) of the funds raised

Funds raised were used to accelerate opportunities the Company has with telecommunication companies and to further expand the iWebGate business through the commercialisation of the Company's products both in Australia and overseas.

Item 5 – Ratification of Issue of Shares and Options under the October Placement (Resolution 4)

On 16 October 2015 the Company announced a placement to Exempt Investors at an issue price of \$0.17 per Share to raise \$2,000,000 (before costs) ("**October Placement**"). Investors who participated in the placement received one attaching option exercisable at \$0.25 on or before 31 October 2017 for every Share issued.

Shareholder approval is sought to ratify the 11,768,821 Shares and 11,768,821 Options issued under the October Placement.

Listing Rules

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 4 for the purposes of Listing Rule 7.4:

1. Number of Securities Issued

A total of 11,768,821 Shares and 11,768,821 Options were issued.

2. The price at which the Securities were issued

The Shares had an issue price of \$0.17 per Share. The Options were issued on a free attaching basis on the basis of one Option for every Share issued.

3. The terms of the Securities

The Shares issued rank equally in all respects with the existing fully paid ordinary shares on issue. Terms of the Options are set out in Annexure A.

4. Names of the persons to whom the entity issued the securities or the basis on which those persons were determined

The Shares and Options under the October Placement were issued Exempt Investors. None of these investors are related parties of the Company.

5. The use of (or intended use) of the funds raised

Funds raised will be used to accelerate the Company's growth strategy across key target markets in Australia, Europe and the US.

Item 6 – Approval of 10% Placement Facility (Resolution 5)

6.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

The Board believes that Resolution 5 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

6.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a **special resolution** at an annual general meeting.

(b) **Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

Following completion of the October Placement, the Equity Securities that the Company has on issue is 620,828,425 Shares.

(c) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) 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;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that "A" has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

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 Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated 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.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX ("**10% Placement Period**").

6.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 ASX 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 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is 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 Annual General 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 or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.0825 50% decrease in Market Price	\$0.165 Current Market Price	\$0.33 100% increase in Market Price
Current Variable A 620,828,425	10% Voting Dilution	62,082,843 Shares	62,082,843 Shares	62,082,843 Shares
	Funds raised	\$5,121,835	\$10,243,669	\$20,487,338
50% increase in current Variable A 931,242,638	10% Voting Dilution	93,124,264 Shares	93,124,264 Shares	93,124,264 Shares
	Funds raised	\$7,682,752	\$15,365,504	\$30,731,007
100% increase in current Variable A 1,241,656,850	10% Voting Dilution	124,165,685 Shares	124,165,685 Shares	124,165,685 Shares
	Funds raised	\$10,243,669	\$20,487,338	\$40,974,676

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. 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%.
3. 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 Facility, based on that Shareholder’s holding at the date of the Annual General Meeting.
4. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
6. The issue price is \$0.165, being the closing price of Shares on the ASX on 19 October 2015.

- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company may use the funds raised towards its existing projects (e.g. sales and marketing) and/or for

the acquisition of new assets or investments (including expenses associated with such acquisitions) and general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the persons to whom the Equity Securities will be issued will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the purpose of the issue;
 - (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing security holders can participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the financial situation and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).

The persons issued securities under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but are likely to be investors which are sophisticated and/or professional investors for the purposes of section 708 of the Corporations Act. No Equity Securities will be issued under Listing Rule 7.1A to related parties of the Company.

If the Company is successful in acquiring new assets or investments, it is likely that the persons issued securities under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) The Company obtained Shareholder approval under Listing Rule 7.1A at its last annual general meeting held on 26 November 2014.
- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

- (h) During the 12 months preceding the date of the meeting the Company issued a total of 505,467,987 Shares, representing 438% of the shares on issue at the commencement of that 12 month period.

Date of issue	(i) Public Offer – 4 December 2014 (ii) Facilitation Offer – 4 December 2014 (iii) Vendor Offer – 4 December 2014 (iv) June Placement – 24 June 2015 (v) October Placement – 16 & on or about 22 October 2015
Number issued	(i) Public Offer – 12,501,250 Shares (ii) Facilitation Offer – 5,000,000 Shares (iii) Vendor Offer – 465,972,916 (iv) June Placement – 10,225,000 Shares (v) October Placement – 11,768,821 Shares
Class of Security	Ordinary Fully paid
Persons who received securities	(i) Public Offer – Investors under Prospectus Offer (ii) Facilitation Offer – Facilitators for services provided (iii) Vendor Offer – Vendors of iWebGate Technology Ltd (iv) June Placement – Exempt Investors (v) October Placement – Exempt Investors
Price (per Share)	(i) Public Offer – \$0.40 (ii) Facilitation Offer – n/a (iii) Vendor Offer – n/a (iv) June Placement – \$0.20 (v) October Placement – \$0.17
Discount to market	(i) Public Offer – n/a (ii) Facilitation Offer – n/a (iii) Vendor Offer – n/a (iv) June Placement – 20% (v) October Placement – 15%
Non cash consideration	(i) Public Offer – n/a (ii) Facilitation Offer – facilitation services provided (iii) Vendor Offer – 100% of iWebGate Technology Ltd (iv) June Placement – n/a (v) October Placement – n/a
Current value	Not applicable
Total cash consideration	(i) Public Offer – \$5,000,500 (ii) Facilitation Offer – n/a (iii) Vendor Offer – n/a (iv) June Placement – \$2,045,000 (v) October Placement – \$2,000,000
Amount of cash spent	(i) Public Offer – 100% (ii) Facilitation Offer – n/a (iii) Vendor Offer – n/a (iv) June Placement – 100% (v) October Placement – \$0%
Use of cash	(i) Public Offer – Funds raised were used in accordance with the Company's business objectives as set out in its Prospectus and costs associated with re-compliance. (iv) June Placement – Funds raised were used to accelerate opportunities the Company with telecommunication companies and to further expand the iWebGate business. (v) October Placement – Funds raised will be used to accelerate the Company's growth strategy across key target markets in Australia, Europe and the US.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

10% Placement Facility	has the meaning given in section 6.1 of the Explanatory Statement.
10% Placement Period	has the meaning given in section 6.2(f) of the Explanatory Statement.
Annual General Meeting	the annual general meeting convened by this Notice of Annual General Meeting.
Annual Report	the annual report of the Company for the financial year ended 30 June 2015.
Associate	a party so described by section 10 – 17 of the Corporations Act.
ASX	ASX Limited (ACN 098 624 691) trading as the Australian Securities Exchange.
Board	Board of Directors.
Chairman	Mr Adam Sierakowski.
Closely Related Party	a closely related party of a member of Key Management Personnel as defined in Section 9 of the Corporations Act, being: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of that member's spouse;(c) a dependant of that member or of that member's spouse;(d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;(e) a company that is controlled by that member; or(f) any other person prescribed by the regulations.
Constitution	Constitution of the Company.
Company	iWebGate Limited (ACN 141 509 426)
Corporations Act	Corporations Act 2001 (Cth).
Director	a director of the Company.
Equity Securities	has the meaning given in the Listing Rules.
Explanatory Statement	the Explanatory Statement accompanying the Notice of Annual General Meeting.
Exempt Investor	means an investor to whom securities may be offered without disclosure in accordance with section 708 of the Corporations Act (excluding section 708(1)).
June Placement	has the meaning given in item 4 of the Explanatory Memorandum.
Key Management Personnel	the key management personnel of the Company as defined in Section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	the listing rules of ASX.
Meeting or Annual General Meeting	the Annual General Meeting convened by this Notice.
Notice of Annual General Meeting	the Notice of Annual General Meeting accompanying the Explanatory Statement.
October Placement	has the meaning given in item 5 of the Explanatory Memorandum.
Option	the options to acquire a Share on the terms set out in Annexure A.
Remuneration Report	the section of the Annual Report entitled "Remuneration Report".

Share

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

Shareholder

a shareholder of the Company.

WST

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

Annexure A – Terms of Options

The Options entitle the holder to subscribe for Shares on the terms and conditions set out below.

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 31 October 2017 (**Expiry Date**).

(c) **Exercise Price**

Each Option will have an exercise price equal to \$0.25 (**Exercise Price**).

(d) **Exercise period and lapsing**

Subject to clause (i), Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

(e) **Exercise Notice and payment**

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(f) **Shares issued on exercise**

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

(g) **Quotation of Shares**

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(h) **Timing of issue of Shares**

Subject to clause (i), within 10 business days after the later of the following:

- (i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- (ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Options;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and
- (v) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

(i) **Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) **Quotation**

The Company will not apply for quotation of the Options on ASX.

(o) **Transferability**

The Options are non-transferable.

iWEBGATE LIMITED
ANNUAL GENERAL MEETING – APPOINTMENT OF PROXY

I/We

of

being a member of iWebGate Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of Proxy

OR

the Chairman of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Annual General Meeting, or the Chairman'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 Annual General Meeting to be held at 12.00pm (WST) on 27 November 2015 at the offices of Trident Capital of Level 24, 44 St Georges Terrace, Perth, Western Australia, and at any adjournment thereof.

Important for Resolution 1 if the Chairman is your proxy or is appointed as your proxy by default

If I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default) I/we expressly authorise the Chairman of the meeting (to extent permitted by law) to exercise my/our proxy in respect of Resolution 1 even though the Resolution is connected directly or indirectly with the remuneration of a member of key management personnel of the Company, which includes the Chairman of the Meeting.

If you appoint the Chairman as your proxy you can direct the Chairman how to vote by either marking the relevant boxes in the section below.

The Chairman intends to vote undirected proxies in favour of each Resolution, to the extent permitted by law.

OR

Voting on Business of the Annual General Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report – 2015 Annual Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Adam Sierakowski as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Shares issued – June Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Securities issued – October Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution 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 proportion of voting rights this proxy represents is _____%

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

Instructions for Proxy Form

1 Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

2 Appointment of a Proxy

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chairman of the Annual General Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Annual General Meeting, the Chairman will be your proxy. A proxy need not be a Shareholder.

3 Votes on Resolutions

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

4 Signing Instructions

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

- **Individual:** Where the holding is in one name, the holder must sign.
- **Joint Holding:** Where the holding is in more than one name, all of the shareholders should sign.
- **Power of Attorney:** If you have not already lodged the Power of Attorney with the Company's share 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) does not have a company secretary, as 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 indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

5 Return of a Proxy Form

To vote by proxy, please complete and sign the enclosed Proxy Form (and any Power of Attorney and/or second Proxy Form) and return by:

- (a) mail to the Company's registered office at c/- Trident Capital, Level 24, 44 St Georges Terrace, Perth, Western Australian 6000; or
- (b) facsimile to the Company on facsimile number (08) 9218 8875,

so that it is received by no later than 12.00pm (WST) on Wednesday, 25 November 2015.

Proxy forms received later than this time will be invalid.