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# MIGME LIMITED

ACN 059 457 279

## NOTICE OF GENERAL MEETING

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**TIME:** 10:00 am WST

**DATE:** 14 December 2015

**PLACE:** Level 14, 197 St Georges Tce  
Perth, Western Australia 6000

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

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (0)42 999 5000.*

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**IMPORTANT INFORMATION**

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**TIME AND PLACE OF MEETING**

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Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00 am WST on 14 December 2015 at:

Level 14, 197 St Georges Tce  
Perth, Western Australia 6000

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**YOUR VOTE IS IMPORTANT**

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The business of the Meeting affects your shareholding and your vote is important.

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**VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00 pm WST on 12 December 2015.

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**VOTING IN PERSON**

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To vote in person, attend the Meeting at the time, date and place set out above.

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**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes 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;
  - 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.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – ISSUE OF 300,000 OPTIONS TO STEPHEN LLANWARNE

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

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 300,000 Options to Stephen Llanwarne (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Stephen Llanwarne (and his nominee) and any of their associates. 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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#### 2. RESOLUTION 2 – ISSUE OF 2,450,000 OPTIONS TO STEVEN GOH

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

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,450,000 Options to Steven Goh (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Steven Goh (and his nominee) and any of their associates. 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.

### **Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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### **3. RESOLUTION 3 – RATIFICATION OF ISSUE OF 1,792,000 OPTIONS ON 30 JULY 2015**

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 7.4 and for all other purposes, the Company ratifies the issue of 1,792,000 Options on 30 July 2015 and otherwise 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 and any associates of those persons. However, the Company need not disregard a vote if cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or 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.

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### **4. RESOLUTION 4 – RATIFICATION OF ISSUE OF 757,993 SHARES ON 20 JULY 2015**

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 7.4 and for all other purposes, the Company ratifies the issue and allotment of 757,939 Shares issued on 20 July 2015 and otherwise 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 and any associates of those persons. However, the Company need not disregard a vote if cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or 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.

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**5. RESOLUTION 5 – RATIFICATION OF ISSUE OF 10,110,000 SHARES ON 17 SEPTEMBER 2015**

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 7.4 and for all other purposes, the Company ratifies the issue and allotment of 10,110,000 Shares issued on 17 September 2015 at an issue price of \$1.00 per Share and otherwise 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 and any associates of those persons. However, the Company need not disregard a vote if cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or 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.

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**DATED: 11 NOVEMBER 2015**

**BY ORDER OF THE BOARD**

**MICHAEL HIGGINSON  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. RESOLUTION 1 – ISSUE OF 300,000 OPTIONS TO STEPHEN LLANWARNE

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Resolution 1 seeks Shareholder approval for the issue of 300,000 Options to Mr Stephen Llanwarne, or his nominee.

#### Chapter 2E of the Corporations Act

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a “financial benefit” to a “related party” unless either one of the exceptions to the section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

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

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

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

The issue of 300,000 Options constitutes giving a financial benefit to a related party.

Mr Llanwarne is a related party of the Company due to the fact that he is a Director.

The issue of the Options to Mr Llanwarne constitutes a “financial benefit” as defined in the Corporations Act. Accordingly, the proposed issue of Options to Mr Llanwarne will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought under Section 208 of the Corporations Act for the issue of the 300,000 Options to Mr Llanwarne.

#### *Sections 217 to 227 of the Corporations Act*

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefit to be given to Mr Llanwarne:

- (a) the related party to whom the financial benefit will be given is Mr Stephen Llanwarne, or his nominee;

- (b) the maximum number of Options (being the nature of the financial benefit to be provided) to be issued to Mr Llanwarne is 300,000 Options;
- (c) the Options will be issued on the terms and conditions set out in Annexure A;
- (d) Mr Llanwarne is precluded from considering the Resolution. Mr Llanwarne has an interest in the outcome of the Resolution because he is the proposed recipient of the financial benefit;
- (e) the Options will be issued as an incentive to Mr Llanwarne for his continuing involvement in the management of the migme platform and the exercise of these Options is linked to the success of this outcome; and
- (f) the ASIC in reviewing documents lodged under section 218 relating to the giving of financial benefits to related parties of public companies requires explanatory information regarding the value of the options proposed to be issued. The value of the Options has been calculated using the Black & Scholes pricing model and is set out in this Explanatory Statement.

### **ASX Listing Rules**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

ASX Listing Rule 10.11 provides that a company may not issue securities to a related party without obtaining prior shareholder approval. Directors are related parties for the purposes of the ASX Listing Rules.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to Mr Llanwarne as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the 300,000 Options to Mr Llanwarne will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

The following information is provided in relation to the proposed issue of Options in accordance with ASX Listing Rule 10.13:

- (a) the related party that will be issued the Options is Mr Llanwarne or his nominee and the maximum number of Options to be issued to Mr Llanwarne is 300,000 Options;
- (b) the Company will issue the Options within 1 month of the date of the Meeting (or such other date as extended by ASX) and it is anticipated that all of the Options will be issued on one date;
- (c) the Options will be issued for nil consideration. The Options are to be issued to Mr Llanwarne for his continuing involvement in the management of the migme platform and the exercise of these Options is linked to the success of this outcome;



- (d) the Options will be issued on the terms and conditions set out in Annexure A; and
- (e) no funds will be raised by the issue of the Options to Mr Llanwarne.

### **Valuation of Options**

The Options have been valued using the Black & Scholes pricing model.

The assumptions used to value the Options are as follows:

- (a) the expiry date of the Options is 31 July 2019;
- (b) the Options are exercisable at \$1.20 per Share;
- (c) the market price of a Share is \$1.05 (this being the market price of a Share);
- (d) a volatility factor of 60%. This is based on the history of share trading in the Shares and is consistent with the volatility factor used by the Company in its audited financial statements;
- (e) a risk-free interest rate of 2.0%;
- (f) the valuations ascribed to the Options may not necessarily represent the market price of the Options at the date of the valuation;
- (g) the valuation date for the Options is 6 November 2015; and
- (h) based on the above, the Options are valued at \$0.44 each.

### **Additional Information**

- (a) The fully paid ordinary shares of the Company have traded over the last twelve months at a high of \$1.33 on 17 June 2015 and a low of \$0.34 on 7 November 2014. The latest trading price was \$1.05 on 6 November 2015;
- (b) The total number of fully paid ordinary shares on issue at the date of this Notice is 273,311,633. The number of options on issue at the date of this Notice is 17,974,986. If the Options proposed in Resolutions 1 and 2 are issued this number will increase to 20,724,986;
- (c) The shareholding of Mr Llanwarne before the issue of the Options proposed in Resolution 1 is as follows:

Mr Llanwarne holds 662,206 Shares, 200,000 options over unissued Shares and 825,131 options over existing issued Shares;
- (d) If all of the Options proposed in Resolution 1 were to be exercised, the effect on the fully paid ordinary shares would be to increase the number from 273,311,633 to 273,611,633, resulting in the receipt by the Company of \$360,000 and a dilution to existing shareholders of 0.11%. If all the Options proposed in Resolutions 1 and 2 were to be exercised the effect on the fully paid ordinary shares would be to increase the number from 273,311,633 to 276,061,633, resulting in the receipt by the Company of \$3,300,000 and a dilution to existing shareholders of 0.996%;

- (e) The remuneration and emoluments from the Company to Mr Llanwarne for the previous financial year and the proposed remuneration and emoluments for the current financial year are as set follows:

Previous financial year ended 31 December 2014 - \$12,786  
Proposed for current financial year ended 31 December 2015 - \$130,000

- (f) Each of the Directors, namely Messrs Dawson, Goh, Pan, Zain, Levit, Lee, and Lee, recommend the approval of Resolution 1 as it provides an effective incentive to Mr Llanwarne and enables the Company to preserve working capital;
- (g) As Mr Llanwarne has an interest in the outcome of Resolution 1 he is unable to make a recommendation on the outcome of that Resolution; and
- (h) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

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## **2. RESOLUTION 2 – ISSUE OF 2,450,000,000 OPTIONS TO STEVEN GOH**

Resolution 1 seeks Shareholder approval for the issue of 2,450,000 Options to Mr Steven Goh, or his nominee.

### **Chapter 2E of the Corporations Act**

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a “financial benefit” to a “related party” unless either one of the exceptions to the section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

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

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

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

The issue of 2,450,000 Options constitutes giving a financial benefit to a related party.

Mr Goh is a related party of the Company due to the fact that he is a Director.

The issue of the Options to Mr Goh constitutes a “financial benefit” as defined in the Corporations Act. Accordingly, the proposed issue of Options to Mr Goh will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly,

Shareholder approval is sought under Section 208 of the Corporations Act for the issue of the 2,450,000 Options to Mr Goh.

#### *Sections 217 to 227 of the Corporations Act*

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefit to be given to Mr Goh:

- (a) the related party to whom the financial benefit will be given is Mr Steven Goh, or his nominee;
- (b) the maximum number of Options (being the nature of the financial benefit to be provided) to be issued to Mr Goh is 2,450,000 Options;
- (c) the Options will be issued on the terms and conditions set out in Annexure A;
- (d) Mr Goh is precluded from considering the Resolution. Mr Goh has an interest in the outcome of the Resolution because he is the proposed recipient of the financial benefit;
- (e) the Options will be issued as incentive for Mr Goh's continuing involvement in the management of migme and the growth of the Company and the exercise of these Options is linked to the success of this outcome; and
- (f) the ASIC in reviewing documents lodged under section 218 relating to the giving of financial benefits to related parties of public companies requires explanatory information regarding the value of the options proposed to be issued. The value of the Options has been calculated using the Black & Scholes pricing model and is set out in this Explanatory Statement.

#### **ASX Listing Rules**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

ASX Listing Rule 10.11 provides that a company may not issue securities to a related party without obtaining prior shareholder approval. Directors are related parties for the purposes of the ASX Listing Rules.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to Mr Llanwarne as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the 300,000 Options to Mr Llanwarne will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

The following information is provided in relation to the proposed issue of Options in accordance with ASX Listing Rule 10.13:

- (a) the related party that will be issued the Options is Mr Goh or his nominee and the maximum number of Options to be issued to Mr Goh is 2,450,000 Options;
- (b) the Company will issue the Options within 1 month of the date of the Meeting (or such other date as extended by ASX) and it is anticipated that all of the Options will be issued on one date;
- (c) the Options will be issued for nil consideration. The Options are to be issued as an incentive for Mr Goh's continuing involvement in the management of migme and the growth of the Company and the exercise of these Options is linked to the success of this outcome;
- (d) the Options will be issued on the terms and conditions set out in Annexure A; and
- (e) no funds will be raised by the issue of the Options to Mr Goh.

### **Valuation of Options**

The Options have been valued using the Black & Scholes pricing model.

The assumptions used to value the Options are as follows:

- (a) the expiry date of the Options is 31 July 2019;
- (b) the Options are exercisable at \$1.20 per Share;
- (c) the market price of a Share is \$1.05 (this being the market price of a Share);
- (d) a volatility factor of 60%. This is based on the history of share trading in the Shares and is consistent with the volatility factor used by the Company in its audited financial statements r;
- (e) a risk-free interest rate of 2.0%;
- (f) the valuations ascribed to the Options may not necessarily represent the market price of the Options at the date of the valuation;
- (g) the valuation date for the Options is 6 November 2015; and
- (h) based on the above, the Options are valued at \$0.44 each.

### **Additional Information**

- (a) The fully paid ordinary shares of the Company have traded over the last twelve months at a high of \$1.33 on 17 June 2015 and a low of \$0.34 on 7 November 2014. The latest trading price was \$1.05 on 6 November 2015;
- (b) The total number of fully paid ordinary shares on issue at the date of this Notice is 273,311,633. The number of options on issue at the date of this Notice is 17,974,986. If the Options proposed in Resolutions 1 and 2 are issued this number will increase to 20,724,986;

- (c) The shareholding of Mr Goh before the issue of the Options proposed in Resolution 2 is as follows:
- Mr Goh holds 20,244,238 Shares, 7,500,000 options over unissued Shares and 66,735 options over existing issued Shares;
- (d) If all of the Options proposed in Resolution 2 were to be exercised, the effect on the fully paid ordinary shares would be to increase the number from 273,311,633 to 275,761,633, resulting in the receipt by the Company of \$2,940,000 and a dilution to existing shareholders of 0.89%. If all the Options proposed in Resolutions 1 and 2 were to be exercised the effect on the fully paid ordinary shares would be to increase the number from 273,311,633 to 276,061,633, resulting in the receipt by the Company of \$3,300,000 and a dilution to existing shareholders of 0.996%;
- (e) The remuneration and emoluments from the Company to Mr Goh for the previous financial year and the proposed remuneration and emoluments for the current financial year are as set follows:
- Previous financial year ended 31 December 2014 - \$441,477  
Proposed for current financial year ended 31 December 2015 - \$500,000
- (f) Each of the Directors, namely Messrs Dawson, Pan, Zain, Levit, Lee, Llanwarne and Lee, recommend the approval of Resolution 2 as it provides an effective incentive to Mr Goh and enables the Company to preserve working capital;
- (g) As Mr Goh has an interest in the outcome of Resolution 2 he is unable to make a recommendation on the outcome of that Resolution; and
- (h) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 2.

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### **3. RESOLUTION 3 – RATIFICATION OF ISSUE OF 1,792,000 OPTIONS ON 30 JULY 2015**

#### **Background**

On 30 July 2015, the Company announced to the ASX that it had issued 1,792,000 Options. The Options being issued to selected employees and/or consultants as an incentive for their future involvement and commitment.

Resolution 3 seeks Shareholder ratification for the issue of the 1,792,000 Options that your Directors issued on 30 July 2015.

#### **ASX Listing Rules**

Subject to certain exceptions, ASX Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of the company's ordinary securities on issue at the commencement of that period without shareholder approval.

The exception to this rule contained in ASX Listing Rule 7.4 provides an issue made within the 15% limit will be treated as having been made with the approval of shareholders under ASX Listing Rule 7.1 if subsequently approved by shareholders,

thereby 'refreshing' the company's ability to issue shares within the 15% limit, and restoring the company's ability to make placements within that limit (if that is thought desirable) without the need for shareholder approval.

While the Options described in this Resolution 3 have been issued within the 15% limit required by ASX Listing Rule 7.1, the Company seeks Shareholder ratification of the issuing of the Options for the purpose of ASX Listing Rule 7.4 so that the Company's ability to issue securities will be 'refreshed' and it will have flexibility to issue further securities should the need or opportunity arise.

#### **Information Required by ASX Listing Rule 7.5**

Pursuant to and in accordance with the requirements of ASX Listing Rule 7.5, the following information is provided to Shareholders to allow them to assess the ratification of the issuing of the Options the subject of this Resolution 3:

- (a) the number of Options issued was 1,792,000;
- (b) the Options were issued to provide an incentive for the future involvement and commitment of selected employees and/or consultants. No cash consideration was received from the issue of the Incentive Options;
- (c) the terms and conditions of the Options are as set out in Annexure A;
- (d) the Options were issued to selected employees and/or consultants. No related party of the Company participated in the issue of the Options; and
- (e) no funds were raised from the issue of the Options.

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#### **4. RESOLUTION 4 – RATIFICATION OF ISSUE OF 757,939 SHARES ON 30 JULY 2015**

##### **Background**

On 16 October 2014, the Company announced to the ASX that it acquired all of the issued capital of LoveByte Pte Ltd for a purchase price that included the deferred issue of 757,939 Shares. Accordingly, and in accordance with the terms and conditions of the acquisition agreement, on 30 July 2015 the Company issued the 757,939 Shares to the shareholders of LoveByte Pte Ltd.

Resolution 5 seeks Shareholder ratification for the issue and allotment of 757,939 Shares that your Directors issued on 30 July 2015 as part consideration for the acquisition of LoveByte Pte Ltd.

##### **ASX Listing Rules**

For information on ASX Listing Rules 7.1 and 7.4 please refer to Section 3 of this Explanatory Statement.

While the Shares described in this Resolution 4 have been issued within the 15% limit required by ASX Listing Rule 7.1, the Company seeks Shareholder ratification of the issue of those Shares for the purpose of ASX Listing Rule 7.4 so that the Company's ability to issue securities will be 'refreshed' and it will have flexibility to issue further securities should the need or opportunity arise.

### **Information Required by ASX Listing Rule 7.5**

Pursuant to and in accordance with the requirements of ASX Listing Rule 7.5, the following information is provided to Shareholders to allow them to assess the ratification of the issue of the Shares the subject of this Resolution 4:

- (a) the number of Shares issued and allotted was 757,939;
- (b) the Shares were issued as part consideration for the acquisition by the Company of LoveByte Pte Ltd;
- (c) The 757,939 Shares rank pari passu with the Company's existing issued Shares;
- (d) the Shares were allotted to the shareholders of LoveByte Pte Ltd (no related party of the Company participated in the issue); and
- (e) no funds were raised from the issue of the 757,939 Shares.

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## **5. RESOLUTION 5 – RATIFICATION OF ISSUE OF 10,110,000 SHARES ON 17 SEPTEMBER 2015**

### **Background**

On 17 September 2015, the Company announced to the ASX that it had placed 10,110,000 Shares at an issue price of \$1.00 per Shares to raise \$10,110,000 (before costs).

Resolution 6 seeks Shareholder ratification for the issue and allotment of 10,110,000 Shares that your Directors issued at an issue price of \$1.00 per Share, on 17 September 2015.

### **ASX Listing Rules**

For information on ASX Listing Rules 7.1 and 7.4 please refer to Section 3 of this Explanatory Statement.

While the Shares described in this Resolution 5 have been issued within the 15% limit, the Company seeks Shareholder ratification of the issue of those Shares for the purpose of ASX Listing Rule 7.4 so that the Company's ability to issue securities will be 'refreshed' and it will have flexibility to issue further securities should the need or opportunity arise.

### **Information Required by ASX Listing Rule 7.5**

Pursuant to and in accordance with the requirements of ASX Listing Rule 7.5, the following information is provided to Shareholders to allow them to assess the ratification of the issue of the Shares the subject of this Resolution 5:

- (a) the number of Shares issued and allotted was 10,110,000;
- (b) the Shares were issued at an issue price of \$1.00 per Share, which raised \$10,110,000 for the Company, before issue costs;
- (c) the 10,110,000 Shares rank pari passu with the Company's existing issued Shares;

- (d) the Shares were allotted to investors who qualified as professional or sophisticated investors. No related party of the Company participated in the issue; and
- (e) the funds raised from the issue of the Shares is being applied towards the continued development of the migme platform, market growth and for general working capital purposes.



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## GLOSSARY

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**\$** means Australian dollars.

**ASX** means ASX Limited.

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

**Annexure** means an annexure to this Explanatory Statement.

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

**Chair** means the chair of the Meeting.

**Closely Related Party** means 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) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means migme Limited (ACN 059 457 279).

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

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

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**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.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share on the terms and conditions set out in Annexure A.

**Placement** has the meaning given to that term in Section 5.1.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

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

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

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## **ANNEXURE A**

### **TERMS AND CONDITIONS OF OPTIONS (RESOLUTIONS 1, 2 and 3)**

The Options entitle the holder to subscribe for Shares in the capital of migme Limited on the following terms and conditions:

- a) The exercise price of each Option is \$1.20 ("Exercise Price").
- b) The Options expire at 5:00pm Western Standard Time in Perth, Australia on 31 July 2019 ("Expiry Date").
- c) The Options can be exercised by the holder at any time on or before the Expiry Date.
- e) Each Option shall entitle the holder to subscribe for and be issued one Share in the capital of migme Limited (the "Company") upon exercise of the Option and payment to the Company of the Exercise Price.
- f) Shares issued as a result of the exercise of any of the Options will rank equally in all respects with all Shares currently on issue.
- g) The Option holder is not entitled to participate in new issues of securities offered to shareholders of the Company (including any rights issue, entitlement issue or bonus issue) unless the Option is exercised before the relevant record date for that new issue.
- h) Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares issued pursuant to the exercise of an Option will rank equally with the then issued Shares of the Company in all respects. If the Company is listed on the Australian Securities Exchange ("ASX") it will, pursuant to the exercise of an Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act 2001 and the ASX Listing Rules.
- i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital at the time of the reconstruction.