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**TV2U INTERNATIONAL LIMITED**

**ACN 110 184 355**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10:00am (WST)

**DATE:** 29 November 2016

**PLACE:** Quest West Perth  
54 Kings Park Road  
West Perth, WA 6005

*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, Sarah Smith on (+61 8) 9322 7600.*

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## CONTENTS PAGE

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Notice of Annual General Meeting (setting out the proposed resolutions)	4
Explanatory Statement (explaining the proposed resolutions)	8
Glossary	23
Schedule 1 – Terms and Conditions of Listed Options	25
Schedule 2 – Performance Right Plan Terms	28
Proxy Form	(attached)

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am (WST) on 29 November 2016 at:

Quest Kings Park  
54 Kings Park Road  
West Perth, WA 6005

### Your vote is important

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

### Voting in person

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

### 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 Annual General 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 ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders will be held at 10:00am (WST) on 29 November 2016 at Quest Kings Park, 54 Kings Park Road, West Perth WA 6005.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 10:00am (WST) on 27 November 2016.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

### AGENDA

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#### ORDINARY BUSINESS:

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the Auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF 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 purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report, as contained in the Company's annual financial report for the financial year ended 30 June 2016.”*

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

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party 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 the 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.

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**3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR GRAHAM DURTANOVICH**

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

*“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Graham Durtanovich, a Director who was appointed on 20 October 2016, retires, and being eligible, is elected as a Director.”*

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**4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR PETER CUNNINGHAM**

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

*“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Peter Cunningham, a Director who was appointed on 20 October 2016, retires, and being eligible, is elected as a Director.”*

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**5. RESOLUTION 4 – ISSUE OF SHORTFALL OPTIONS**

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 137,684,973 Options 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 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.

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**6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF 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 7.4 and for all other purposes, shareholders ratify the issue of 70,133,331 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion** The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

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## 7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

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, shareholders ratify the issue of 35,066,665 Listed Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion** The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

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## 8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF 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 7.4 and for all other purposes, shareholders ratify the issue of 75,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion** The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

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## 9. RESOLUTION 8 – 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 purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on 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 Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution 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.

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## 10. RESOLUTION 9 – ISSUE OF SHARES TO ADVISORS

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 57,000,000 Shares to advisors of the Company 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 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.

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**11. RESOLUTION 10 – APPROVAL OF PERFORMANCE RIGHTS PLAN**

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

*"That for the purposes of Listing Rule 7.2, Exception 9 and for all other purposes, Shareholders of the Company approve the TV2U International Ltd Performance Rights Plan and the issue of securities pursuant to that plan on the terms and conditions summarised in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a director of the entity (except one who is ineligible to participate) 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.

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**DATED: 25 OCTOBER 2016**

**BY ORDER OF THE BOARD**



**SARAH SMITH  
COMPANY SECRETARY**

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10:00am (WST) on 29 November 2016 at.

Quest Kings Park  
54 Kings Park Road  
West Perth WA 6005

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### **1. FINANCIAL STATEMENTS AND REPORTS – AGENDA ITEM**

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the Period from 1 July 2015 to 30 June 2016 together with the Directors' Declaration, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.tv2u.com](http://www.tv2u.com) or on the ASX platform for "TV2" [www.asx.com.au](http://www.asx.com.au).

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### **2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

#### **2.1 General**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2016.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

A reasonable opportunity will be provided for discussion of the remuneration report at the annual general meeting.

#### **2.2 Voting consequences**

Under changes to the Corporations Act that came into effect on 1 July 2011, a Company will be required to put to 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 shareholders vote in favour of the Spill Resolution, the company must convene the general 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 previous 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 is approved will be the Directors of the Company.

### 2.3 Previous Voting Results

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

### 2.4 Proxy Voting Restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

*If you appoint a member of 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 as your proxy*

*You must direct the proxy how they are to vote on this Resolution.* 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 Resolution 1.

*If you appoint the Chair as your proxy:*

*If you elect to appoint the Chair as your proxy (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)*

You *do not* need to direct the Chair how you wish them to vote on Resolution 1, however if you do not direct the Chair how to vote, *you must mark the acknowledgement on the proxy form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.*

*If you appoint any other person as your proxy:*

You *do not* need to direct your proxy how to vote on this Resolution, and you *do not* need to tick any further acknowledgement on the proxy form.

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**3. RESOLUTION 2 - ELECTION OF DIRECTOR - MR GRAHAM DURTANOVICH**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Durtanovich was appointed on 20 October 2016, and therefore retires in accordance with clause 13.4 of the Constitution and being eligible seeks re-election.

Mr Durtanovich brings extensive financial management experience from a large private enterprise within the construction industry, where he previously held the role of Chief Financial Officer and was responsible for the financial administration, strategic planning, risk analysis and Corporate Governance of the company.

Mr Durtanovich holds a Bachelor of Economics, Graduate Diploma in Applied Finance and Investment from FINSIA, and a Masters of Business Administration.

The Directors (other than Mr Graham Durtanovich) recommend that Shareholders vote in favour of this Resolution. Mr Graham Durtanovich does not make any recommendation in relation to his own re-election.

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**4. RESOLUTION 3 - ELECTION OF DIRECTOR - MR PETER CUNNINGHAM**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Cunningham was appointed on 20 October 2016, and therefore retires in accordance with clause 13.4 of the Constitution and being eligible seeks re-election.

Mr Cunningham, the current COO of TV2U, has more than 30 years of experience in the broadcast and professional video industry. He has held various strategic and managerial positions with major digital service providers and manufacturers including Abekas, Imagine Communications (formerly Harris Broadcast), and Digital Rapids.

Mr Cunningham demonstrates strong project management skills, which he has honed over the years by managing some of the largest IPTV and OTT projects for various high-profile clients in Europe and the U.S. He has extensive knowledge of emerging technologies with an emphasis on video streaming protocols, cloud methodologies, and system architecture and solution designs for OTT and TV Everywhere applications.

The Directors (other than Mr Peter Cunningham) recommend that Shareholders vote in favour of this Resolution. Mr Peter Cunningham does not make any recommendation in relation to his own re-election.

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## 5. RESOLUTION 4 – ISSUE OF SHORTFALL OPTIONS

In March 2016, in recognition of the ongoing support of Shareholders, the Company resolved to make a pro rata non-renounceable offer to issue new loyalty Options exercisable at \$0.04 on or before 30 March 2019 (**Loyalty Options**) under a prospectus at an issue price of \$0.001 cents per new option to raise approximately A\$260,411 before costs (**Entitlement Offer**). On 28 June 2016, the Company issued 159,009,680 Listed Options to shareholders who subscribed for entitlements under the offer which closed on 23 June 2016.

Resolution 4 seeks Shareholder approval for the issue of the remaining 137,684,973 Options that were not subscribed for under the Entitlement Issue (**Shortfall Options**).

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 Shortfall Options pursuant to Loyalty Option Entitlement Issue 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.

### 5.1 Technical information required by ASX Listing Rule 7.1

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

- (a) a maximum of 137,684,973 Options will be issued;
- (b) the Options 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 Options will occur on the same date;
- (c) the issue price will be \$0.001 per Option;
- (d) the Options will be issued to loyal shareholders of the Company, all of which are professional and sophisticated investors, to reward their ongoing support. None of these subscribers will be related parties of the Company;
- (e) the terms and condition of the Options are equivalent to Company's Listed Options, the terms and conditions of which are set out in Schedule 1; and
- (f) the Company intends to use the funds raised from the for general working capital purposes and expenses of the offer.

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

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## 6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES

On 31 May 2016, the Company issued 70,133,331 Shares at an issue price of \$0.03 per Share to raise \$2,104,000 (before costs) (**Placement**). The Placement Shares were issued under the Company's 10% placement capacity under Listing Rule 7.1A.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of these 70,133,331 Shares issued pursuant to the Placement (**Ratification**).

### 6.1 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of equity securities which represents 10% of the number of fully paid ordinary shares at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1A, those securities will from that date be included in variable "A" in the formula in ASX Listing Rules 7.1 and 7.1A.2 for the purposes of calculating the annual placement capacity of the Company under both ASX Listing Rules 7.1 and 7.1A.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the annual placement capacity of the Company under both ASX Listing Rules 7.1 and 7.1A, without the requirement to obtain prior Shareholder approval.

### 6.2 Technical Information Required by Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 70,133,331 Shares were issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.03 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated investors known to the Company. None of these subscribers were related parties of the Company; and
- (e) the funds raised from this issue were used to develop TV2U in line with its business model and strategy, and for working capital.

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

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## **7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF OPTIONS**

In connection with the Placement referred to in Section 6, the Company also issued 35,066,665 Listed Options. The Listed Options were issued under the Company's 15% placement capacity under Listing Rule 7.1.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of these 35,066,665 Listed Options in connection with the Placement (**Ratification**).

### **7.1 ASX Listing Rule 7.1**

A summary of ASX Listing Rule 7.1 is set out in Section 5.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX 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% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **7.2 Technical Information Required by Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.4, the following information is provided in relation to the Ratification:

- (a) 35,066,665 Listed Options were issued pursuant to ASX Listing Rule 7.1;
- (b) the issue price was \$0.00001 per Listed Option;
- (c) the terms and condition of the Listed Options are set out in Schedule 1;
- (d) the Listed Options were issued to sophisticated investors known to the Company. None of these subscribers were related parties of the Company; and
- (e) the funds raised from this issue were used to develop TV2U in line with its business model and strategy, and for working capital.

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

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## 8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES

On 31 May 2016, the Company issued 75,000,000 Shares to professional advisors, as consideration for corporate advisory and business development services provided to the Company. The Placement Shares were issued under the Company's 15% placement capacity under Listing Rule 7.1.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of these 75,000,000 Shares issued pursuant to the Placement (Ratification).

### 8.1 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 5. A summary of ASX Listing Rule 7.4 is set out in Section 7.1.

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

### 8.2 Technical Information Required by Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.4, the following information is provided in relation to the Ratification:

- (a) 75,000,000 Shares were issued under the Company's 15% placement capacity under Listing Rule 7.1;
- (b) the Shares were issued for nil cash consideration, as they were issued for corporate advisory and business development services provided to the Company;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional advisors, all of which are sophisticated investors. None of these subscribers were related parties of the Company; and
- (e) no the funds raised from this issue as they were issued for corporate advisory and business development services provided to the Company.

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

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## 9. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY

### 9.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve this Resolution, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 9.2 below).

The effect of this Resolution will be to allow the Directors 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.

Resolution 8 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour for it to be passed.

## 9.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the A&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the A&P/ASX 300 Index and has a market capitalisation on the basis of the closing Share price on 17 October 2016 of approximately \$20,226,843.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of Equity Securities on issue, being the Shares.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under this rule; and

(d) less the number of Shares cancelled in the previous 12 months.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### 9.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated 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 9.3(b)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.



The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.0085 (50% decrease in current issue price)	\$0.017 (Current issue price)	\$0.034 (50% increase in current issue price)
1,189,814,327 (Current)	Shares issued	118,981,432 Shares	118,981,432 Shares	118,981,432 Shares
	Funds Raised	\$1,011,342	\$2,022,684	\$4,045,368
1,784,721,490 (50% increase)*	Shares issued	178,472,149 Shares	178,472,149 Shares	178,472,149 Shares
	Funds Raised	\$1,517,013	\$3,034,026	\$6,068,053
2,379,628,654 (100% increase)*	Shares issued	237,962,865 Shares	237,962,865 Shares	237,962,865 Shares
	Funds Raised	\$2,022,684	\$4,045,368	\$8,090,737

\*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.

**The table above uses the following assumptions:**

1. The current shares on issue of 1,189,814,327 are the Shares on issue as at 17 October 2016.
2. The issue price set out above is the closing price of the Shares on the ASX on 17 October 2016.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
5. 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.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. 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%.
8. 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.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) for cash consideration in which case the Company intends to use funds raised for initial and long term costs associated with its acquisition of TV2U including business development and marketing, research and development, administration expenses, and for general working capital; or
- (ii) as 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.

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) **Allocation under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s). The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Company's 2015 AGM.

In the 12 months preceding the date of the Meeting the Company issued a total of 1,552,311,535 Equity Securities which represent 407% of

the total number of Equity Securities on issue at 27 November 2015 (expressed on a post-consolidation basis, noting that the Company's issued capital was consolidated on a 1 for 2 basis effective 20 November 2015). The Equity Securities issued in the preceding 12 months were as follows:

Date of Issue	Ordinary Shares <sup>1</sup>	Performance Shares	Options	Issued to or basis of issue	Amount Raised Use of funds or non-cash Consideration
3 Feb 2016	201,300,000 shares at an issue price of \$0.02 per share. The Company's shares were suspended from quotation on the date of issue.			Shares issued to public offer investors pursuant to a prospectus.	\$4,026,000 was raised Amount spent - \$4,026,000
3 Feb 2016	357,142,857 shares			Shares issued to vendors as consideration for the acquisition of TV2U Worldwide Pty Ltd.	Non-cash consideration for acquisition. Current value: \$5,714,286
3 Feb 2016	102,078,644 shares			Shares issued in satisfaction of Convertible Notes on issue	Nil. Shares issued in satisfaction of Convertible Notes on issue
3 Feb 2016		89,285,715 Class A <sup>2</sup>			Non-cash consideration for acquisition. Current value: Nil <sup>6</sup>
3 Feb 2016		107,142,857 Class B <sup>3</sup>			Non-cash consideration for acquisition. Current value: Nil <sup>6</sup>
3 Feb 2016		142,857,143 Class C <sup>4</sup>			Non-cash consideration for acquisition. Current value: Nil <sup>6</sup>
3 Feb 2016		178,571,428 Class D <sup>5</sup>			Non-cash consideration for acquisition. Current value: Nil <sup>6</sup>
3 Feb 2016			31,687,500 options exercisable at \$0.03, expiry 31 December 2018	Options issued to convertible noteholders in satisfaction of existing convertible notes on issue.	Non-cash consideration for satisfaction of existing convertible notes. Current value: \$290,177 <sup>7</sup>
31 May 2016	70,133,331 shares at an issue price of \$0.03 per share. Closing price on date of issue \$0.046 (discount of 34.78%).			Issued to sophisticated and professional investors pursuant to a placement.	\$2,104,000 was raised Amount Spent - \$1,103,775
31 May 2016	75,000,000 shares			Shares issued to advisors for corporate advisory and business development services provided to the Company	Non-cash consideration for corporate advisory and business development services. Current value: \$1,200,000
31 May 2016			35,066,665 listed options	Issued to sophisticated	\$350.67 was raised. Amount spent - Nil

			exercisable at \$0.04, expiry 30 March 2019. Options issued at \$0.00001 per Option. The Options had not yet traded at the date of issue.	and professional investors pursuant to a placement.	
28 Jun 2016			159,009,680 listed options exercisable at \$0.04, expiry 30 March 2019. Options issued at \$0.00001 per Option. The Options had not yet traded at the date of issue.		\$159,009.68 was raised. Amount spent - Nil
28 Jun 2016	3,035,715 shares			Shares issued in satisfaction of Convertible Notes on issue	Nil. Shares issued in satisfaction of Convertible Notes on issue

1. Fully paid ordinary shares.
2. Class A Performance Shares convert into fully paid ordinary shares on a 1 for 1 basis if the earnings before interest, tax, depreciation and amortisation of TV2U and its subsidiaries (**EBITDA**) is greater than or equal to \$5 million (in any rolling 12 month period) within 2 years of settlement of the acquisition of TV2U.
3. Class B Performance Shares convert into fully paid ordinary shares on a 1 for 1 basis if the EBITDA is greater than or equal to \$10 million (in any rolling 12 month period) within 3 years of settlement of the acquisition of TV2U.
4. Class C Performance Shares convert into fully paid ordinary shares on a 1 for 1 basis if the EBITDA is greater than or equal to \$15 million (in any rolling 12 month period) within 4 years of settlement of the acquisition of TV2U.
5. Class A Performance Shares convert into fully paid ordinary shares on a 1 for 1 basis if the EBITDA of TV2U and its subsidiaries is greater than or equal to \$20 million (in any rolling 12 month period) within 4 years of settlement of the acquisition of TV2U.
6. The fair value of each class of performance share is considered to be nil given the inability at this point to ascertain the likelihood of the performance based milestones being achieved.
7. The value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option.

The Company's cash balance at 27 November 2015 was approximately \$183,872. Cash raised from issues in the previous 12 months totals approximately \$6,289,360 (before costs). The Company's cash balance at the date of this Notice of Meeting is approximately \$1,159,585. Funds raised have been used for initial and long term costs associated with its acquisition of TV2U including business development and marketing, research and development, administration expenses, and for general working capital. The remaining funds of \$1,159,585 are intended to be used to continue to fund the development of TV2U in line with its business model and strategy, business development and marketing, research and development and for general working capital.

#### 9.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in

an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

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

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## **10. RESOLUTION 9 – ISSUE OF SHARES TO ADVISORS**

The Company has agreed, subject to obtaining shareholder approval, to issue a total of up to 57 million Shares to advisors and consultants to the Company (**Advisor 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 9 will be to allow the Company to issue the Advisor Shares pursuant to Loyalty Option Entitlement Issue 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.

### **10.1 Technical information required by ASX Listing Rule 7.1**

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

- (a) a maximum of 57,000,000 Shares will be issued;
- (b) the 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 on the same date;
- (c) the issue price will be Nil per Share;
- (d) the Shares will be issued to advisors of the Company, all of which are professional and sophisticated investors, for corporate advisory services and facilitation of contracts as mandated. None of these subscribers will be related parties of the Company;
- (e) the Shares to be issued are 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) there will be no funds raised from this issue as the Shares will be issued for corporate advisory services and facilitation of contracts.

The Board recommends that Shareholders vote in favour of Resolution 9.

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## **11. RESOLUTION 10 – APPROVAL OF PERFORMANCE RIGHTS PLAN**

Resolution 10 seeks Shareholder approval for the adoption of a Performance Rights Plan (**Plan**). The objective of the Plan is to attract, incentivise, motivate and retain Directors, executives and employees, and to provide those persons with the opportunity to participate in the future growth of the Company. The Plan was first adopted and approved by Shareholders on 22 July 2013.

ASX Listing Rule 7.1 prohibits an entity from issuing or agreeing to issue Equity Securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

However ASX Listing Rule 7.2, exception 9(b) provides that ASX Listing Rule 7.1 does not apply in relation to, among other things, an issue under an employee incentive scheme if within 3 years before the date of the issue the holders of the entity's ordinary securities approve the issue of securities under the scheme as an Exception to Listing Rule 7.1.

The ASX Listing Rules define "employee incentive scheme" as:

- (a) a scheme for the issue or acquisition of Equity Securities in an entity to be held by, or for the benefit of, participating employees or non-executive directors of the entity or a related entity; or
- (b) a scheme which, in ASX's opinion, is an employee incentive scheme.

Under the ASX Listing Rules, Equity Securities include rights to acquire issued or unissued shares in an entity. The Plan is therefore an employee incentive scheme for the purposes of the ASX Listing Rules.

If this Resolution is passed, performance rights issued under the Plan during the next 3 years will be excluded in determining the 15% limit under Listing Rule 7.1. This would assist the Company should it require additional fundraising flexibility.

The following information is provided for the purposes of Listing Rule 7.2 Exception 9(b):

- (a) a summary of the terms of the Plan is outlined in Schedule 3 and a full copy of the Plan is available for inspection at the Company's registered office until the date of the Annual General Meeting; and
- (b) a total of 12,000,000 performance rights have been issued under the Plan since the date of its approval in July 2013. A total of Nil Shares have been issued on conversion of performance rights issued under the Plan.

The Board recommends that Shareholders vote in favour of Resolution 10.

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## **12. ENQUIRIES**

Shareholders are requested to contact Company Secretary, Sarah Smith on (+ 61 8) 6381 0054 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**10% Placement Capacity** has the meaning given in section 9.1 of this Notice.

**\$** means Australian dollars.

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

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

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

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

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

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**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** of TV2U means TV2U International Limited (ACN 110 184 355).

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

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

**Directors** means the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the A&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

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

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes 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) of the Company.

**Listed Option** means an Option issued on the terms and conditions set out in Schedule 1.

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

**Option** means an option to acquire a Share.

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

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

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

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

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

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

**Variable A** means "A" as set out in the calculation in Section 9.2 of this Notice.

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



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## SCHEDULE 1 – TERMS AND CONDITIONS OF LISTED OPTIONS

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### 1.1 Entitlement

Subject to paragraph 1.14 below, each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### 1.2 Exercise Price

Subject to paragraphs 1.11 and 1.13 below, the amount payable upon exercise of each Option will be \$0.04 (**Exercise Price**).

### 1.3 Expiry Date

Each Option will expire at 5:00pm (AWST) on 30 March 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 1.4 Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### 1.5 Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### 1.6 Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

### 1.7 Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

1.7.1 the Exercise Date; and

1.7.2 when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

1.7.3 allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- 1.7.4 if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- 1.7.5 if admitted to the Official List at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph 1.7.4 for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

## **1.8 Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

## **1.9 Quotation of Options**

The Company will apply for quotation of the Options on ASX.

## **1.10 Quotation of Shares issued on exercise**

If admitted to the Official List at the time, the Company will apply for quotation of the Shares issued upon the exercise of the Options.

## **1.11 Reconstruction of capital**

If at any time the Company's issued capital is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

## **1.12 Participation in new issues**

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

## **1.13 Adjustment for rights issue**

If the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

#### **1.14 Adjustment for bonus issues of Shares**

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

1.14.1 the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and

1.14.2 no change will be made to the Exercise Price.

#### **1.15 Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## SCHEDULE 2 – PERFORMANCE RIGHTS PLAN TERMS

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### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this Agreement:

**ASX** means the ASX Limited (ABN 98 008 624 691).

**Board** means the board of directors of the Company or committee appointed by the Board for the purposes of the Plan.

**Company** means TV2U International Limited Limited (ACN 110 184 355).

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

**Eligible Participant** means any full time or part time employee or director of a Group Company who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan.

**Group Company** means the Company, its Subsidiaries and any other entity declared by the Board to be a member of the group for the purposes of the Plan.

**Holding Lock** has the meaning given to that term in the Listing Rules.

**Listing Rules** means the official Listing Rules of the ASX as they apply to the Company from time to time.

**Offer** means an offer made by the Company to an Eligible Participant to participate in the Plan.

**Participant** means a person who holds Performance Rights from time to time.

**Performance Right** means an entitlement to a Share subject to satisfaction of performance criteria and the corresponding obligation of the Company to provide the Share, pursuant to a binding contract made by the Company and an Eligible Participant in the manner set out in these rules.

**Plan** means the Performance Rights Plan as set out in these rules, subject to any amendments or additions made under rule 9.

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

**Subsidiary** has the meaning given in section 9 of the Corporations Act.

**Takeover Bid** means a takeover bid (as defined in the Corporations Act) to acquire the Company's Shares.

**Vesting Conditions** means one or more conditions which must be satisfied or circumstances which must exist before the Performance Rights vest, as determined by the Board.

#### 1.2 Interpretations

In this Plan unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) any reference in the Plan to any enactment of the Listing Rules includes a reference to that enactment or those Listing Rules as from time to time amended, consolidated, re-enacted or replaced;
- (c) any words denoting the singular include the plural and words denoting the plural include the singular;
- (d) any words denoting one gender include the other gender;
- (e) where any word or phrase is given a definite meaning in this Plan, any part of speech or other grammatical form of that word or phrase has a corresponding meaning.

## **2. GRANT OF PERFORMANCE RIGHTS**

### **2.1 Grant**

- (a) The Board may, from time to time, at its absolute discretion and only where an Eligible Participant continues to satisfy any relevant conditions imposed by the Board (which may include without limitation that an Eligible Participant continues to be an employee of a Group Company at the relevant time) grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the Plan and upon such additional terms and Vesting Conditions as the Board determines.
- (b) Unless the Board otherwise determines, an Eligible Participant will not be required to make any payment in return for a grant of Performance Rights.

### **2.2 Information to be provided to Eligible Participants**

The Board will advise each Eligible Participant of the following minimum information regarding the Performance Rights:

- (a) the number of Performance Rights being offered (each entitling its holder to one Share upon vesting of that Performance Right);
- (b) any applicable Vesting Conditions;
- (c) the period or periods during which any vested Performance Rights may be exercised;
- (d) the dates and times when the Performance Rights lapse;
- (e) any amount that will be payable upon vesting or exercise of a Performance Right; and
- (f) any other relevant conditions to be attached to the Performance Rights or the Shares.

## **3. TRANSFER OF PERFORMANCE RIGHTS**

- (a) A Performance Right granted under the Plan is only transferable:

- (i) with the consent of the Board; or
  - (ii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (b) Where the Participant purports to transfer a Performance Right other than in accordance with rule 3(a) the Performance Right immediately lapses.

#### **4. VESTING AND EXERCISE OF PERFORMANCE RIGHTS**

##### **4.1 Vesting pre-conditions**

- (a) Subject to rules 7 and 10.3, a Performance Right granted under the Plan will not vest unless the Vesting Conditions (if any) advised to the Participant by the Board pursuant to rule 2.2 have been satisfied and the Board has notified the Participant.
- (b) A vested Performance Right may only be exercised by a Participant once the Board has notified the Participant that the Vesting Conditions attached to the Performance Right have been satisfied.
- (c) The exercise of any vested Performance Right granted under the Plan will be effected in the form and manner determined by the Board, and, if an amount is payable on exercise of the Performance Right, will be accompanied by payment of that amount, unless the manner of payment of the amount payable on exercise of the Performance Right is otherwise provided for by the Board.
- (d) Unless the Board decides otherwise, any vested Performance Right that has not been exercised, or otherwise lapsed, within one (1) year of becoming vested, shall automatically lapse.
- (e) The delivery of a Share on the exercise of a vested Performance Right will constitute satisfaction of the condition precedent to performance of the Company's obligation to provide a Share to the Participant under that Performance Right pursuant to rule 5.1.

##### **4.2 Lapse of an Performance Right**

A Performance Right will lapse upon the earlier to occur of:

- (a) failure to meet the Performance Right's Vesting Conditions;
- (b) the date specified by the Board in the information provided to the Eligible Participant for the purposes of rule 2.2(d);
- (c) the Performance Right lapsing in accordance with rule 3(b);
- (d) the Performance Right lapsing in accordance with a provision of this rule 4; or
- (e) the 7 year anniversary of the date of grant of the Performance Rights.

### **4.3 Ceasing to satisfy relevant conditions – vested Performance Rights**

If, for any reason, a Participant ceases to be an Eligible Participant or otherwise ceases to satisfy any other relevant condition imposed by the Board after a Performance Right has vested but before a Performance Right has been exercised, the Participant may exercise those vested Performance Rights within the 6 month period after ceasing to be an Eligible Participant or ceasing to satisfy any other relevant conditions (as appropriate) or such other period (longer or shorter) as the Board determines, after which they lapse. The period is subject to, and cannot exceed, the period of one (1) year.

### **4.4 When employment ceases**

If a Vesting Condition attached by the Board to a Performance Right requires a Participant to remain an employee of a Group Company, then the Participant will be treated as having ceased to be an employee of a Group Company at such time the Participant's employer ceases to be a Group Company. A Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the exercise of a Performance Right under the Plan will be treated for those purposes as not having ceased to be such an employee.

### **4.5 Fraudulent or dishonest actions**

- (a) Where, in the opinion of the Board, a Participant:
- (i) acts fraudulently or dishonestly; or
  - (ii) is in breach of his or her obligations to any Group Company,
- then the Board may:
- (iii) deem any unvested, or vested but unexercised, Performance Rights of the Participant to have lapsed; and/or
  - (iv) deem all or any Shares issued under the Plan and held by the Participant to be forfeited – in which event the Participant is deemed to have agreed to sell his shares to the Company pursuant to an Employee Share Scheme Buy-Back (as defined in the Corporations Act) for no consideration or be deemed to have appointed any officer of the Company as his or her agent to sell the Shares on market; and/or
  - (v) where any Shares issued under the Plan have been sold by the Participant, require the Participant to pay all or part of the net proceeds of that sale to the Company.
- (b) Where, in the opinion of the Board, a Participant's Performance Rights vest as a result of the fraud, dishonesty, or breach of obligations of another person and, in the opinion of the Board, the Performance Rights would not otherwise have vested, the Board may determine that the Performance Rights have not vested and, subject to applicable laws:
- (i) where Shares have not been issued or transferred upon the exercise of a vested Performance Right, that the Performance

Rights have not vested and reset the Vesting Conditions applicable to the Performance Rights; or

- (ii) where Performance Rights have vested and have been exercised by the Participant, that the Shares are forfeited by the Participant (as described in rule 4.5(a)(iv)) and may, at the discretion of the Board, reissue any number of Performance Rights to the Participant, subject to new Vesting Conditions in place of the forfeited Shares; or
- (iii) any other treatment in relation to Performance Rights or Shares to ensure no unfair benefit is obtained by a Participant as a result of such actions of another person.

#### **4.6 Refund of monies paid on lapse of a Performance Right**

Where a Performance Right lapses, the Company will repay the Participant the price paid for the grant of the Performance Right, if any, and the Participant will have no further entitlement or claim against the Company in respect of the Performance Right.

### **5. ISSUE OF SHARES**

#### **5.1 Exercise of Performance Rights**

Subject to compliance with the Corporations Act, the ASX Listing Rules and this Plan, the Company must issue to or procure the transfer to the Participant or his or her personal representative (as the case may be) of the number of Shares in respect of which vested Performance Right are exercised, within 10 business days of the Performance Rights being exercised (provided any payment due on exercise of the Performance Rights has been duly made).

#### **5.2 Share ranking**

All shares issued under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

#### **5.3 Listing of Shares on ASX**

If Shares of the same class as those issued under the Plan are listed on the ASX the Company will apply to the ASX within 10 business days of Shares being issued for those Shares to be listed on the ASX.

### **6. RESTRICTION ON DISPOSAL OF SHARES**

#### **6.1 Request for waiver**

Shares issued or transferred on exercise of Performance Rights are subject to the restrictions under rule 6.2, unless the Participant requests that the Company waives those restrictions under rule 6.2 and that request is approved by the Company.



## **6.2 Restriction**

Subject to rule 6.1, any Share acquired by a Participant on the exercise of a Performance Right must not be disposed of or dealt with in any way by that Participant until the earlier of:

- (a) the time when an event occurs so that the Eligible Participant to whom the Offer was originally made is not employed by any of:
  - (i) any Group Company; and
  - (ii) the company which employed the Eligible Participant at the time the Participant acquired the Performance Right, whether or not that company is still a Group Company;
- (b) the Board, in its sole and absolute discretion, approving that the restriction on disposal in this rule 6.2 be released; and
- (c) the 7 year anniversary of the date of grant of the Performance Rights.

## **6.3 Enforcing the disposal restriction**

The Company may make such arrangements as it considers necessary to enforce the restriction on disposal of Shares under rule 6.2 and Participant's must agree to such arrangements.

## **6.4 Holding Locks**

Without limiting rule 6.3, and subject to the Listing Rules, the Company may procure that a Holding Lock be put on those Shares while the Shares are subject to the restriction on disposal under rule 6.2.

## **6.5 Removing the restriction**

As soon as reasonably practicable after the restriction on disposal of a Shares under rule 6.2 no longer applies, the Company must procure that any restriction on dealing with that Share pursuant to these rules no longer applies.

## **6.6 Removing Holding Locks**

Without limiting rule 6.5, when a Share is no longer subject to the restriction on disposal in rule 6.2, the Company must, as soon as reasonably practicable, procure that any Holding Lock on that Share is removed

## **7. TAKEOVER, SCHEME OF ARRANGEMENT, WINDING-UP AND CHANGE OF CONTROL**

### **7.1 Takeovers**

- (a) In the event a bona fide Takeover Bid is declared unconditional, the Board may, in its absolute discretion, determine that all or a specified number of a Participant's unvested Performance Rights vest. Any Performance Right which the Board determines does not vest will automatically lapse, unless the Board determines otherwise.
- (b) If the Board makes a determination under rule 7.1(a) the Board must notify the Participant of the determination in writing.

## 7.2 **Compromise or arrangement**

The Board may, in its absolute discretion, determine that all or a specified number of a Participant's Performance Rights vest where:

- (a) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (b) any person becomes bound or entitled to acquire shares in the Company under:
  - (i) section 414 of the Corporations Act; or
  - (ii) Chapter 6A of the Corporations Act;
- (c) the Company passes a resolution for voluntary winding up; or
- (d) an order is made for the compulsory winding up of the Company.

If no determination is made or if the Board determines that some or all of a Participant's Performance Rights do not vest, those Performance Rights will automatically lapse.

## 7.3 **Acquisitions of shares in Acquiring Company**

If a company (**Acquiring Company**) obtains control of the Company as a result of:

- (a) a Takeover Bid; or
- (b) a proposed scheme of arrangement between the Company and its shareholders,

and both the Company and the Acquiring Company agree, a Participant may, in respect of any vested Performance Rights that are exercised, be provided with shares of the Acquiring Company or its parent in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Performance Rights, as well as to any amount payable on vesting of the Performance Rights.

## 8. **BONUS ISSUES, RIGHTS ISSUES, RECONSTRUCTION**

### 8.1 **Adjustment for bonus issues**

If Shares are issued pro rata to the Company's shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits, the number of Performance Rights to which each Participant is entitled, or any amount payable on exercise of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the Participant as a result of the bonus issue.

## **8.2 Adjustment for reorganisation**

In the event of any reorganisation (including consolidation or subdivision) of the issued capital of the Company, the number of Performance Rights to which each Participant is entitled, or any amount payable on exercise of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the Participant as a result of such corporate actions.

## **8.3 No other participation**

Subject to rules 8.1 and 8.2, during the currency of any Performance Rights and prior to exercise, Participants are not entitled to participate in any new issue of securities of the Company as a result of their holding Performance Rights. In addition, Participants are not entitled to vote nor to receive dividends as a result of their holding Performance Rights.

## **9. AMENDMENTS**

### **9.1 Power to amend Plan**

Subject to rule 9.2 and the Listing Rules, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Performance Right granted under the Plan.

### **9.2 Restrictions on amendments**

Without the consent of the Participant, no amendment may be made to the terms of any granted Performance Right which reduced the rights of the Participant in respect of that Performance Right, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake; or
- (c) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a court of competent jurisdiction.

### **9.3 Notice of amendment**

As soon as reasonably practicable after making any amendment under rule 9.1, the Board will give notice in writing of that amendment to any Participant affected by the amendment.

## **10. MISCELLANEOUS**

### **10.1 Rights and obligations of Participant**

The rights and obligations of Eligible Participant under the terms of their office, employment or contract with a Group Company are not affected by their

participating in the Plan. These rules will not form part of and are not incorporated into any contract of any Eligible Participant (whether or not they are an employee of a Group Company). No Eligible Participant will have any rights to compensation or damages in consequence of the termination of their office, employment or other contract with a Group Company for any reason whatsoever in so far as those rights arise or may arise their ceasing to have rights under the Plan as a result of such termination.

## **10.2 Power of the Board**

- (a) The Plan is administered by the Board which has power to:
  - (i) determine appropriate procedures for administration of the Plan consistent with these rules; and
  - (ii) delegate to any one or more persons for such period and on such conditions as it may determine the exercise of any of its powers or discretions arising under the Plan.
- (b) Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the Plan or any Performance Rights under the Plan and in the exercise of any power or discretion under the Plan.

## **10.3 Waiver of terms and conditions**

Notwithstanding any other provisions of the Plan, the Board may at any time waive in whole or in part any terms or conditions (including any Vesting Conditions) in relation to any Performance Rights granted to any Participant.

## **10.4 Dispute or disagreement**

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Performance Rights granted under it, the decision of the Board is final and binding.

## **10.5 Non-residents of Australia**

- (a) The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which rights offered under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the rights. Any additional rule must conform to the basic principles of the Plan.
- (b) When a Performance Right is granted under the Plan to a person who is not a resident of Australia the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any securities, exchange control or taxation laws or regulation or similar factors which may apply to the Participant or to any Group Company in relation to the Performance Right.

## **10.6 Communication**

- (a) Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post or facsimile, in the case of a company to its registered office, and in the case of an individual to the individual's last notified address, or, where a Participant is a director or employee of a Group Company, either to the Participant's last known address or to the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office of employment.
- (b) Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile, it is deemed to have been received on completion of transmission.

## **10.7 Laws governing Plan**

- (a) This Plan and any Performance Rights issued under it are governed by the laws of Western Australia and the Commonwealth of Australia.
- (b) The Company and the Participants submit to the non-exclusive jurisdiction of the courts of Western Australia.