



ENSURANCE LIMITED

ACN 148 142 634

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2:00pm WST

DATE: 29 November 2016

PLACE: Barringtons House
283 Rokeby Road
SUBIACO WA 6008

A copy of the Ensurance Limited 2016 Annual Report can be found at:
www.ensurance.com.au

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

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 6141 3500.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the annual general meeting of the Shareholders to which this Notice of Annual General Meeting relates will be held at 2:00pm WST on 29 November 2016 at Barringtons House, 283 Rokeby Road, Subiaco WA 6008.

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

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 2:00pm WST on 27 November 2016.

VOTING IN PERSON

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

VOTING BY PROXY

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 Ensurance Limited; 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 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 Ensurance Limited 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.

DEFINED TERMS

Capitalised terms in this Notice of Annual General Meeting and Explanatory Statement are defined either in the "Glossary" Section or where the relevant term is first used.

ASIC AND ASX

A final copy of this Notice of Annual General Meeting and Explanatory Statement has been lodged with ASX. ASX nor any of its respective officers takes any responsibility for the contents of this document.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

Reports and Accounts

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 Auditor's Report.

1. 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 purposes 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 either of the following persons:

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

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ADAM DAVEY

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

“That, for all purposes, Mr Adam Davey, a director of the Company who retires in accordance with clause 13.2 of the Constitution and, being eligible, is re-elected as a Director of the Company.”

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR BRETT GRAVES

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

“That, for all purposes, Mr Brett Graves, a director of the Company who retires in accordance with clause 13.2 of the Constitution and, being eligible, is re-elected as a Director of the Company.”

4. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

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

“That, for the purposes 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 issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

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, including any associates of those persons. However, the Company will 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.

5. RESOLUTION 5 – APPROVAL TO ADOPT AN EMPLOYEE INCENTIVE SCHEME

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

“That, for the purpose of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled “Incentive Share Plan” and for the issue of securities under that Plan, 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 Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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 KMP; 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 KMP.

6. RESOLUTION 6 – RATIFICATION OF 6,466,002 CONVERTIBLE NOTES

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,466,002 Convertible Notes for an aggregate subscription amount of \$1,422,520 million on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast on the Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or 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.

7. RESOLUTION 7 – APPROVAL OF THE ISSUE OF 7,170,362 CONVERTIBLE NOTES

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 7,170,362 Convertible Notes for an aggregate subscription amount of \$1,577,480 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 7 by any person (and any associates of such a person) who participates in the issue of the Convertible Notes and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 21 October 2016

By Order of the Board

Jay Stephenson
COMPANY SECRETARY

EXPLANATORY STATEMENT

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.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 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 company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

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.

1.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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

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

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

1.3 Previous voting results

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

1.4 Proxy voting restrictions

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

If you appoint a member of the KMP (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 your proxy how 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 this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the KMP whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).

You ***do not*** need to direct your proxy how to vote on this Resolution. 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 this Resolution is connected directly or indirectly with the remuneration of KMP.***

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 mark any further acknowledgement on the Proxy Form.

2. RESOLUTION 2 & 3 - RE-ELECTION OF DIRECTORS

Clause 13.2 of the Constitution requires that at the Annual General Meeting in every year one-third of the Directors for the time being, or, if their numbers is not 3 nor a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more (except the Managing Director) must retire from office.

Directors must retire from office at the Annual General Meeting in the following circumstances;

- (i) One third of Directors; or
- (ii) The nearest one-third of Directors if a Director's number is not 3 nor a multiple of 3; and
- (iii) Any other director not in such one-third who has held office for 3 years or more (except the Managing Director).

A Director who retires under clause 13.2 of the Constitution is eligible for re-election.

Mr Adam Davey and Mr Brett Graves retire in accordance with clause 13.2 of the Constitution and seek re-election.

The Board unanimously supports the re-election of Messrs Davey and Graves.

Bio of Mr Adam Davey

Mr Adam Davey is a Director, Private Clients and Institutional at Patersons Securities.

Adam's expertise spans over 25 years and includes capital raising (both private and public), mergers and acquisition, ASX listings, asset sales and purchases, transaction due diligence and director duties.

Adam has been involved in significantly growing businesses in both the industrial and mining sector. This has been achieved through holding various roles within different organisations. Including Chairman, Managing Director, Non-executive director, major shareholder or corporate adviser to the board.

Adam is also the Chairman of Teen Challenge Foundation, the largest Youth Drug and Alcohol Rehabilitation Centre in Western Australia.

Bio of Mr Brett Graves

Mr Graves is a director, and the CEO of SHC and a director of Ensurance Life and Ensurance. Mr Graves' expertise includes implementation of growth strategies, oversight and management of national online solutions and partner program (white labelling), managing relationships with insurers, advising Government boards on the implementation and strategy of legislative insurance products, management of current binder arrangements, compliance management including risk management, human resources management, budgeting/business planning and corporate client management.

Mr Graves previously held various senior national positions in AAI Limited trading as Vero Insurance (Sydney and Melbourne), including National Underwriting Manager for Home Warranty and Construction and is a Fellow of Australian and New Zealand Institute of Insurance and Finance.

3. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

3.1 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 (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 4, 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 4.2 below).

The effect of Resolution 4 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 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 of Resolution 4 for it to be passed.

3.2 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 S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 Million.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$12.37 Million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of Equity Securities on issue, being the Shares (ASX Code: ENA).

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:

$$\frac{(A \times D) - E}{100}$$

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 Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; 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.

3.3 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 4:

(i) **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:

- (A) the date on which the price, at which the Equity Securities are to be issued is agreed; or
- (B) if the Equity Securities are not issued within 5 ASX trading days of the date in (A) above, the date on which the Equity Securities are issued.

(ii) **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:

- (A) 12 months after the date of this Meeting; and
- (B) 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) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(iii) **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 Resolution 4 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 (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.095 50% decrease in Issue Price	\$0.19 Issue Price	\$0.38 100% increase in Issue Price
57,140,909 (Current Variable A)	Shares issued - 10% voting dilution	5,714,091 Shares	5,714,091 Shares	5,714,091 Shares
	Funds raised	\$542,839	\$1,085,677	\$2,171,355
85,711,364 (50% increase in Variable A)	Shares issued - 10% voting dilution	8,571,136 Shares	8,571,136 Shares	8,571,136 Shares
	Funds raised	\$814,258	\$1,628,516	\$3,257,032
114,281,818 (100% increase in Variable A)	Shares issued - 10% voting dilution	11,428,182 Shares	11,428,182 Shares	11,428,182 Shares
	Funds raised	\$1,085,677	\$2,171,355	\$4,342,709

*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 are the Shares on issue as at 6 October 2016.
2. The issue price set out above, is the closing price of the Shares on the ASX on 6 October 2016.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. 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.
6. 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.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. 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%.
9. 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:

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

(iv) **Purpose of Issue under 10% Placement Capacity**

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

- (A) as cash consideration, in which case the Company intends to use funds raised for continued expenditure on the Company's current assets and general working capital; or
- (B) as non-cash consideration for the acquisition of new assets and investments, including/excluding previously announced acquisitions, in which case 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.

(v) **Allocation Policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity have not yet been determined. However, the recipients 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 recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (A) the purpose of the issue;
- (B) 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;
- (C) the effect of the issue of the Equity Securities on the control of the Company;
- (D) the circumstances of the Company, including but not limited to, the financial position and solvency of the Company;
- (E) prevailing market conditions; and
- (F) advice from corporate, financial and broking advisers (if applicable).

(vi) **Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting held on 27 November 2013 (**Previous Approval**). The Company has not since obtained approval for ASX Listing Rule 7.1A. The Company has not issued any Shares pursuant to the Previous Approval as at the date of this Notice.

In the past 12 months preceding the date of this meeting the Company issued 6,466,002 Convertible Notes, which have not yet been approved by Shareholders, and 6,500,000 Performance Rights Class A and 500,000 Performance Rights Class B, which was approved by Shareholders at the last Annual General Meeting held on 30 November 2015, which represents 20.99% of the total number of Equity Securities on issue at 30 November 2015, the date of the last Annual General Meeting. Details of the Issues are included in the table below.

Date of Issue	Number of Securities issued	Names of persons who received securities	Price of issue and Current Price (Value)	Discount to Market	Total \$ Received	Amount Spent and use of Funds	Intended Use of Remaining Funds
Fully Paid Ordinary Shares							
Nil							
Options							
Nil							
Convertible Notes							
Between 11 July and 1 September 2016	6,466,002	Sophisticated Investors	\$0.22	Nil	\$1,422,520	Nil	\$1,422,520

Performance Rights Class A							
02/12/2015	1,000,000	Adam Davey	Nil	N/A	Nil	N/A	N/A
02/12/2015	4,000,000	Stefan Hicks					
02/12/2015	1,000,000	Brett Graves					
02/12/2015	250,000	Grant Priest					
02/12/2015	250,000	Neil Pinner					
Note - Performance Rights Class A vest on the Company achieving the target share price of \$0.80 based on a 30 day VWAP, within five years.							
Performance Rights Class B							
02/12/2015	500,000	Adam Davey	Nil	N/A	Nil	N/A	N/A
Note - Performance Rights vest on the introduction to, and entry into an agreement with, a strategic partner to the Company which results directly or indirectly in a material increase in the Company's revenue or otherwise increases the value of the Company, at the discretion of the Board of the Company							

(vii) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (A) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (B) the information required by Listing Rule 3.10.5A for release to the market.

4.4 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 Resolution 4.

4. RESOLUTION 5 – APPROVAL TO ADOPT AN EMPLOYEE INCENTIVE SCHEME

4.1 General

Resolution 5 seeks Shareholders approval for the Company adopt and to issue securities under the employee incentive scheme titled 'Incentive Performance Rights Plan' (Plan) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

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.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 12 months from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue Shares under the Plan to eligible employees over a period of 12 months from the date of approval without impacting on the Company's ability to issue up to 15% of its total ordinary securities without prior Shareholder approval in any 12 month period.

Any issues of Shares (Plan Shares) under the Plan to a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

4.2 Issue of Plan Shares

Once the Board has received and accepted a duly signed and completed Acceptance Form for Plan Shares, the Company must, provided the Eligible Participant to whom the Offer was made remains an Eligible Participant, promptly:

- (c) issue the applicable Plan Shares to the Participant, upon the terms set out in the Offer, the Acceptance Form and the Plan and upon such additional terms and conditions as the Board determines;
- (d) despatch a share certificate or enter the Plan Shares in the Participant's uncertificated holding, as the case may be; and
- (e) unless the Plan Shares are subject to Vesting Conditions, apply for quotation on the ASX of Plan Shares issued under the Plan as soon as practicable after the Issue Date in accordance with the ASX Listing Rules.

4.3 Previous issues

Shareholders should note that no Plan Shares have previously been issued under the Plan.

4.4 Other employee incentive schemes

The Company currently has an Incentive Performance Rights Plan which was approved by shareholders at the AGM held on 30 November 2015.

4.5 Key terms and conditions of the Plan

A summary of the key terms and conditions of the Plan is set out in Schedule 1.

5. RESOLUTIONS 6 AND 7– RATIFICATION AND APPROVAL OF CONVERTIBLE NOTES

5.1 Background

On 11 July 2016, the Company announced the issue of up to 13,636,364 Convertible Notes to raise up to \$3,000,000.

As at the date of this meeting the Company has issued 6,466,002 to raise \$1,424,520 and intends to issue a further 7,170,362 Convertible Notes to raise a further \$1,577,480.

Accordingly, this Resolution seeks shareholder ratification for the issue of 6,466,002 and approval for the issue of a further 7,170,362 Convertible Notes on the terms set out below.

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.

ASX Listing Rule 7.1A 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 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 and 7.1A (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 purposes of ASX Listing Rule 7.1 and 7.1A.

By ratifying this issue, the Company will retain the flexibility to issue 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.

None of the Convertible Notes will be issued to related parties of the Company.

This issue of the Convertible Notes considered by Resolution 6 did not breach ASX Listing Rule 7.1.

5.2 Resolution 6 – Ratification of Issue of Convertible Notes -Technical information required by ASX 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 of the issue of 6,466,002 Convertible Notes:

- (a) the Company seeks ratification for the issue of 6,466,002 Convertible Notes;
- (b) the Company issued 6,466,002 Convertible Notes between 11 July 2016 and 1 September 2016;
- (c) the Convertible Notes were issued at an issue price of \$0.22 each;
- (d) The Convertible Notes are convertible at one-for-one;
- (e) the terms of the Convertible Notes issued are that each Convertible Note may be converted into ordinary shares in the capital of the Company at the election of the Noteholder at any time up to the Maturity Date. Each Convertible Note has a conversion price of \$0.22 and interest rate of 8% per annum. The term of each Convertible Note is 3 years after subscription date;
- (f) If the Convertible Notes are converted into Ordinary Shares in the capital of the Company, the resulting Ordinary Shares will rank equally with the Company's existing Ordinary Shares;
- (g) The Convertible Notes were issued to high net worth strategic and sophisticated investors identified by the Board and the recipients are not related parties;
- (h) the total funds of \$1,422,520 that were raised from the issue of the Convertible Notes are being used for developing the Company's domestic and European expansion.

5.4 Resolution 7 – Approval of Issue of Convertible Notes -Technical information required by ASX Listing Rule 7.3

In compliance with information requirements of the ASX Listing Rule 7.3

- (a) the maximum number of convertible Notes to be issued is 7,170,362;
- (b) the issue price of the Convertible Notes to be issued is \$0.22 each;
- (c) The Convertible Notes are convertible at one-for-one;
- (d) the Convertible Notes will be issued no later than 3 months after the date of the Meeting or such later date as may be permitted by any ASX waiver or modification of the Listing Rules;

- (e) the terms of the Convertible Notes issued are that each Convertible Note may be converted into ordinary shares in the capital of the Company at the election of the Noteholder at any time up to the Maturity Date. Each Convertible Note has a conversion price of \$0.22 and interest rate of 8% per annum. The term of each Convertible Note is 3 years after subscription date;
- (f) If the Convertible Notes are converted into Ordinary Shares in the capital of the Company, the resulting Ordinary Shares will rank equally with the Company's existing Ordinary Shares;
- (g) The Convertible Notes will be issued to high net worth strategic and sophisticated investors identified by the Board and are not related parties; and
- (h) The total funds of \$1,577,479 to be raised from the issue of the Convertible Notes will be used for further developing the Company's domestic and European expansion.

5.5 Directors' Recommendations

The Board recommends that Shareholders vote in favour of Resolutions 6 and 7.

6. Enquiries

Shareholders are requested to contact Mr Jay Stephenson on + 61 8 6141 3500 if they have any queries in respect of the matters set out in these documents.

SCHEDULE 1 - SUMMARY OF THE INCENTIVE SHARE PLAN

1. Issue of Plan Shares

Subject to Rules 6.2 and 6.3, once the Board has received and accepted a duly signed and completed Acceptance Form for Plan Shares, the Company must, provided the Eligible Participant to whom the Offer was made remains an Eligible Participant, promptly:

- (a) issue the applicable Plan Shares to the Participant, upon the terms set out in the Offer, the Acceptance Form and the Plan and upon such additional terms and conditions as the Board determines;
- (b) despatch a share certificate or enter the Plan Shares in the Participant's uncertificated holding, as the case may be; and
- (c) unless the Plan Shares are subject to Vesting Conditions, apply for quotation on the ASX of Plan Shares issued under the Plan as soon as practicable after the Issue Date in accordance with the ASX Listing Rules.

2. Approvals

The Company's obligation to issue Plan Shares is conditional on:

- (a) the issue of the Plan Shares complying with all applicable legislation and the ASX Listing Rules; and
- (b) all necessary approvals required under any applicable legislation and the ASX Listing Rules being obtained prior to the issue of the Plan Shares.

3. Blackout, Takeover Restrictions and Insider Trading

If the issue of Plan Shares would otherwise fall within a Blackout Period, or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue of the Plan Shares until 10 Business Days following the expiration, as applicable, of the Blackout Period or the day on which the insider trading or takeover provisions no longer prevent the issue of the Plan Shares.

4. Withholding

If a Participant is liable for tax, duties or other amounts on the issue of their plan Shares, and the Company is liable to make a payment to the appropriate authorities on account of that liability, unless the Participant and the Company agree otherwise, the Company must issue and sell such number of Plan Shares which would otherwise be issued and allocated to the Participant so that the net proceeds of sale equal the payment the Company is required to pay to the appropriate authorities.

5. Rights attaching to Plan Shares

A Participant will, from and including the Issue Date, be the legal owner of the Plan Shares issued under the Plan and will be entitled to dividends and to exercise voting rights attached to the Plan Shares.

6. Share ranking

Each Plan Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the Issue Date except for entitlements which have a record date before the Issue Date and other than in respect of restrictions imposed by the Plan.

7. Quotation on ASX

If Shares of the same class as those issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Plan Shares to be quoted on ASX within the later of 10 Business Days after:

- (a) the date the Plan Shares are issued; and
- (b) the date any Restriction Period that applies to the Plan Shares ends.

8. Sale of Plan Shares

- (a) Subject to Rule 7 (Restriction on Dealing in Plan Shares), there will be no transfer restrictions on Plan Shares issued under the Plan unless the sale, transfer or disposal by the Participant of the Plan Shares issued to them would require the preparation of a disclosure document (as that term is defined in the Corporations Act).
- (b) If a disclosure document is required, the Participant agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Plan Shares in a manner that would require a disclosure document to be prepared.
- (c) The Company will issue, where required to enable Plan Shares to be freely tradeable on the ASX (subject to any Restriction Period), a cleansing statement under Section 708A(5) of the Corporations Act at the time Plan Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will have a prospectus available in relation to the Plan Shares which complies with the requirements of the Corporations Act.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of Ensurance Limited.

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) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Ensurance Limited (ACN 148 142 634).

Constitution means Ensurance Limited constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of Ensurance Limited.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

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 Annual General Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of Ensurance Limited.

Shareholder means a holder of a Share.

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

PROXY FORM

APPOINTMENT OF PROXY
ENSURANCE LIMITED
ACN 148 142 634

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 2:00pm WST, on 29 November 2016 at Barringtons House, 283 Rokeby Road, Subiaco WA 6008 and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote other than Resolution 1.

Voting on business of the Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Mr Adam Davey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Director – Mr Brett Graves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Adoption of Incentive Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification for the issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval for the Issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Important for Resolution 1

If you have not directed your proxy how to vote as your proxy in respect of Resolution 1 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolution 1 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 1.

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

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____





Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail: YES NO

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 -  **(Individual):** Where the holding is in one name, the Shareholder must sign.
 -  **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 -  **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 -  **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to the Company, PO Box 52, West Perth, WA, 6872; or
 - (b) facsimile to the Company on facsimile number +61 86141 3599,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.