



2016 NOTICE OF ANNUAL GENERAL MEETING

FIRSTWAVE CLOUD TECHNOLOGY LIMITED ACN 144 733 595

Notice is hereby given that the Annual General Meeting of FirstWave Cloud Technology Limited (the "Company") will be held at:

Grant Thornton Australia
Level 17,
383 Kent Street
Sydney NSW 2000
On **Tuesday 22 November 2016**
At 10.00am (Sydney time).

AGENDA

Item 1 – Statements and Reports

To receive and consider the Annual Financial Report, together with the reports and statements of the Directors and of the Auditor for the financial period ended 30 June 2016.

Note: There is no requirement for shareholders to approve these reports.

Item 2 – Ordinary Business

Resolution 1: Adoption of Remuneration Report

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

"To adopt the Remuneration Report set out in the Directors' Report for the year ended 30 June 2016".

Notes:

- This Resolution is advisory only, and does not bind the Directors or the Company.
- The Directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.
- If 25% or more of the votes cast are voted against the adoption of the Remuneration Report at two consecutive AGM's, shareholders will be required to vote at the second of those AGM's on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

Please note that the vote on Resolution 1 is put to Shareholders to allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report which is included in the Directors' Report forming part of the Annual Report. For those Shareholders who did not receive the Annual Report, it is available on the Company's website.

Voting Exclusion Statement:

In accordance with section 250R (4) of the Act, no member of the key management personnel of the Company or a closely related party of such a member may vote on Resolution 1.

However, in accordance with the Act, a person described above may vote on Resolution 1 if:

- It is cast by such person as proxy for a person who is permitted to vote, in accordance with the direction specified on the proxy form how to vote; or
- It is cast by the Chairman as proxy for a person who is permitted to vote, in accordance with the appointment which expressly authorises the chair of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

Chairman appointed as proxy:

If the Chairman is appointed as a proxy for a person who is permitted to vote on this Resolution 1, the Chairman will vote any proxies which do not indicate on their proxy form the way the Chairman must vote, in favour of Resolution 1.

Resolution 2: Re-election of Mr Andrew (Drew) Kelton as a Non-Executive Director

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

"That Andrew (Drew) Kelton, a Director retiring in accordance with Clause 13.2 of the Company's constitution, being eligible, is re-elected as a Director of FirstWave Cloud Technology Limited."

Notes:

- The non-candidate Directors unanimously support the re-election of Mr Kelton.
- The Chairman of the meeting intends to vote undirected proxies in favour of re-election of Mr Kelton.

Resolution 3: Re-election of Mr Edward (Ted) Keating as a Non-Executive Director

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

"That Edward (Ted) Keating, a Director retiring in accordance with Clause 13.2 of the Company's constitution, being eligible, is re-elected as a Director of FirstWave Cloud Technology Limited."

Notes:

- The non-candidate Directors unanimously support the re-election of Mr Keating.
- The Chairman of the meeting intends to vote undirected proxies in favour of re-election of Mr Keating.

Item 3 – Special Business

Resolution 4: Approval of 10% Placement Facility

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

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

Voting Exclusion Statement:

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

However, the Company will not disregard a vote if:

- 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
- It is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Notes:

- The Directors unanimously support the approval of the 10% Placement Facility.
- The Chairman of the meeting intends to vote undirected proxies in favour of the approval of the 10% Placement Facility.

NOTES:

Determination of entitlement to attend and vote

For the purposes of the meeting, shares will be taken to be held by the persons who are registered as Shareholders as at 10.00am (Sydney time) on Sunday 20 November 2016.

Proxies

If you are a shareholder entitled to attend and vote, you are entitled to appoint one or two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes. A proxy need not be a shareholder of the Company. If you want to appoint one proxy, you can use the form provided. If you want to appoint two proxies, please follow the instructions on the proxy form.

The Company's constitution provides that, on a show of hands, every person present and qualified to vote shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands, but if you appoint two proxies neither proxy may vote on a show of hands.

If you appoint a proxy who is also a Shareholder or is also a proxy for another Shareholder, your directions may not be effective on a show of hands. Your directions will be effective if a poll is required and your proxy votes.

To record a valid vote members will need complete and lodge the Proxy Form (and the power of attorney or other authority (if any) under which it is signed, or a certified copy of it) at: the share registry of the Company, Computershare Investor Services Pty Limited, located at GPO Box 242, Melbourne VIC 3001, Australia or by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia), no later than 10.00 am (Sydney time) on Sunday 20 November 2016.

You can also vote online at www.investorvote.com.au by entering your Control Number, SRN/HIN and postcode, which are shown on the first page of the enclosed Proxy Form.

Custodian Voting – for Intermediary Online subscribers only (Custodians) please visit www.intermediaryonline.com to submit your voting intentions.

If you choose to appoint a proxy, you are encouraged to direct your proxy vote how to vote by marking either "For", "Against" or "Abstain" for each item of business.

Shareholders may arrange to receive shareholder information electronically, or obtain a replacement or second proxy form, by contacting Computershare Investor Services on 1300 556 161 within Australia or +61 3 9415 4000.

How the Chairman of the meeting will vote undirected proxies

Please note that if the Chairman of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the Chair to exercise your proxy on Resolution 1 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the Chairman. If you appoint the Chairman as your proxy, you can direct the Chairman to vote "For" or "Against" or "Abstain" from voting on Resolution 1 by marking the appropriate box on the proxy form.

The Chairman of the meeting intends to vote undirected proxies in favour of each item of business.

Admission to meeting

Shareholders who will attend the FirstWave Cloud Technology Limited Annual General Meeting and who will not appoint a proxy are asked to bring the proxy form (if they have one) to the meeting to help speed admission. Shareholders who do not plan to attend the meeting are encouraged to complete and return a proxy form for their holdings of FirstWave Cloud Technology Limited shares.

Joint holders

In the case of shares held by joint holders, one of the joint holders may vote and if more than one joint holder is present and voting at the meeting, only the vote of the joint holder whose name appears first in the register may be counted.

Quorum

The Company constitution provides that two members present in person constitutes a quorum.

Questions and comments by Shareholders at the meeting

In accordance with the Corporations Act 2001, a reasonable opportunity will be given to Shareholders at the meeting to ask questions about, or make comments on, the management of the Company. Similarly, a reasonable opportunity will also be given to Shareholders at the meeting – as a whole – to ask Grant Thornton, FirstWave Cloud Technology's auditor, or their representative, questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

Written questions for Grant Thornton relevant to the conduct of the audit and the preparation and content of the auditor's report must be received no later than 5.00pm (Sydney time) on Tuesday 15 November 2016 at Computershare (at the address or fax number for lodgement of proxy) or be sent to the Company Secretary of FirstWave at Level 10, 132 Arthur Street, North Sydney, NSW, 2060 or by email to jclyne@clynecorporate.com.au. A list of written questions to the auditor will be available at the meeting.

EXPLANATORY MEMORANDUM

ITEM 1: TO RECEIVE AND CONSIDER THE REPORTS FOR THE YEAR ENDED 30 JUNE 2016.

As required by section 317 of the Corporations Act 2001 (Cth) ("Corporations Act") the Financial Report, Directors' Report, and Auditors' Report of FirstWave Cloud Technology Limited (the "Company") for the financial year ended 30 June 2016 will be laid before the meeting. There is no requirement for a formal resolution on this item, and accordingly, this item is excluded from the proxy form. Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports. Please note that an online version of the Company's 2016 Annual Report can be downloaded or viewed on the Company's website at <http://www.firstwave.com.au/annualreport2016/>

ITEM 2: ORDINARY BUSINESS

RESOLUTION 1 - ADOPT OF REMUNERATION REPORT

As required by section 300A of the Corporations Act, the Directors' report includes a section entitled "Remuneration Report". A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. The Corporations Act requires listed companies to put the Remuneration Report for each financial year to a resolution of members at their annual general meeting.

Under the Corporations Act, the vote is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies. Under the Corporations Act, if 25% or more of the votes cast are voted against the adoption of the Remuneration Report at two consecutive AGM's, Shareholders will be required to vote at the second of those AGM's on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election. FirstWave Cloud Technology encourages all Shareholders to cast their vote on Item 2 (Remuneration Report).

In summary, the Remuneration Report:

- explains the Board's policies in relation to the nature and level of remuneration paid to Directors and Key Management Personnel of the Company;
- discusses the link between the Board's policies and the Company's performance; and
- sets out remuneration details for each Director and for each member of FirstWave Cloud Technology's senior executive management team.

Director's recommendation

Noting that each Director of the Company has a personal interest in their own remuneration the subject of this Resolution, the Board does not consider it appropriate to make a recommendation to Shareholders in relation to voting on this Resolution.

RESOLUTION 2 - RE-ELECTION OF MR ANDREW (DREW) KELTON AS A NON-EXECUTIVE DIRECTOR

Clause 13.2 of the Company constitution requires that one-third of the non-Executive Directors in office, must retire from office. A retiring Director is eligible for re-election.

Being eligible, Mr Drew Kelton offers himself for re-election to the Board at the meeting. He has been a director of the company since March 2016. Drew has a Bachelor of Science degree in Electrical and Electronic Engineering from the University of Western Scotland. Drew is a global business leader and professional board director with over 30 years' experience in the information technology ('IT') and telecommunications arena, including senior operational roles in the United Kingdom, Europe, India and Australasia, and most recently in the United States. In addition to executive leadership roles in global organisations, Drew has also been responsible for start-ups, merger and acquisition transactions and Initial Public Offering of one of the businesses. Chairman of Mobile Embrace Ltd (ASX: MBE), Director of Megaport Limited (ASX: MP1) and Director of Enice Holding Company Limited (ASX: ENC).

Directors' recommendation

The Board (other than Mr Kelton) unanimously recommends that Shareholders vote in favour of Mr Kelton's re-election.

RESOLUTION 3 - RE-ELECTION OF MR EDWARD (TED) KEATING AS A NON-EXECUTIVE DIRECTOR

Clause 13.2 of the Company constitution requires that one-third of the non-Executive Directors in office, must retire from office. A retiring Director is eligible for re-election.

Being eligible, Mr Keating offers himself for re-election to the Board at the meeting. He has been a director of the company since March 2016. Following a career in information technology (Systems Analyst/IT Management), Edward became involved with numerous business start-ups including: Logical Solutions; Software Strategies; Computer Faculties; ChannelWorx and FirstWave Technology. He has also had exposure to a variety of Cloud-based technologies, since first engaging with the industry in 2001

Directors' recommendation

The Board (other than Mr Keating) unanimously recommends that Shareholders vote in favour of Mr Keating's re-election.

ITEM 3: SPECIAL BUSINESS

RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

1.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities (as that term is defined in the ASX Listing Rules) up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 1.2(3) below). The Company may use the funds raised from the issue of Equity Securities under the 10% Placement Facility for such things including but not limited to non-cash consideration for the acquisition of new or existing businesses, assets and investments, payment of consultants in lieu of fees and also for other means to generally expand the Company's business.

1.2 Description of Listing Rule 7.1A

(1) Shareholder approval

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

(2) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has on issue two classes of Equity Securities, Shares and unlisted options.

(3) Formula for calculating 10% Placement Facility

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

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

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

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

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

D is 10%

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

(4) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. At the date of this Notice, the Company has on issue 179,786,485 Shares and has a capacity to issue 26,967,972 Equity Securities under Listing Rule 7.1; and

Subject to Shareholder Approval being obtained under resolution 4, a further 17,978,648 Equity Securities under Listing Rule 7.1A. However, the actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 1.2(3) above).

(5) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(6) 10% Placement Period

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

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX (**10% Placement Period**).

1.3 **Listing Rule 7.1A**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1. Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

1.4 **Specific information required by Listing Rule 7.3A**

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

- (1) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (2) If resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities. The below table shows the dilution of existing Shareholders on the basis of the closing price of the Company's Shares of \$0.635 each on 11 October 2016 and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.3175 50% decrease in issue price	\$0.635 Issue price	\$1.27 100% increase in issue price
179,786,485 Current Variable A	10% voting dilution	17,978,648	17,978,648	17,978,648
	Funds raised	\$5,708,220	\$11,416,441	\$22,832,883
269,679,728 50% increase in current Variable A	10% voting Dilution	26,967,972	26,967,972	26,967,972
	Fund raised	\$8,562,331	\$17,124,662	\$34,249,324
359,572,970 100% increase in current Variable A	10% voting Dilution	35,957,297	35,957,297	35,957,297
	Funds raised	\$11,416,441	\$22,832,883	\$45,665,767

The table also shows:

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

- (3) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (4) The Company may seek to issue the Equity Securities for the following purposes including but not limited to:
- (i) non-cash consideration for the growth of its existing business, acquisition of new or existing businesses including costs associated with such acquisitions, assets and investments, payment of consultants in lieu of fees and also for other means to generally expand the Company's business. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised the growth of its existing business, acquisition of new or existing businesses including costs associated with such acquisitions, assets and investments, payment of consultants in lieu of fees and also for other means to generally expand the Company's business and general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

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

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new businesses, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of these assets or investments.

- (5) The Company obtained Shareholder approval under Listing Rule 7.1A at its 2012, 2013, 2014 and 2015 AGM's and provides the following information pursuant to Listing Rule 7.3A.6 (a):

The total number of equity securities issued in the 12 months preceding the date of meeting and the percentage they represent of the Company's securities on issue at the commencement of that 12-month period where the Company has previously obtained approval under Listing Rule 7.1A are particularised below.

The following information is provided pursuant to Listing Rule 7.3A.6 (b):

Date of Issue:	1 December 2015
Number Issued:	4,464,294 (post consolidation)
Class:	Ordinary Shares
Recipient:	Sophisticated or professional investors, none of whom are Related Parties of the Company.
Price/Discount:	\$0.14 per Share. Discount is N/A

Consideration and use of funds: \$625,000 which was used as payment to the deed administrators of the Company to satisfy their obligations under the Deed of Company Arrangement executed by the Company on 7 September 2015.

Date of Issue: 14 December 2015
 Number Issued: 2,392,861 (post consolidation)
 Class: Ordinary Shares
 Recipient: Sophisticated or professional investors, none of whom are Related Parties of the Company.
 Price/Discount: \$0.14 per Share. Discount is N/A.
 Consideration and use of funds: For general working capital purposes.

Date of Issue: 14 December 2015
 Number Issued: 142,858 (post consolidation)
 Class: Ordinary Shares
 Recipient: Richard Wilson
 Price/Discount: \$0.14 per Share. Discount is N/A.
 Consideration and use of funds: No funds were received from the issue as the Shares were issued as payment for professional services in the amount of \$20,000.

Date of Issue: 13 May 2016
 Number Issued: 40,000,000
 Class: Shares
 Recipient: Various persons and entities who subscribed for Shares under the Replacement Prospectus issued 18 April 2016.
 Price/Discount: \$0.20 per share. Discount is N/A. previous trading day.
 Consideration and use of funds: The consideration and use of funds is as per the Replacement Prospectus. The funds have been used in accordance with the application of funds stated therein and the funds remain will continue to be used in pursuing the Company's business objectives also as outlined therein and stated to the market.

Date of Issue: 13 May 2016
 Number Issued: 13,800,000
 Class: Unlisted Options
 Recipient: The Company's 6 directors as approved by Shareholders at the Annual General Meeting held on 15 April 2016.
 Price/Discount: Nil issue price. The terms of the Unlisted Options are as particularised in the Notice of Meeting lodged with the ASX on 14 March 2016 and as per the Appendix 3B lodged with the ASX on 13 May 2016.
 Consideration and use of funds: No funds were raised from the issue of the Unlisted Options but when exercised the funds will be used to pursue the Company's strategic objectives and for general working capital purposes.

Date of Issue: 19 July 2016
 Number Issued: 8,270,000
 Class: Unlisted Employee Options
 Recipient: The Company's employees under the Company's Employee Share Option Plan Lodged with the ASX on 18 May 2016.
 Price/Discount: Nil issue price. The terms of the Unlisted Options are as particularised in the Appendix 3B lodged with the ASX on 8 August 2016.
 Consideration and use of funds: No funds were raised from the issue of the Unlisted Employee Options but when exercised the funds will be used to pursue the Company's strategic objectives and for general working capital purposes.

- (6) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of the 10% Placement Facility

If you have any queries, please contact the Company Secretary on + 61 2 9409 7000.

By order of the Board.

Justin Clyne

Company Secretary

14 October 2016

GLOSSARY

In this Explanatory Memorandum and Notice of Annual General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires:

10% Placement Facility has the meaning given in section 1.1 of Resolution 4;

10% Placement Period has the meaning given in section 1.2 (6) of Resolution 4;

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited ACN 008 624 691;

Board means the Board of directors of the Company;

Closely Related Party of a member of the Key Management Personnel for an entity means:

a spouse or child of the member;

a child of the member's spouse;

a dependant of the member or of the member's spouse;

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 dealings with the entity;

a company the member controls; or

a person prescribed as such by the *Corporations Regulations 2001* (Cth);

Company means FirstWave Cloud Technology Limited ACN 144 733 595;

Constitution means the existing constitution of the Company;

Corporations Act means *Corporations Act 2001* (Cth);

Director means a director of the Company;

Equity Securities has the same meaning as in the Listing Rules;

Key Management Personnel has the same meaning as in the accounting standards as defined in section 9 of the Corporations Act (so the term 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);

Listing Rules means the listing rules of ASX;

Meeting means the meeting of shareholders convened by the Notice;

Notice means the notice of meeting to which this Explanatory Memorandum is attached;

Option or **Unlisted Option** or **Unlisted Employee Option** mean an Option to acquire a Fully Paid Ordinary Share in the Company;

Share or **Ordinary Share** means a Fully Paid Ordinary Share in the capital of the Company;

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

