



Plexure Group Limited

Notice of Annual Meeting of Shareholders

Wednesday 6th September 2017 at 11.00am at
Pullman Hotel, Corner Princes Street and Waterloo Quadrant, Auckland

Plexure Group Limited

Notice of Annual Meeting of Shareholders

Notice is hereby given that the Annual Meeting of Shareholders of Plexure Group Limited (the "Company") will be held at Pullman Hotel, Corner Princes Street and Waterloo Quadrant, Auckland on 6th September 2017 at 11.00am.

BUSINESS OF THE MEETING

1. Re-election of Phil Norman as Director

Phil Norman is to retire in accordance with clause 7.8 of the Constitution of the Company and Rule 3.3.11 of the NZX Main Board Listing Rules (the **Listing Rules**), being eligible, offers himself for re-election. Accordingly, the shareholders of the Company are requested to consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

"That Phil Norman be re-elected as a director of the Company in accordance with clause 7.8 of the Constitution of the Company."

Phil Norman, Non-executive Director.

Term of Office: appointed as a Director on 23 August 2012.

Phil Norman is a leading expert and advisor on technology company commercialisation and governance and has over thirty years' experience assisting New Zealand growth companies expand domestically and internationally.

Phil was the founding Chairman of Xero, one of New Zealand's most successful publicly listed technology companies. He retired from the Xero Board in 2012. His current governance appointments include the Independent Chairmanship of Loyalty New Zealand Limited (Fly Buys) and Chairman roles at Straker Translations Limited and AUT Ventures Limited.

Phil served as Chairman of the New Zealand Venture Capital Association during 2002 and 2003 and was for six years a member of New Zealand Trade & Enterprise's Beachheads Advisory Board, resigning in June 2010. He holds an MBA degree from Auckland University and is a Chartered Member of the New Zealand Institute of Directors.

2. Re-appointment and Remuneration of Auditors

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

“That Deloitte be appointed as the Auditors of the Company under section 207T of the Companies Act 1993, and the Board are authorised to fix their remuneration for the forthcoming year.”

3. Ratification of Previous Share Private Placements

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution of the Company:

“That the 20,250,000 ordinary shares issued by the Company for private placement capital raising without shareholder approval on 20 December 2016, 20 July 2017 and 4 August 2017 be ratified with immediate effect under, and for the purposes of, Listing Rule 7.3.5(c).”

Explanation

Listing Rule 7.3.5 allows the Company to issue ordinary shares in a 12 month period without shareholder approval provided that a 20% threshold is not exceeded (i.e., no more than 20% of the total ordinary shares on issue at the start of the 12 month period).

The Company relied on Listing Rule 7.3.5 to issue ordinary shares by private placement capital raising during the last 12 months, being:

- 1,250,000 ordinary shares issued on 20 December 2016.;
- 5,230,000 ordinary shares issued on 20 July 2017; and
- 13,770,000 ordinary shares issued on 4 August 2017,

(together, the “**New Ordinary Shares**”).

These New Ordinary Shares were issued to a combination of New Zealand based high net worth individuals and institutional investors. The funds from these capital raisings were used to fund the Company’s growth strategy in offshore markets and the ongoing development of the Company’s technology platform. Following the issue of the securities on 20 July 2017, Sharbo ULC filed a Substantial Security Holder Notice on 21 July 2017 advising of a movement of 1% or more in substantial security holding. Following the issues on 4 August 2017, Sharbo ULC filed a Substantial Security Holder Notice on 4 August 2017 and on 18 August 2017, Allectus Capital filed a Substantial Security Notice advising of a movement of 1% or more in substantial security holding.

Listing Rule 7.3.5(c) allows further headroom to be created for this threshold if previous share issues within the last 12 months are formally ratified by the shareholders by way of an Ordinary Resolution. Accordingly, the Company is seeking that Resolution 3 is passed in order to create headroom for any future capital raising needs of the Company (with no immediate need for new capital).

Dilution effect on current shareholders

Paragraphs (a) to (b) below set out the dilution effects the passing of Resolution 3 would have on the shareholdings of existing shareholders

- (a) Following the ratification of the issue of ordinary shares pursuant to Resolution 3:

The total number of ordinary shares of the Company currently on issue is 111,650,513. This figure includes the New Ordinary Shares. The issue of those New Ordinary Shares had the effect of diluting existing shareholders' percentage holdings in the Company by approximately 19%. For example, if a shareholder held ordinary shares equal to 1% of all ordinary shares before the issue of the New Ordinary Shares, that shareholder's shareholding would have been equal to 0.81% of all ordinary shares after the issue.

Given the New Ordinary Shares have already been issued, the ratification of this issue (pursuant to the passing of Resolution 3) would have no further dilution effect beyond what has already occurred, but passing Resolution 3 would allow the Company headroom to issue Further Ordinary Shares (as that term is defined in paragraph (b) below).

- (b) If, following the ratification of the New Ordinary Shares pursuant to Resolution 3, the full 20% of ordinary shares available to be issued by the Company pursuant to Listing Rule 7.3.5(a) are subsequently issued:

The total number of ordinary shares of the Company on issue would be 133,980,615. This figure covers the scenario where the full 20% of ordinary shares available to be issued by the Company pursuant to Listing Rule 7.3.5(a), being 22,380,102 ordinary shares, are issued subsequent to the ratification of the issue of the New Ordinary Shares under Resolution 3 (the **Further Ordinary Shares**).

The issue of the Further Ordinary Shares (in addition to the issue of the New Ordinary Shares which, as noted under paragraph (a) above, has no dilution effect in itself) would have the effect of diluting current shareholders' percentage holdings in the Company by approximately 17%. For example, if a shareholder held ordinary shares equal to 1% of all ordinary shares before the issue of the Further Ordinary Shares, that shareholder's shareholding would equal 0.83% of all ordinary shares after the issue.

4. Issue of share options to employees

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution of the Company:

"That, for the purposes of Listing Rule 7.3.1(a), the issue of up to 6,178,195 options to various employees to acquire ordinary shares in the Company pursuant to its existing employee share plan, be approved."

Dilution effect on current shareholders

The dilution effects the passing of Resolution 4 would have on the shareholdings of existing shareholders are set out below.

If, following the issuance of 6,178,195 options to various employees pursuant to Resolution 4, the options are exercised in full:

The total number of ordinary shares of the Company on issue will be 117,828,708. This figure covers the scenario where the 6,178,195 options are exercised in full and 6,178,195 ordinary shares are issued to the holders of the options (the **Exercised Ordinary Shares**).

The issue of the Exercised Ordinary Shares would have the effect of diluting current shareholders' percentage holdings in the Company by approximately 5%. For example, if a shareholder held ordinary shares equal to 1% of all ordinary shares before the issue of the Exercised Ordinary Shares, that shareholder's shareholding would equal 0.95% of all ordinary shares after the issue.

Explanation

In order to attract, retain and incentivise key, highly skilled, employees whilst also managing cash resources effectively, the Company has run an employee share option scheme as part of its remuneration strategy for several years. As the Company expands its operations through existing and new clients, the ability to retain existing staff is more important. In this regard, the Company will benefit from the ability to issue up to 6,178,195 further options.

As advised at the inception of the employee share option scheme, the Company operates on the basis that total issued and unexpired options will not exceed 12% of issued share capital at any point in time. The Company has 111,650,513 shares and 7,219,867 options currently on issue, leaving a further 6,178,194 options available to be issued under the 12% threshold.

Rule 7.3.6 of the Listing Rules limits the number of Equity Securities that may be issued to employees in any 12 month period, without shareholder approval, to 3% of the issued share capital of the Company at the beginning of that period (together with any Equity Securities subsequently issued in accordance with certain of the Listing Rules).

The Company has previously relied on Listing Rule 7.3.6 to issue 2,530,000 options to its employees during the last 12 months pursuant to its existing employee share plan, being 2,530,000 options issued between 1 July 2016 and 30 June 2017, being 2.3% of the 3% threshold.

The Company now wishes to be able to issue further options and, upon exercise of those options, shares to its employees pursuant to its existing employee share plan. In doing so, the Company may exceed the 3% threshold described above.

Accordingly, the Company now seeks approval from its shareholders, by way of Ordinary Resolution pursuant to Listing Rule 7.3.1(a), to pass Resolution 4 in order to allow the Board to issue further options and, upon exercise of those options, Extended Ordinary Shares to various employees.

If this resolution 4 is approved by the shareholders, the terms of the options that would be granted would be the same as the terms of option previously issued under the current employee share option plan. The key terms of the options would be as follows:

Options: exercisable into ordinary shares ranking equally with all other ordinary shares in the Company on a 1:1 basis

Exercise Price: volume weighted average market price over 20 business days before the day the issue is made

Vesting Schedule: 33.3% Options granted become exercisable on each of the 12 month anniversaries of the date of the grant

Final exercise date: 5 year anniversary of the date of grant of the Options

PROXIES

All shareholders of the Company entitled to attend and vote at the meeting are entitled to appoint a proxy to attend and vote for them instead by signed notice in writing. A proxy need not be a shareholder of the Company. If you appoint a proxy you may either direct your proxy how to vote for you or you may give your proxy discretion to vote as he/she sees fit. If you wish to give your proxy discretion then you must mark the appropriate boxes on the form to grant your proxy that discretion. The Chairman of the Meeting and any Director are willing to act as proxy for any shareholder and if appointed as proxy, intend to vote all discretionary proxies in favour of the relevant resolution. If you do not tick any box for a particular resolution, then your instruction for your proxy will be to abstain from voting.

A Proxy Form is enclosed and to be effective must be lodged at the Company's Share Registrar in accordance with the instructions in the Notes to the Proxy Form accompanying this Notice of Meeting within at least 48 hours before the Annual Meeting is due to begin (i.e. before 11.00am on Monday 4th September 2017).

ORDINARY RESOLUTION

An Ordinary Resolution means a resolution passed by a simple majority of the votes of shareholders of the Company entitled to vote and voting on the resolution.

VOTING

All persons registered on the Company's register of shareholders as the holders of shares as at 5.00pm on Friday 1 September 2017 shall be entitled to vote at the Annual Meeting in person or by proxy.

The Company will disregard any votes cast on Resolution 3 by any person (or associated person of that person) who acquired securities that are subject to the ratification of Resolution 3 (**Disqualified Persons**).

However, pursuant to Listing Rule 9.3.3, the Company need not disregard a vote if it is cast by a person (including a Disqualified Person) as proxy for a person who is entitled to vote, provided it is made in accordance with that person's express directions (i.e., instructions to vote for or against the resolution) on the Proxy Form. However, where any Disqualified Person is proxy for a person who is entitled to vote, they will not be entitled to vote if the Proxy Form allows the proxy discretion as to how to vote (i.e., discretion to exercise that vote as the proxy sees fit).

MORE INFORMATION

If you have any questions or require further information in relation to this Notice of Meeting, please contact the Company's CFO, Andrew Dalziel, at andrew.dalziel@plexure.com.

By Order of the Board of Directors

Phil Norman
CHAIRMAN