



21 January 2022

Dear Shareholder

GENERAL MEETING

The 2022 General Meeting ('GM') of the shareholders of Scout Security Limited ("the Company") **will be held virtually on Friday 18 February 2022 at 10.00 am (AWST).**

The GM will be conducted by way of a live video conference. Shareholders are strongly encouraged to vote by lodging a directed proxy appointing the Chair as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice of Meeting (being 10.00am WST on Wednesday, 16 February 2022). Instructions for lodging proxies are included on your personalised proxy form enclosed with this letter. Shareholders attending the virtual GM will be able to vote online if they haven't lodged a proxy form or wish to amend their voting preference at the time of the GM.

Shareholders will be able to view and download the Meeting Materials online from the Company's website, <https://www.scoutalarm.com/>. If you have nominated an email address with the Company's Share Registry, Advanced Share Registry Services, and have elected to receive electronic communications you will receive an email to your nominated email address with a link to the electronic copy of the Meeting Materials.

Participation in the virtual meeting and electronic voting will be offered through advancedshare.com.au/virtual-meeting. Please refer to the Meeting ID and Shareholder ID on your proxy form to login to the website.

Discussion will be held on all items to be considered at the GM and shareholders will have a reasonable opportunity to ask questions during the GM via the virtual GM platform. Shareholder questions should be stated clearly and should be relevant to the business of the meeting. Shareholders can login to the virtual meeting portal and ask question online under the Q&A section.

All resolutions for the 2022 GM will be decided on a poll (based on votes submitted by proxy and by Shareholders participating in the online poll). Advanced Share Registry Services will be facilitating the voting. We strongly encourage shareholders to submit their proxies as early as possible. We recommend logging into the online platform, using the instructions provided, at least 15 minutes prior to the scheduled start time for the GM.

Yours faithfully

A handwritten signature in black ink, appearing to read "Stuart Usher".

Stuart Usher
Company Secretary



SCOUT SECURITY LIMITED**ACN 615 321 189****NOTICE OF GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 10am AWST

DATE: Friday 18th February 2022

PLACE: Virtual format via Advanced Share Registry's online platform
www.advancedshare.com.au/virtual-meeting

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10am AWST on 16th February 2022].

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – AMENDMENT TO EXISTING CONVERTIBLE NOTES – NON-RELATED PARTIES

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to amend the terms of 931,250 Existing Convertible Notes held by non-related parties of the Company, to extend the Maturity Date under the Existing Convertible Notes to 31 December 2023, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below

2. RESOLUTION 2 – AMENDMENT TO EXISTING CONVERTIBLE NOTES – JARVISBROWN (ANTHONY BROWN)

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to amend the terms of 31,250 Existing Convertible Notes held by Jarvisbrown (an associate of Anthony Brown), to extend the Maturity Date under the Existing Convertible Notes to 31 December 2023, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below

3. RESOLUTION 3 – AMENDMENT TO EXISTING CONVERTIBLE NOTES – EQUITABLE INVESTORS (MARTIN PRETTY)

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to amend the terms of 62,500 Existing Convertible Notes held by Equitable Investors (an associate of Martin Pretty) as trustee for Equitable Investors Dragonfly Fund, to extend the current Maturity Date under the Convertible Notes to 31 December 2023, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below

4. RESOLUTION 4 – ISSUE OF NEW CONVERTIBLE NOTES AND NEW OPTIONS – UNRELATED INVESTORS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 395,000 New Convertible Notes, the number of Shares to be issued on conversion of the New Convertible Notes and 790,000 New Options to non-related parties of the Company on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – ISSUE OF NEW CONVERTIBLE NOTES AND NEW OPTIONS – JARVISBROWN (ANTHONY BROWN)

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 25,000 New Convertible Notes, the number of Shares to be issued on conversion of the New Convertible Notes and 50,000 New Options to Jarvisbrown (an associate of Anthony Brown) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

6. RESOLUTION 6 – ISSUE OF NEW CONVERTIBLE NOTES AND NEW OPTIONS – EQUITABLE INVESTORS (MARTIN PRETTY)

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 30,000 New Convertible Notes the number of Shares to be issued on conversion of the New Convertible Notes and 60,000 New Options to Equitable Investors (an associate of Martin Pretty) as trustee for Equitable Investors Dragonfly Fund on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

7. RESOLUTION 7 – PLACEMENT TO RELATED PARTY – JARVISBROWN (ANTHONY BROWN)

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

“That, subject to and conditional upon Resolutions 1 to 6 being passed, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 525,714 Shares to Jarvisbrown (an associate of Anthony Brown) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

8. RESOLUTION 8 – PLACEMENT TO RELATED PARTY – MARTIN PRETTY

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

“That, subject to and conditional upon Resolutions 1 to 6 being passed, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 674,286 Shares to Martin Pretty and his associates on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

9. RESOLUTION 9 – PLACEMENT TO RELATED PARTY – SIMON NOMINEES (SOLOMON MAJTELES)

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

“That, subject to and conditional upon Resolutions 1 to 6 being passed, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 457,143 Shares to Simon Nominees (an associate of Solomon Majteles) as trustee for the HS Majteles Super Fund on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

10. RESOLUTION 10 – PLACEMENT TO RELATED PARTY – DANIEL ROBERTS

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

“That, subject to and conditional upon Resolutions 1 to 6 being passed, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 457,143 Shares to Daniel Roberts on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

11. RESOLUTION 11 – PLACEMENT TO RELATED PARTY – DAVID SHAPIRO

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

“That, subject to and conditional upon Resolutions 1 to 6 being passed, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 171,429 Shares to David Shapiro on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

Dated: 20 January 2022

By order of the Board



**Stuart Usher
Company Secretary**

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

| | |
|---|---|
| Resolution 1 – Amendment to Existing Convertible Notes – Non-Related Parties | A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed amendment to the terms of the Existing Convertible Notes held by the Non-Related Existing Noteholders (except a benefit solely by reason of being a holder of ordinary securities in the Company), namely each of the Facility Participants, other than those that are related parties of the Company) or an associate of those persons. |
| Resolution 2 – Amendment to Existing Convertible Notes – Jarvisbrown (Anthony Brown) | Jarvisbrown and any other person who will obtain a material benefit as a result of proposed amendment to the terms of the Existing Convertible Notes held by Jarvisbrown (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. |
| Resolution 3 – Amendment to Existing Convertible Notes – Equitable Investors (Martin Pretty) | Equitable Investors and any other person who will obtain a material benefit as a result of proposed amendment to the terms of the Existing Convertible Notes held by Equitable Investors (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. |
| Resolution 4 – Issue of New Convertible Notes – Unrelated Investors | A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), namely each of the Unrelated Investors or an associate of those persons. |
| Resolution 5 – Issue of New Convertible Notes – Jarvisbrown (Anthony Brown) | Jarvisbrown and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. |
| Resolution 6 – Issue of New Convertible Notes – Equitable Investors (Martin Pretty) | Equitable Investors and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. |
| Resolution 7 – Placement to Related Party – Jarvisbrown (Anthony Brown) | Jarvisbrown and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. |
| Resolution 8 – Placement to Related Party – Martin Pretty | Equitable Investors and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. |
| Resolution 9 – Placement to Related Party – Simon Nominees (Solomon Majteles) | Solomon Majteles and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. |
| Resolution 10 – Placement to Related Party – Daniel Roberts | Daniel Roberts and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. |
| Resolution 11 – Placement to Related Party – David Shapiro | David Shapiro and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. |

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (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.

Shareholders and their proxies should be aware 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.

Voting in person

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

You may still attend the meeting and vote by virtual means even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 499 900 044.

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.

1. BACKGROUND

1.1 General

As announced on 23 December 2021, the Company has:

- (a) reached agreement with the holders of 1,025,000 Existing Convertible Notes for an extension of the maturity date of the Existing Convertible Notes from 16 July 2022 to 31 December 2023 (refer to Sections 1.2 and 2 below for further details);
- (b) secured commitments from investors to raise \$450,000 through the issue of 450,000 New Convertible Notes and 900,000 New Options (refer to Sections 1.3 and 3 below for further details); and
- (c) secured commitments from each of the Directors for the Director Placement to raise \$200,000 (refer to Sections 1.4 and 4 below for further details).

1.2 Existing Convertible Notes

As announced on 16 July 2020, the Company entered into a Convertible Note Deed (the material terms of which are summarised in Schedule 1) with institutional and sophisticated investors who are clients of Gleneagle Securities (Aust) Pty Limited and existing shareholders of the Company (**Facility Participants**), to raise up to \$2,000,000 (**Convertible Note Facility**), through the issue of up to 2,000,000 convertible notes each with a face value of \$1.00 (**Existing Convertible Notes**).

As at the date of this Notice, the Company has drawn down an aggregate of \$1,250,000 under the Convertible Note Facility, as set out below:

- (a) an initial instalment of \$750,000 through the issue of 750,000 Existing Convertible Notes to the Facility Participants (**Initial Convertible Notes**), as follows:
 - (i) 693,750 Initial Convertible Notes were issued to Facility Participants that are not related parties of the Company using the Company's placement capacity under ASX Listing Rule 7.1 and were subsequently ratified by Shareholders under ASX Listing Rule 7.4 on 23 December 2020;
 - (ii) 18,750 Initial Convertible Notes were issued to Jarvisbrown (a company controlled by Anthony Brown), which were issued with Shareholder approval under ASX Listing Rule 10.11; and
 - (iii) 37,500 Initial Convertible Notes were issued to Equitable Investors (a company controlled by Martin Pretty) using the Company's placement capacity under ASX Listing Rule 7.1 and were subsequently ratified by Shareholders under ASX Listing Rule 7.4 on 23 December 2020 (note that Martin Pretty became a Director in connection with the issue of the Initial Convertible Notes and that ASX Listing Rule 10.12 Exception 12 applied with respect to the issue of the Initial Convertible Notes to him); and

- (b) a subsequent instalment of \$500,000 through the issue 500,000 Existing Convertible Notes (**Subsequent Convertible Notes**), of which:
- (i) 412,500 Subsequent Convertible Notes were issued on 23 November 2021 using the Company's placement capacity under ASX Listing Rule 7.1 and which Shareholders are being asked to ratify under ASX Listing Rule 7.4 at the Company's annual general meeting to be held on 20 January 2022 (**FY21 AGM**);
 - (ii) 50,000 Subsequent Convertible Notes will be issued using the Company's placement capacity under ASX Listing Rule 7.1 on receipt of subscription funds from the relevant investor and Shareholders are being asked to ratify the agreement to issue these Subsequent Convertible Notes under ASX Listing Rule 7.4 at the FY21 AGM; and
 - (iii) 12,500 Subsequent Convertible Notes will be issued to Jarvisbrown (a company associated with Anthony Brown) subject to Shareholder approval at the FY21 AGM; and
 - (iv) 25,000 Subsequent Convertible Notes will be issued to Equitable Investors (a company associated with Martin Pretty) subject to Shareholder approval at the FY21 AGM.

The Company has now drawn down an aggregate of \$1,250,000 under the Convertible Note Facility and \$750,000 remains undrawn.

As announced on 23 December 2021, the Company has reached agreement with the holders of 1,025,000 Existing Convertible Notes (being 600,000 Initial Convertible Notes and 425,000 Subsequent Convertible Notes) for an extension of the maturity date of the Existing Convertible Notes from 16 July 2022 to 31 December 2023, as the Company does not expect that it will have sufficient cash available on 16 July 2022 to redeem the Existing Convertible Notes. No other amendments are being made in respect of the Existing Convertible Notes.

The Company notes that the maturity date of the remaining 62,500 Existing Convertible Notes remains unchanged, at 16 July 2022, as the holders of these Existing Convertible Notes did not enter into an agreement with the Company for an extension of the maturity date of their Existing Convertible Notes.

The Company is seeking Shareholder approval under Resolutions 1 to 3 for the amendment to 1,025,000 Existing Convertible Notes for the reasons set out in Sections 2.2 and 2.5.

The material terms and conditions of the Existing Convertible Notes (on both an amended and unamended basis) are summarised in Schedule 2 and further detail with respect to the proposed amendments to the Existing Convertible Notes is set out in Section 2.

1.3 New Convertible Notes

As announced on 23 December 2021, the Company has secured commitments from investors to raise \$450,000 through the issue of 450,000 convertible notes on the terms and conditions set out in Schedule 3 (**New Convertible Notes**) and 900,000 Options exercisable at \$0.07 on or before the date that is 3 years from issue and otherwise on the terms and conditions set out in Schedule 4 (**New Options**), of which, subject to Shareholder approval:

- (a) 395,000 New Convertible Notes and 790,000 New Options will be issued to sophisticated and professional investors that are not related parties of the Company (**Unrelated Investors**);
- (b) 25,000 New Convertible Notes and 50,000 New Options will be issued to Jarvisbrown (a company associated with Anthony Brown); and
- (c) 30,000 New Convertible Notes and 60,000 New Options will be issued to Equitable Investors (a company associated with Martin Pretty).

The Company is seeking Shareholder approval under Resolutions 4 to 6 for the issue of the New Convertible Notes.

Further detail with respect to the issue of New Convertible Notes and New Options is set out in Section 3.

1.4 Director Placement

As announced on 23 December 2021, the Company secured commitments from each of its Directors in respect of a placement of an aggregate 2,285,714 Shares (**Placement Shares**) at an issue price of \$0.0875 per Placement Share to raise \$200,000 (**Director Placement**).

Of the funds raised under the Director Placement, \$145,000 will be raised as investments by the Directors, with \$55,000 to be satisfied through a sacrifice of fees payable to certain Directors, being \$40,000 by Daniel Roberts and \$15,000 by David Shapiro. The fee sacrifice will apply over a period of 12 months from the date of issue of the Placement Shares and, as such, the Company will not receive the full value of the consideration for the Placement Shares to be issued to Messrs Roberts and Shapiro until 12 months after the issue of the Placement Shares to them.

The Company has agreed with Daniel Roberts and David Shapiro that the subscription for Placement Shares by them will be satisfied through a reduction of fees payable to each of them over the 12 months following the date of issue of the Placement Shares, as set out below:

- (a) Daniel Roberts is entitled to a salary of US\$225,000, being A\$312,750 at an exchange rate of US\$1:A\$1.39 (as at 18 January 2022);
- (b) David Shapiro is entitled to director fees of US\$39,000, being A\$54,210 at an exchange rate of US\$1:A\$1.39 (as at 18 January 2022);
- (c) the subscription price for the Placement Shares will be satisfied through Messrs Roberts and Shapiro agreeing to a reduction in the salary and fees payable to each of them over the 12 months commencing on the date of issue of the Placement Shares;
- (d) in the event that Messrs Roberts or Shapiro cease to be entitled to their salary or director fees during this period, they must elect to either:
 - (i) pay the balance of the subscription price to the Company; or
 - (ii) agree to a cancellation the proportion of Placement Shares with a value equal to the value of the salary or director fees that has not been sacrificed,

on the date that the salary or director fees cease being payable.

Further detail with respect to the Director Placement is set out in Section 4.

2. RESOLUTIONS 1 TO 3 – AMENDMENT TO EXISTING CONVERTIBLE NOTES

2.1 Background

As set out in Section 1.2 above, the Company has agreed with the holders of 1,025,000 Existing Convertible Notes to extend the current maturity date under the Existing Convertible Notes from 16 July 2022 to 31 December 2023, subject to receipt of Shareholder approval.

The maturity date is the only term of the Existing Convertible Notes that the Company is seeking Shareholder approval to amend.

Resolutions 1 to 3 seek the required Shareholder approval for an amendment to the terms of the Existing Convertible Notes and subsequent issue of Shares on conversion of the Existing Convertible Notes, for the purposes of Listing Rule 7.1 (in respect of Resolution 1) and Listing Rule 10.11 (in respect of Resolutions 2 and 3).

2.2 ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Section 1.2 contains a summary of the circumstances in which the Existing Convertible Notes were issued, including where the Existing Convertible Notes were issued using the Company's placement capacity under ASX Listing Rule 7.1.

The effect of the Company issuing the Existing Convertible Notes using its placement capacity under ASX Listing Rule 7.1 is that any issue of Shares on conversion of the Existing Convertible Notes falls within ASX Listing Rule 7.2 Exception 9, which provides that ASX Listing Rule 7.1 does not apply to an issue of securities as a result of the conversion of convertible securities if a company complied with the ASX Listing Rules when the convertible securities were issued.

Shareholder approval for the proposed amendment to the terms of the Existing Convertible Notes is required under ASX Listing Rule 7.1 as an amendment to the terms of a convertible security is treated as a new issue of the Existing Convertible Notes for the purposes of the ASX Listing Rules and does not fall within any of the exceptions set out in Listing Rule 7.2. The deemed new issue of the Existing Convertible Notes exceeds the 15% limit in Listing Rule 7.1 and therefore requires the approval of Shareholders under Listing Rule 7.1.

A secondary effect of receiving Shareholder approval for the amendment to the terms of the Existing Convertible Notes is that ASX Listing Rule 7.2 Exception 9 will apply to any Shares issued on conversion of the Existing Convertible Notes being amended.

2.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the Existing Convertible Notes were issued to institutional and sophisticated investors who are clients of Gleneagle and existing Shareholders of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the holders of the Existing Convertible Notes are:

- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the number of Existing Convertible Notes being amended is 1,025,000. The Shares issued on conversion of the Existing Convertible Notes will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Existing Convertible Notes were issued on:
 - (i) 24 July 2020, in respect of the Initial Convertible Notes;
 - (ii) 23 November 2021, in respect of the Subsequent Convertible Notes,and if Shareholder approval is received in respect of Resolution 1 the amendment to the Existing Convertible Notes will take immediate effect. Shares issued on conversion of the Existing Convertible Notes will be issued progressively on conversion, with such Shares to be issued under the exception set out in ASX Listing Rule 7.2 Exception 9;
- (e) the issue price of the Existing Convertible Notes was \$1 per Existing Convertible Note. The Company has not and will not receive any other consideration for the issue of the Convertible Notes and the issue price of Shares issued on conversion of each Existing Convertible Note will be \$0.07 per Share, provided that if the Company issues Shares at a lower price during the term of the Existing Convertible Notes, the issue price will be reduced in the manner set out in paragraph (e) of Schedule 1;
- (f) the purpose of the issue of the Existing Convertible Notes was to raise working capital to support go-to-market efforts needed in connection with the Company's white label business which has been accelerated with its white label partners along with funding growth initiatives including additional staffing and funding of its global expansion strategy. The purpose for the proposed amendment of the Existing Convertible Notes is to extend the maturity date of the Existing Convertible Notes from 16 July 2022 to 31 December 2023, as the Company does not expect that it will have sufficient cash available on 16 July 2022 to redeem the Existing Convertible Notes;
- (g) the Existing Convertible Notes were issued to Facility Participants that are not related parties of the Company under the Convertible Note Facility. A summary of the material terms of the Convertible Note Facility is set out in Schedule 1 and a summary of the material terms of the Existing Convertible Notes is set out in Schedule 2; and
- (h) the Existing Convertible Notes were not issued under, or to fund, a reverse takeover and the amendment to the Existing Convertible Notes is not being completed in connection with a reverse takeover.

2.4 Chapter 2E of the Corporations Act

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

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

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

The amendment to the terms of the Existing Convertible Notes held by Jarvisbrown and Equitable Investors constitute giving a financial benefit and Jarvisbrown and Equitable Investors are related parties of the Company by virtue of their being companies associated with Anthony Brown and Martin Pretty respectively, each of whom are Directors.

The Directors (other than Anthony Brown and Martin Pretty, who have a material personal interest in Resolutions 2 and 3) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the amendment to the terms of the Existing Convertible Notes as the amendment was negotiated on an arm's length basis and is consistent with the amendment to the Existing Convertible Notes held by Facility Participants that are not related parties of the Company.

2.5 ASX Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Section 1.2 contains a summary of the circumstances in which the Existing Convertible Notes were issued, including where the Existing Convertible Notes were issued with Shareholder approval under ASX Listing Rule 10.11.

The effect of the Company issuing the Existing Convertible Notes with Shareholder approval under ASX Listing Rule 10.11 is that any issue of Shares on conversion of the

Existing Convertible Notes falls within ASX Listing Rule 10.12 Exception 7, which provides that ASX Listing Rule 10.11 does not apply to an issue of securities as a result of the conversion of convertible securities if a company complied with the ASX Listing Rules when the convertible securities were issued.

Shareholder approval for the proposed amendment to the terms of the Existing Convertible Notes held by Jarvisbrown and Equitable Investors is required under ASX Listing Rule 10.11 as an amendment to the terms of the Existing Convertible Securities is treated as a new issue of the Existing Convertible Notes for the purposes of the ASX Listing Rules and does not fall within any of the exceptions set out in Listing Rule 10.12 and Jarvisbrown and Equitable Investors are related parties of the Company by virtue of their being associates of Anthony Brown and Martin Pretty respectively, each of whom are Directors. The deemed new issue of the Existing Convertible Notes therefore requires the approval of Shareholders under ASX Listing Rule 10.11.

A secondary effect of receiving Shareholder approval under for the amendment to the terms of the Existing Convertible Notes under ASX Listing Rule 10.11 is that ASX Listing Rule 10.12 Exception 7 will apply to any Shares issued on conversion of the Existing Convertible Notes being amended.

2.6 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 2 and 3:

- (a) the Existing Convertible Notes are held by Jarvisbrown (an associate of Anthony Brown) and Equitable Investors (an associate of Martin Pretty), who each fall within the category set out in Listing Rule 10.11.1 as a result of them being companies associated with Directors of the Company;
- (b) the number of Existing Convertible Notes that are to be amended is 93,750, being:
 - (i) 18,750 Initial Convertible Notes held by Jarvisbrown and 12,500 Subsequent Convertible Notes to be issued to Jarvisbrown on receipt of Shareholder approval at the FY21 AGM (the subject of Resolution 2); and
 - (ii) 37,500 Initial Convertible Notes held by Equitable Investors and 25,000 Subsequent Convertible Notes to be issued to Equitable Investors on receipt of Shareholder approval at the FY21 AGM (the subject of Resolution 3),

further details of which are set out in Section 1.2;

- (c) the Existing Convertible Notes were, or are to be, issued:
 - (i) 56,250 Initial Convertible Notes were issued on 23 December 2020; and
 - (ii) 37,500 Subsequent Convertibles are to be issued within 1 month following the FY21 AGM, subject to Shareholder approval being received at that meeting,

and if Shareholder approval is received in respect of Resolutions 2 and 3 the amendment to the Existing Convertible Notes will take immediate effect. Shares issued on conversion of the Existing Convertible Notes will be issued

progressively on conversion, with such Shares to be issued under the exception set out in ASX Listing Rule 10.12 Exception 7;

- (d) The issue price of the Existing Convertible Notes is \$1 per Existing Convertible Note and the issue price of Shares issued on conversion of each Existing Convertible Note will be \$0.07 per Share, provided that if the Company issues Shares at a lower price during the term of the Existing Convertible Notes, the issue price will be reduced in the manner set out in paragraph (e) of Schedule 1. The Company will not receive any other consideration in respect of the issue or amendment of the Existing Convertible Notes;
- (e) the purpose of the issue of the Existing Convertible Notes was to raise working capital to support go-to-market efforts needed in connection with the Company's white label business, which has been accelerated with its white label partners, along with funding growth initiatives including additional staffing and funding of its global expansion strategy. The purpose for the amendment to the Existing Convertible Notes is to extend the maturity date of the Existing Convertible Notes to 31 December 2023, as the Company does not expect that it will have sufficient cash available on 16 July 2022 to redeem the Existing Convertible Notes;
- (f) the amendment to the Existing Convertible Notes is not intended to remunerate Anthony Brown or Martin Pretty; and
- (g) the Existing Convertible Notes were issued under the Convertible Note Facility. A summary of the material terms of the Convertible Note Facility is set out in Schedule 1 and a summary of the material terms of the Existing Convertible Notes is set out in Schedule 2.

2.7 Technical information required by Listing Rule 14.1A

If Resolutions 1 to 3 are passed, the amendment to the terms of the Existing Convertible Notes will become effective immediately and the Company will be permitted to issue Shares to the holders of the Existing Convertible Notes on conversion without the Shares utilising the Company's placement capacity under ASX Listing Rule 7.1.

If Resolutions 1 to 3 are not passed, the amendment to the terms of the Existing Convertible Notes will not take effect. In these circumstances, the Existing Convertible Notes will remain on issue unamended (i.e. with a maturity date of 16 July 2022) and the Company will be obliged to redeem or convert the Existing Convertible Notes at that time.

3. RESOLUTIONS 4 TO 6 – ISSUE OF NEW CONVERTIBLE NOTES

3.1 Background

As set out in Section 1.3 above, the Company has secured commitments from investors for \$450,000, in consideration for the issue by the Company of 450,000 New Convertible Notes and 900,000 New Options.

Resolutions 4 to 6 seek the required Shareholder approval for the issue of New Convertible Notes and New Options, as well as the Shares issued on conversion or exercise thereof, for the purposes of Listing Rule 7.1 (in respect of Resolution 4) and Listing Rule 10.11 (in respect of Resolutions 5 and 6).

3.2 ASX Listing Rule 7.1

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The proposed issue of the New Convertible Notes and New Options the subject of Resolution 4 does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

3.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the New Convertible Notes and New Options will be issued to institutional and sophisticated investors and existing Shareholders of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients of New Convertible Notes and New Options are:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the number of New Convertible Notes to be issued is 395,000 and the number of New Options to be issued is 790,000. The Shares issued on conversion of the Existing Convertible Notes and exercise of the New Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the New Convertible Notes and New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the New Convertible Notes and New Options will occur on the same date. Shares issued on conversion of the New Convertible Notes and on exercise of the New Options will be issued progressively on conversion and exercise respectively, with such Shares to be issued under the exception set out in ASX Listing Rule 7.2 Exception 9;
- (e) the issue price of the New Convertible Notes will be \$1 and the issue price of the New Options will be nil on the basis that they are attaching options to the New Convertible Notes. The issue price of Shares issued on conversion of each New Convertible Note will be \$0.07 per Share, provided that if the Company issues Shares at a lower price during the term of the New Convertible Notes, the issue price will be reduced in the manner set out in paragraph Schedule. The Company has not and will not receive any other consideration for the issue of the New Convertible Notes or New Options, other than amounts paid to the Company on exercise of the New Options;
- (i) the purpose of the issue of the New Convertible Notes and New Options is to raise working capital to support go-to-market efforts needed in connection with the Company's white label business, which has been accelerated with its

white label partners, along with funding growth initiatives, including additional staffing and funding of its global expansion strategy;

- (j) the New Convertible Notes are being issued under a convertible note deed (**Convertible Note Deed**). A summary of the material terms of the Convertible Note Deed and New Convertible Notes is set out in Schedule 3 and the terms and condition of the New Options are set out in Schedule 4; and
- (k) the New Convertible Notes and New Options are not being issued under, or to fund, a reverse takeover.

3.4 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 2.4 above.

The issue of New Convertible Notes and New Options to Jarvisbrown and Equitable Investors constitute giving a financial benefit and Jarvisbrown and Equitable Investors are related parties of the Company by virtue of their being companies associated with Anthony Brown and Martin Pretty respectively, each of whom are Directors.

The Directors (other than Anthony Brown and Martin Pretty, who have a material personal interest in Resolutions 5 and 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of New Convertible Notes and New Options as the issue was negotiated on an arm's length basis and is consistent with the issue of New Convertible Notes and New Options to be issued to investors that are not related parties of the Company.

3.5 ASX Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 2.5 above.

The issue of New Convertible Notes and New Options the subject of Resolutions 5 and 6 falls within Listing Rule 10.11.1 on the basis that New Convertible Notes and New Options are being issued to Jarvisbrown and Equitable Investors, each of which are companies associated with Directors.

3.6 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 5 and 6:

- (a) the New Convertible Notes and New Options will be issued to Jarvisbrown and Equitable Investors, who each fall within the category set out in Listing Rule 10.11.1 as Jarvisbrown is a company associated with Anthony Brown and Equitable Investors is a company associated with Martin Pretty, each of whom are related parties of the Company by virtue of being Directors;
- (b) the maximum number of New Convertible Notes to be issued is 55,000 and the maximum number of New Options to be issued is 1,571,429, being:
 - (i) 25,000 New Convertible Notes and 50,000 New Options to Jarvisbrown; and
 - (ii) 30,000 New Convertible Notes and 60,000 New Options to Equitable Investors;

- (c) a summary of the material terms and conditions of the New Convertible Notes is set out in Schedule 3 and the terms and conditions of the New Options are set out in Schedule 4;
- (d) the New Convertible Notes and New Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the New Convertible Notes and New Options will occur on the same date. Shares issued on conversion of the New Convertible Notes and on exercise of the New Options will be issued progressively on conversion and exercise respectively, with such Shares to be issued under the exception set out in ASX Listing Rule 7.2 Exception 9;
- (e) the issue price of the New Convertible Notes will be \$1 and the issue price of the New Options will be nil on the basis that they are attaching options to the New Convertible Notes. The issue price of Shares issued on conversion of each New Convertible Note will be \$0.07 per Share, provided that if the Company issues Shares at a lower price during the term of the New Convertible Notes, the issue price will be reduced in the manner set out in paragraph Schedule 3. The Company has not and will not receive any other consideration for the issue of the New Convertible Notes or New Options, other than amounts paid to the Company on exercise of the New Options;
- (f) the purpose of the issue of the New Convertible Notes and New Options is to raise working capital to support go-to-market efforts needed in connection with the Company's white label business, which has been accelerated with its white label partners along with funding growth initiatives, including additional staffing and funding of its global expansion strategy;
- (g) the issue of the New Convertible Notes and New Options is not intended to remunerate Anthony Brown or Martin Pretty; and
- (h) the New Convertible Notes and New Options are being issued under the Convertible Note Deed. A summary of the material terms of the Convertible Note Deed is set out in Schedule 3.

3.7 Technical information required by Listing Rule 14.1A

If Resolutions 4 to 6 are passed, the Company will be able to proceed with the issue of the New Convertible Notes and New Options within three months (in respect of Resolution 4) and one month (with respect Resolutions 5 and 6) after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules), without the issue of New Convertible Notes, New Options or Shares issued on conversion or exercise of the New Convertible Note and New Options using up the Company's 15% annual placement capacity.

If Resolutions 4 to 6 are not passed, the Company will not be able to proceed with the issue of New Convertible Notes and New Options and the Company will have less funding available to meet its stated objectives. If this occurs, the Company is likely to seek to raise necessary capital through other capital raising initiatives.

4. RESOLUTIONS 7 TO 11 – PLACEMENT TO RELATED PARTIES

4.1 Background

As set out in Section 1.4 above, the Company has secured commitments from each of its Directors in respect of the Director Placement, under which the Company will raise

\$200,000 through the issue of an aggregate 2,285,714 Placement Shares at an issue price of \$0.0875 per Placement Share.

Subject to receipt of Shareholder approval, the Placement Shares will be issued to the Directors as follows:

- (a) 525,714 Placement Shares will be issued to Jarvisbrown (a company associated with Anthony Brown);
- (b) 674,286 Placement Shares will be issued to Martin Pretty and the associates of Martin Pretty set out below:
 - (i) Martin Pretty – 78,571 Placement Shares;
 - (ii) Equitable Investors – 157,143 Placement Shares;
 - (iii) Tadar Super Pty Ltd <Tadar Super Fund A/C> – 78,571 Placement Shares; and
 - (iv) Sandhurst Trustees Ltd ACF Equitable Investors ATF Equitable Investors Dragonfly Fund – 360,000 Placement Shares;
- (c) 457,143 Placement Shares will be issued to Simon Nominees Pty Ltd <HS Majteles Super Fund A/C> (a company associated with Solomon Majteles);
- (d) 457,143 Placement Shares will be issued to Daniel Roberts, the consideration for which will be satisfied through Daniel Roberts sacrificing Director fees payable to him of \$40,000 in relation to services to be provided to the Company over the 12 months following the issue of Placement Shares; and
- (e) 171,429 Placement Shares will be issued to David Shapiro, the consideration for which will be satisfied through David Shapiro sacrificing Director fees payable to him of \$15,000 in relation to services to be provided to the Company over the 12 months following the issue of Placement Shares.

The Company is seeking Shareholder approval under Resolutions 7 to 11 for the issue of Placement Shares under the Director Placement.

4.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 2.4 above.

The issue of Placement Shares constitutes giving a financial benefit and each of the participants in the Director Placement are related parties of the Company by virtue of their being Directors or companies associated with the Directors.

As the Placement Shares are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Placement Shares. Accordingly, Shareholder approval for the issue of Placement Shares to the Directors is sought in accordance with Chapter 2E of the Corporations Act.

4.3 ASX Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 2.5 above.

The issue of Placement Shares falls within Listing Rule 10.11.1 on the basis that each of the participants in the Director Placement are Directors of the Company or associates of the Directors.

4.4 Technical information required by Listing Rule 14.1A

If Resolutions 7 to 11 are passed, the Company will be able to proceed with the issue of the Placement Shares to the Directors and under the Director Placement within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Placement Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Placement Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 7 to 11 are not passed, the Company will not be able to proceed with the issue of Placement Shares under the Director Placement and the Company will have less working capital available. If this occurs, the Company is likely to seek to raise necessary capital through other capital raising initiatives.

4.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 7 to 11:

- (a) the Placement Shares will be issued to each of the Directors, or entities associated with the Directors, who each fall within the category set out in Listing Rule 10.11.1 by virtue of being Directors;
- (b) the maximum number of Placement Shares to be issued is 2,285,714, being the Placement Shares to be issued to each Director, or entities associated with the Directors, referenced in Section 4.1;
- (c) the Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Placement Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement Shares will occur on the same date;
- (e) the issue price of the Placement Shares will be \$0.0875 per Placement Share. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (f) the purpose of the issue of the Placement Shares is to raise capital and to reduce management overheads (in respect of Daniel Roberts and David Shapiro's sacrifice of fees), which will provide balance sheet support to fund growth initiatives and will be primarily be applied towards business development, with a key focus on building on current sales momentum with Scout's white label partners;
- (g) notwithstanding that Daniel Roberts and David Shapiro are sacrificing salary and Director fees in respect of the Placement Shares to be issued to them, the issue of the Placement Shares is not intended to remunerate them on the basis that they already have an entitlement to the salary and Director fees, and the issue of Placement Shares to the other Directors is not intended to remunerate them;

- (h) the Placement Shares are not being issued under an agreement;
- (i) the value of the Placement Shares, based on the issue price of the Placement Shares, is \$200,000 and a breakdown of the value of the Placement Shares being issued to each Director (or their associates) is set out in Section 4.1 above;
- (j) the relevant interests of the Directors in securities of the Company as at the date of this Notice are set out below:

| Related Party | Shares ¹ | Options ² | Convertible Notes ³ |
|-----------------------------|---------------------|----------------------|--------------------------------|
| Martin Pretty | 1,848,816 | 775,800 | 62,500 |
| Solomon Majteles | 1,000,000 | - | - |
| Anthony Brown | 3,885,018 | 275,400 | 31,250 |
| Daniel Roberts ⁴ | 9,443,397 | - | - |
| David Shapiro | 7,747,861 | - | - |

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX:SCT).
 2. Unquoted Options exercisable at \$0.07 each on or before 16 July 2024.
 3. Existing Convertible Notes on the terms and conditions set out in Schedule 2.
 4. Daniel Roberts also holds 4,500,000 performance rights, the terms of which are set out in the Company's annual financial report, released on 29 September 2021.
- (k) if all Placement Shares are issued under the Director Placement a total of 2,285,714 Shares would be issued. This will increase the number of Shares on issue from 150,854,174 (being the total number of Shares on issue as at the date of this Notice) to 153,139,888 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.49%, comprising 0.44% by Martin Pretty, 0.30 % by Solomon Majteles, 0.34% by Anthony Brown, 0.30% by Daniel Roberts and 0.11% by David Shapiro;
- (l) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

| | Price | Date |
|---------|------------|-------------|
| Highest | 16.0 cents | 18 Feb 2021 |
| Lowest | 2.8 cents | 16 Dec 2021 |
| Last | 5.2 cents | 7 Jan 2022 |

- (m) each Director has a material personal interest in the outcome of Resolutions 7 to 11 on the basis that all of the Directors (or their associates) are to be issued Placement Shares should Resolutions 7 to 11 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 7 to 11 of this Notice; and
- (n) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 7 to 11.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Company means Scout Security Limited (ACN 615 321 189).

Constitution means the Company's constitution.

Convertible Note Facility has the meaning given in Section 1.2.

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

Director Placement has the meaning given in Section 1.4.

Directors means the current directors of the Company.

Existing Convertible Notes has the meaning given in Section 1.2 and includes the Initial Convertible Notes and Subsequent Convertible Notes.

Explanatory Statement means the explanatory statement accompanying the Notice.

Equitable Investors means Equitable Investors Pty Ltd (ACN 120 965 979), a company associated with Martin Pretty.

Facility Participants has the meaning given in Section 1.2.

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

Initial Convertible Notes has the meaning given in Section 1.2.

Jarvisbrown means Jarvisbrown Super Pty Ltd (ACN 164 541 502), a company associated with Anthony Brown.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

New Convertible Notes has the meaning given in Section 1.3.

New Option has the meaning given in Section 1.3.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement Shares has the meaning given in Section 1.4.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Simon Nominees means Simon Nominees Pty Ltd (ACN 008 813 483).

Subsequent Convertible Notes has the meaning given in Section 1.2.

Unrelated Investors has the meaning given in Section 1.3.

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

SCHEDULE 1 – MATERIAL TERMS OF THE CONVERTIBLE NOTE FACILITY

A summary of the key terms of the Convertible Note Facility is set out below:

(a) **Term**

The term of the Convertible Note Facility is 2 years.

(b) **Conversion**

Each note issued under the Convertible Note Facility (**Note**) may be converted into one fully paid ordinary share in the capital of the Company at the Conversion Price (below).

(c) **Maturity Date**

The maturity date of the Notes is:

- (i) in respect of Convertible Notes that are not amended in accordance with Resolutions 1 to 3, 16 July 2022; and
- (ii) in respect of Convertible Notes that are amended in accordance with Resolutions 1 to 3, 31 December 2023,

(Maturity Date).

(d) **Face Value**

The face value of a Note is \$1.00.

(e) **Conversion Price**

The conversion price of the Note will be the lower of:

- (i) \$0.07; and
- (ii) a 20% discount to any future equity issuance by the Company, provided that the Conversion Price will be no less than the floor price of \$0.03.

(f) **Variation to Conversion Price**

In the event the Company undertakes a bonus issue, rights issue or capital reorganization (including consolidation, subdivision, reduction or return), the Conversion Price (including the floor price) will be varied to the extent applicable and subject to the ASX Listing Rules to place investors in substantially the same position as they would have been had no such event occurred.

(g) **Conversion Right**

If an investor elects to convert all or part of a Note into Shares at any time up to and including the Maturity Date then, it may do so by giving a written notice to the Company specifying the number of Notes (or part thereof) the investor intends to convert, the aggregate principal amount of those Notes (which must be a minimum of \$50,000 or any higher integral multiple of \$25,000) (**Specified Principal Amount**) and the applicable Conversion Price.

The number of Shares to be issued on conversion is calculated in accordance with the following formula:

$$\text{Number of Shares} = \frac{\text{Specified Principal Amount}}{\text{Conversion Price}}$$

(h) **Initial Instalment**

- (i) The Company drew \$750,000 in an Initial Instalment at completion, in connection with which investors were issued a total of 8,035,715 Options (**T1 Investor Options**) (proportionate to their investment in the Initial Instalment)
- (ii) The Investors will have the right to convert the Initial Instalment at any time.

(i) **Subsequent Instalments**

- (i) The Company may draw, but is under no obligation to draw, Subsequent Instalments totalling \$1.25 million (of which \$500,000 will be drawn on 19 November 2021).
- (ii) Until such time as the Company elects to draw a Subsequent Instalment, the Company will be under no obligation to issue any securities beyond those issued to investors under the Initial Instalment and will not be penalized in any way should it elect not to draw any Subsequent Instalment.
- (iii) It is a condition precedent to the Company electing to draw a Subsequent Instalment that it has sufficient placement capacity at the time the drawing is made to issue the Subsequent Instalment, including all shares and options to be issued in connection with the Subsequent Instalment.
- (iv) Subsequent Instalments may be drawn monthly on 21 days' notice in instalments of either \$250,000 or \$500,000, subject to the Company's share price being greater than 80% of the conversion price (determined based on the conversion price as at the date of the drawdown request and the proposed issue date of the Note, respectively).
- (v) In consideration for participation a Subsequent Instalment, Investors will be issued a number of Options proportionate to their investment, calculated on the basis that 2 Options will be issued for the equivalent of 1 converted share, with the potential of issuing a total of 35,714,286 Options (**T2 Investor Options**). The number of T2 Investor Options is calculated as follows:

$$A = \frac{B}{C} \times D$$

where:

A is the number of T2 Investor Options to be issued;

B is the principal amount of the Subsequent Instalment;

C is the \$1,250,000; and

D is the total number of T2 Investor Options, being 35,714,286 Options.

- (vi) The Company may elect to redeem any Subsequent Instalments ahead of any conversion rights.

(j) **Interest**

Interest of 5% p.a. is payable on drawn funds, accruing daily and payable quarterly.

(k) **Redemption**

If, during the period of 23 months from the Effective Date (**Redemption Period**), the Company wishes to redeem all or part of the Notes, it may do so by giving not less than 30 days' notice in writing (Redemption Notice) to all of the Investors specifying the aggregate principal amount of the Notes that the Company intends to redeem and the number of Notes (or part thereof) of each Investor that the Company intends to redeem, provided that the Notes must be redeemed proportionately.

(l) **Security**

The Convertible Note Facility is unsecured.

(m) **Default**

In the event of a default that is unremedied for a period of 3 business days, if a number of investors holding collectively more than 50% of the total outstanding aggregate amount of all Notes so agree, the investors may declare at any time by notice to the Company that:

- (i) the entire outstanding aggregate amount of all Notes, together with accrued interest, and all other amounts accrued or outstanding under the Convertible Note Facility or the Notes, is either:
 - (A) payable on demand; or
 - (B) immediately due for payment and payable,and the Company is required to redeem all the Notes;
- (ii) the investors' obligations specified in the notice are terminated; and/or
- (iii) the investors may exercise any or all of their rights, remedies, powers or discretion under the Convertible Note Facility.

(n) **Events of Default**

- (i) **(ASX)**: the ASX makes a determination that the terms of the Notes, the Facility Options, the T1 Investor Options or the T2 Investor Options do not comply with the Listing Rules, including, for the avoidance of doubt, Listing Rule 6.1;
- (ii) **(shareholder approval)**: the Company fails to obtain (or maintain) any shareholder, regulatory or other approvals necessary for any transaction contemplated by the Convertible Note Facility;
- (iii) **(failure to issue Shares)**: the Company has not issued Shares to an Investor within 5 Business Days of receipt of a Conversion Notice (except where a redemption notice is issued);
- (iv) **(failure to issue Options)**: the Company fails to issue Options to an Investor in accordance with the terms of clause 4.6;
- (v) **(payment)**: the Company fails to pay any amount due under this Convertible Note Facility on when due;

- (vi) **(performance default)**: failure by the Company to perform any other material obligation, covenant or undertaking under the Convertible Note Facility, excluding payment default, and, in relation to any rectifiable failure, within 14 days following notice by any Investor requiring rectification;
- (vii) **(Company warranties)**: the Company is breach of any of the Company warranties;
- (viii) **(compliance)**: the Company fails to comply with any Listing Rule which results in a Material Adverse Change;
- (ix) **(Subsidiaries)**: an entity that is a subsidiary of the Company at the date of the Convertible Note Facility ceases to be a subsidiary of the Company;
- (x) **(merger)**: the Company consolidates with, merges or amalgamates into or transfers all or substantially all of its assets to any person;
- (xi) **(insolvency)**: an Insolvency Event occurs in relation to the Company or a subsidiary of the Company;
- (xii) **(cross default)**: any indebtedness of the Company or any of its subsidiaries is not paid when due (or within any applicable grace period) or is or becomes due and payable prior to its stated maturity date for any reason;
- (xiii) **(attachment)**: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Company or any of its subsidiaries;
- (xiv) **(enforcement)**: a mortgagee, chargee or other encumbrancer takes possession of, exercises rights under any security in relation to, or a receiver, receiver and manager, administrator, liquidator, provisional liquidator or officer of the Court is appointed in relation to, the whole or any substantial part of the property, assets or revenues of the Company or any of its subsidiaries (as the case may be);
- (xv) **(Authorisations)**: any authorisation, approval or consent (including any governmental, regulatory or corporate approval or consent) required for the issue, redemption or conversion of the Notes (Authorisation) is not obtained or is suspended, terminated, revoked, withdrawn or expires, modified, restricted or otherwise fails to remain in full force and effect (in whole or in part) in any way unacceptable to the Investors;
- (xvi) **(winding up)**: an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company or any of its subsidiaries, or the Company or any of its Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations;
- (xvii) **(unlawful)**: it is or becomes unlawful for:
 - (A) the Company to perform or comply with any one or more of its obligations under any of the Notes or the Convertible Note Facility;
 - (B) the investors as a whole to convert any Notes or hold any Shares, other than because of the operation of clause 10.3(d); or
 - (C) the Company or any of its subsidiaries to carry on all or substantially all of its business or operations;

- (xviii) **(disposal)**: the Company or any of subsidiaries transfers or otherwise disposes of all or substantially all of its business or assets to any person;
- (xix) **(expropriation)**: any Governmental agency takes any other action which:
 - (A) prevents the Company or any of its subsidiaries or their respective management from conducting all or a substantial part of its business or operations; or
 - (B) deprives the Company or any of its subsidiaries of the use of any material asset;
- (xx) **(audit)**: a material qualification (excluding a qualification that is substantially similar to qualifications included in the Company's financial statements as at 30 June 2019 or 31 December 2019) is made by any auditor appointed by the Company or any of its subsidiaries to audit its financial statements;
- (xxi) **(non-Listing)**: Shares cease to be listed on the ASX or are suspended from trading for more than 30 consecutive Trading Days; or
- (xxii) **(Material Adverse Change)**: a Material Adverse Change occurs or is reasonably likely to occur in relation to the Company or any of its subsidiaries, provided that if an Investor considers that a Material Adverse Change is reasonably likely to occur, the Company will have a period of 10 Trading Days to either remedy the circumstances that may result in a Material Adverse Change or satisfy the Investor (acting reasonably) that a Material Adverse Change is not likely to occur.

The Convertible Note Facility also contains such other terms as are considered standard for an agreement of this nature (including representations and warranties, indemnities, and confidentiality provisions).

SCHEDULE 2 – TERMS AND CONDITIONS OF EXISTING CONVERTIBLE NOTES

The material terms of the Notes are set out below:

- (a) **(Face Value)**: each Note will have a face value of \$1.00.
- (b) **(Maturity Date)**: The maturity date of the Notes is:
 - (i) in respect of Convertible Notes that are not amended in accordance with Resolutions 1 to 3, 16 July 2022; and
 - (ii) in respect of Convertible Notes that are amended in accordance with Resolutions 1 to 3, 31 December 2023.
- (c) **(Interest)**: 5% per annum, payable on drawn funds, accruing daily and payable quarterly.
- (d) **(Conversion)**: Each Note issued under the Convertible Note Facility may be converted into one fully paid ordinary share in the capital of the Company at the Conversion Price.
- (e) **(Conversion Price)**: The conversion price of the Note will be the lower of:
 - (i) \$0.07; and
 - (ii) a 20% discount to any future equity issuance by the Company, provided that the Conversion Price will be no less than the floor price of \$0.03,
- (f) **(Variation to Conversion Price)**: In the event the Company undertakes a bonus issue, rights issue or capital reorganization (including consolidation, subdivision, reduction or return), the Conversion Price (including the floor price) will be varied to the extent applicable and subject to the ASX Listing Rules to place investors in substantially the same position as they would have been had no such event occurred.
- (g) **(Conversion Right)**: If an investor elects to convert all or part of a Note into Shares at any time up to and including the Maturity Date then, it may do so by giving a written notice to the Company specifying the number of Notes (or part thereof) the investor intends to convert, the aggregate principal amount of those Notes (which must be a minimum of \$50,000 or any higher integral multiple of \$25,000) and the applicable Conversion Price.
- (h) **(Redemption)**: If, during the period of 23 months from the Effective Date (**Redemption Period**), the Company wishes to redeem all or part of the Notes, it may do so by giving not less than 30 days' notice in writing (**Redemption Notice**) to all of the Investors specifying the aggregate principal amount of the Notes that the Company intends to redeem and the number of Notes (or part thereof) of each Investor that the Company intends to redeem, provided that the Notes must be redeemed proportionately.

SCHEDULE 3 – TERMS AND CONDITIONS OF NEW CONVERTIBLE NOTES

| | |
|------------------------------|---|
| Interest | 5% p.a on drawn amounts, accruing daily and payable quarterly. |
| Maturity Date | 31 December 2023. |
| Drawdown | 7 days following receipt of Shareholder approval for issue of New Convertible Notes. |
| Conversion Preference | Holder can convert at any time and will have a conversion preference over redemption by the Company. |
| Redemption | <p>The Company may issue a redemption notice at any time with 30 days' notice. Holders must elect to convert within the notice period or will be redeemed.</p> <p>Any New Convertible Notes remaining unconverted at the Maturity Date must be redeemed by the Company on the Maturity Date.</p> |
| Drawdown Conditions | Receipt of Shareholder approval for issue of the New Convertible Notes. |
| Conversion Price | Lower of \$0.07 or 20% discount to lowest price of issue of any securities after the date of issue, subject to a floor of 3c, provided that conversion or exercise of any securities on issue as at the date of issue or pursuant to an employee incentive scheme will not impact the conversion price. |
| Security | Unsecured |
| Covenants/Default | As per Convertible Note Facility (refer to paragraph (n) of Schedule 1). |
| Default Interest | 15% p.a accruing daily and payable monthly, calculated from drawdown. |

SCHEDULE 4 – TERMS AND CONDITIONS OF NEW OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.07 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares (i) required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

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

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LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

Important Note: Due to the COVID-19 pandemic, the GM will be held as a virtual meeting. If you wish to virtually attend the GM, please refer to the Meeting ID and Shareholder ID on your personalised proxy form to login to the meeting at www.advancedshare.com.au/virtual-meeting.

GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Scout Security Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the Meeting **OR**



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held **virtually on 18 February 2022 at 10.00am (WST)** and at any adjournment or postponement of that Meeting.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES:

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

VOTING DIRECTIONS

Resolutions

| | For | Against | Abstain* |
|--|--------------------------|--------------------------|--------------------------|
| 1 Amendment to existing Convertible Notes – Non-Related Parties | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Amendment to existing Convertible Notes – Jarvisbrown (Anthony Brown) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Amendment to existing Convertible Notes – Equitable Investors (Martin Pretty) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Issue of New Convertible Notes and New Options – Unrelated Investors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Issue of New Convertible Notes and New Options – Jarvisbrown (Anthony Brown) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Issue of New Convertible Notes and New Options – Equitable Investors (Martin Pretty) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 Placement to Related Party – Jarvisbrown (Anthony Brown) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 Placement to Related Party – Martin Pretty | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9 Placement to Related Party – Simon Nominees (Solomon Majteles) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10 Placement to Related Party – Daniel Roberts | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11 Placement to Related Party – David Shapiro | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

SCOUT SECURITY LIMITED - GENERAL MEETING

Due to the ongoing COVID-19 pandemic and uncertainty regarding the level of travel restrictions around the time of the meeting, the Company has determined that Shareholders will only be able to attend and participate in the Meeting through an online platform provided by Advanced Share Registry.

To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to attend the Meeting and vote online.

Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website.

Shareholders may submit questions ahead of the Meeting via the portal.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PLEASE NOTE: If you appoint the Chair as your proxy (or if he is appointed by default) but do not direct him how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as he sees fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10.00am (WST) on 16 February 2022, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033