

Notice of Annual General Meeting

OtherLevels Holdings Limited ACN 603 987 266

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Notice is given that the Annual General Meeting of OtherLevels Holdings Limited ACN 603 987 266 (**Company**) will be held at:

Location	McCullough Robertson Lawyers, Level 11, 66 Eagle St, Brisbane QLD 4000
Date	Wednesday, 30 November 2016
Time	3:00pm (Brisbane time)

Ordinary Business

Financial statements and reports

To consider and receive the financial report, the Directors' report and the auditor's report for the year ended 30 June 2016.

Directors' remuneration report

To consider and, if in favour, pass the following resolution in accordance with section 250R(2) Corporations Act:

- 1 'That the Remuneration Report be adopted.'

Note: This resolution shall be determined under section 250R(2) Corporations Act. Votes must not be cast on this resolution by Key Management Personnel and closely related parties in contravention of section 250R or 250BD Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

The Directors abstain, in the interests of good corporate governance, from making a recommendation in relation to this resolution.

Election of Director

Re-election of Tanya Cox

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 2 'That Tanya Cox, who retires by rotation in accordance with rule 19.3 of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'

Note: Information about the candidate appears in the Explanatory Memorandum.

The Directors (with Ms Tanya Cox abstaining) unanimously recommend that you vote in favour of this resolution.

Special business

10% capacity to issue shares under Listing Rule 7.1A

To consider and, if in favour, to pass the following as a special resolution:

- 3 'That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 over a 12 month period from the date of the Annual General Meeting, at a price no less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions set out in the Explanatory Memorandum.'

The Directors unanimously recommend that you vote in favour of this resolution.

Issue of options to Managing Director

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 4 'That, pursuant to section 208(1)(a) Corporations Act and Listing Rule 10.14, Shareholders approve the granting of 1,200,000 options to Brendan O'Kane, Managing Director, on the terms set out in the Explanatory Memorandum.

Note: if approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1 or Listing Rule 10.11, as set out in the Explanatory Memorandum.

The Directors abstain, in the interests of good corporate governance, from making a recommendation in relation to this resolution.

Dated: 21 October 2016

By order of the Board



Andrew Ritter

Company Secretary

Voting exclusion statement

Resolution 1 - The Company will disregard votes cast by a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member, in contravention of section 250R or 250BD Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Resolution 4 - The Company will disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD Corporations Act. The Company will also disregard votes cast by a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 Corporations Act.

In accordance with the Listing Rule 14.11, the Company will disregard votes cast by:

Resolution 3 - Approval of additional capacity to issue shares under Listing Rule 7.1A	A person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or an associate of such person. NB. In accordance with Listing Rule 14.11.1 and the relevant note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.
Resolution 4 - Issue of options to a Director	Each Director and each of their associates.

However, the Company need not disregard a vote if:

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

Notes

- (a) Terms used in this Notice of Meeting which are defined in the Explanatory Memorandum have the meaning given to them in the Explanatory Memorandum.
- (b) Subject to the Corporations Act, including sections 250R and 250BD, a Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (c) The proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (d) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (e) A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (f) The Company has determined under regulation 7.11.37 Corporations Regulations that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 7.00pm (Sydney time) on Monday, 28 November 2016.
- (g) If you have any queries on how to cast your votes then call Andrew Ritter, Company Secretary on +61 7 3003 0652 during business hours.

Explanatory Memorandum

OtherLevels Holdings Limited ACN 603 987 266 (**Company**)

This Explanatory Memorandum accompanies the notice of Annual General Meeting of the Company to be held at McCullough Robertson Lawyers, Level 11, 66 Eagle St, Brisbane, QLD 4000 on Wednesday, 30 November 2016 at 3:00pm (Brisbane time).

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

Financial statements and reports

- 1 The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the Directors, the auditor's report and the financial report be laid before the Annual General Meeting.
- 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the financial statements and reports.
- 3 Shareholders will be given a reasonable opportunity at the meeting to raise questions and make comments on these reports.
- 4 In addition to asking questions at the meeting, Shareholders may address written questions to the chairman about the management of the Company or to the Company's auditor, PKF Hacketts Audit, if the question is relevant to:
 - (a) the content of the auditor's report; or
 - (b) the conduct of its audit of the annual financial report to be considered at the meeting.

Note: Under section 250PA(1) Corporations Act, a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

- 5 Written questions for the auditor must be delivered by 5.00pm on Wednesday, 23 November 2016. Please send any written questions for PKF Hacketts Audit to:

The Company Secretary
GPO Box 203
Brisbane, Queensland 4001

or via email to: andrew.ritter@otherlevels.com

Resolution 1: Remuneration Report

- 6 The Remuneration Report is contained in the Annual Report. A copy is available on the Company's website.
- 7 The Corporations Act requires that the Remuneration Report be put to a vote of Shareholders.
- 8 The resolution of Shareholders is advisory only and not binding on the Company. The Board will take the discussion at the meeting into consideration when determining the Company's

remuneration policy and appropriately respond to any concerns Shareholders may raise in relation to remuneration issues.

9 The Remuneration Report:

- (a) reports and explains the remuneration arrangements in place for non-executive Directors, executive Directors and senior management; and
- (b) explains Board policies in relation to the nature and value of remuneration paid to non-executive Directors, executives and senior managers within the Company.

10 The Chairman will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.

Directors' Recommendation

11 As the resolution relates to matters including the remuneration of the Directors, the Board, as a matter of good corporate governance and in accordance with the spirit of section 250R(4) Corporations Act, makes no recommendation regarding this resolution.

Election of Director

12 Rule 19.3 of the Constitution requires an election of directors to take place at every Annual General Meeting. The Director to retire under rule 19.3 is the director who has been in office the longest since being appointed (by agreement between them when appointment occurred at the same time). Accordingly, Tanya Cox will retire from office under rule 19.3 of the Constitution and stand for election.

Resolution 2: Re-election of Tanya Cox

13 Tanya Cox retires from office under rule 19.3 of the Constitution and stands for re-election.

Tanya Cox was appointed as an independent non-executive Director in February 2015. As the chief operating officer of \$17.6 billion DEXUS Property Group for more than a decade, Tanya oversaw all aspects of DEXUS' corporate operations, including marketing and communications, risk management, corporate governance and company secretarial practices. Tanya has more than 20 years' experience as an executive director and 10 years as a non-executive director on boards as diverse as the Green Building Council of Australia, the Australian Paralympic Committee and Music & Opera Singers Trust. She is currently a director of BuildingIQ Inc (ASX: BIQ), as well as a number of unlisted businesses. Tanya is chair of the OLV Audit & Risk Management Committee and a member of its Remuneration Committee. Tanya is a fellow of the Australian Institute of Company Directors, the Governance Institute of Australia and the Institute of Chartered Secretaries & Administrators and is a member of the St James Ethics Centre. Tanya holds an MBA from the Australian Graduate School of Management and a Diploma in Applied Corporate Governance.

Directors' Recommendation

14 The Directors (with Tanya Cox abstaining), unanimously recommend the re-appointment of Ms Cox to the Board.

Special business

Resolution 3: Approval of additional 10% capacity under Listing Rule 7.1A

- 15 Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring Shareholder approval. In accordance with the Listing Rule 7.1A, eligible entities (companies that are outside the S&P/ASX 300 index and that also have a market capitalisation of \$300 million or less) can issue a further 10% of the Company's share capital over a 12 month period following the Annual General Meeting (provided Shareholder approval is obtained at the Annual General Meeting) on a non-pro rata basis.
- 16 The Company falls within the eligibility criteria required by Listing Rule 7.1A.
- 17 The number of shares that may be issued (if Shareholder approval is obtained at the Annual General Meeting) will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

(A x D) – E

- A** is the number of fully paid shares on issue 12 months before the date of issue or agreement:
- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (B) plus the number of partly paid shares that became fully paid in the 12 months;
 - (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% capacity pursuant to Listing Rule 7.1 without Shareholder approval; and
 - (D) less the number of fully paid shares cancelled in the 12 months.
- D** is 10%.
- E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

- 18 Additional disclosure obligations are imposed when the special resolution is proposed, when securities are issued and when any further approval is sought. For the purposes of Listing Rule 7.3A the Company provides the following information:

Minimum price at which the equity securities may be issued	<p>The issue price of each Share must be no less than 75% of the volume weighted average price for the Shares calculated over the 15 trading days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none">(a) the date on which the price at which the securities are to be issued is agreed; or(b) if the securities are not issued within 5 trading days of the date in paragraph (a), the date on which the securities are issued.
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Risk of economic and voting dilution	<p>An issue of shares under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks include:</p> <ul style="list-style-type: none"> (a) the market price for Shares may be significantly lower on the issue date than on the date of the approval under Listing rule 7.1A; and (b) the equity securities may be issued at a price that is at a discount to the market price for the Shares on the issue date. <p>In accordance with Listing Rule 7.3A.2 a table describing the notional possible dilution, based upon various assumptions as stated, is set out below.</p>
Date by which the Company may issue the securities	<p>The period commencing on the date of the Annual General Meeting at which approval is obtained and expiring on the first to occur of the following:</p> <ul style="list-style-type: none"> (a) the date which is 12 months after the date of the annual general meeting at which approval is obtained; and (b) the date of the approval by holders of the Company's ordinary securities of a transaction under Listing Rules 11.1.2 or 11.2. <p>The approval under Listing Rule 7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.</p>
Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration	<p>It is the Board's current intention that any funds raised pursuant to an issue of securities will be applied towards the Company's growth strategies. This may include:</p> <ul style="list-style-type: none"> (a) securing new customers (existing and new sectors); (b) expanding services, including value added services; and (c) possible acquisitions of related parties and complementary businesses. <p>The Company reserves the right to issue shares for non-cash consideration, including as non-cash consideration for any acquisition.</p>
Details of the Company's allocation policy for issues under approval	<p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to the factors including but not limited to the following:</p> <ul style="list-style-type: none"> (a) the methods of raising funds that are available to the Company including but not limited to, rights issues or other issues in which existing security holders can participate; (b) the effect of the issue of the Listing Rule 7.1A shares on the control of the Company; (c) the financial situation and solvency of the Company; and (d) advice from corporate, financial and broking advisers (if applicable). <p>The allottees under the Listing Rule 7.1A facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.</p>
Previous approvals under Listing Rule 7.1A	<p>The Company obtained approval from shareholders at last year's AGM held on 12 November 2015.</p>

Information under Listing Rule 7.3A.6(a)

- 19 The table below shows the total number of equity securities issued in the past 12 months preceding the date of the AGM and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period.

Equity securities on issue at the commencement of the 12 month period	158,049,977 ordinary shares which includes 84,397,712 quoted ordinary shares (not subject to mandatory escrow) and 10,571,629 unquoted options
Equity securities issued in the prior 12 month period	52,861,623 ordinary shares and 5,004,601 unquoted options.
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	33.4% of ordinary shares

Information under Listing Rule 7.3A.6(b)

- 20 The table below sets out specific details for each issue of equity securities that has taken place in the 12 month period preceding the date of the AGM.

Date of issue	9 December 2015
Number issued	2,112,500
Class and type of equity security	Unquoted options
Summary of terms	Options were issued under the Company's Employee Share Option Plan (ESOP) for an exercise price of \$0.20, vesting between 1 to 4 years from the date of issue and expiring 10 years from the date of issue
Names of persons who received securities or basis on which those persons were determined	Employees of the Company
Price at which equity securities were issued	Options were issued for nil consideration
Discount to market price (if any):	N/A
For cash issues	
Total cash consideration received:	N/A
Amount of cash consideration spent:	N/A
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	N/A

Date of issue	5 February 2016
Number issued	542,101
Class and type of equity security	Unquoted options
Summary of terms	Options were issued under the Company's ESOP for an exercise price of \$0.20, vesting between 1 to 4 years from the date of issue and expiring 10 years from the date of issue
Names of persons who received securities or basis on which those persons were determined	Employees of the Company
Price at which equity securities were issued	Options were issued for nil consideration
Discount to market price (if any):	N/A
For cash issues	
Total cash consideration received:	N/A
Amount of cash consideration spent:	N/A
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	N/A

Date of issue	6 April 2016
Number issued	1,050,000
Class and type of equity security	Unquoted options
Summary of terms	Options were issued under the Company's ESOP for an exercise price of \$0.103, vesting between 1 to 4 years from the date of issue and expiring 10 years from the date of issue
Names of persons who received securities or basis on which those persons were determined	Employees of the Company
Price at which equity securities were issued	Options were issued for nil consideration
Discount to market price (if any):	N/A
For cash issues	
Total cash consideration received:	N/A
Amount of cash consideration spent:	N/A
Use of cash consideration:	N/A

Intended use for remaining amount of cash (if any):	N/A
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Date of issue	8 March 2016
Number issued	10,000,000
Class and type of equity security	Ordinary shares
Summary of terms	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company
Names of persons who received securities or basis on which those persons were determined	Australian institutions and sophisticated investors
Price at which equity securities were issued:	\$0.08 each
Discount to market price (if any):	20% discount to the closing price on 12th February 2016 of \$0.10
For cash issues	
Total cash consideration received:	\$800,000.00
Amount of cash consideration spent:	Cash when raised is held in a common bank account and is not tracked separately.
Use of cash consideration:	<p>As well as providing the Company with working capital to meet operational costs, OtherLevels intends to use existing cash and proceeds to:</p> <ul style="list-style-type: none"> • Expand the direct sales team to 8, plus sales support (4 UK, 3 USA, 1 Australia) • Continue to develop commercial and contract expertise to ensure faster deal closure • Strengthen partner ecosystem to leverage sales • Continue to expand Intelligent Messaging and add further optional modules, creating upsell opportunities
Intended use for remaining amount of cash (if any):	Cash on hand at the date of this notice will be used to progress the development of the Company's IP and working capital requirements.

Date of issue	18 March 2016
Number issued	20,004,480
Class and type of equity security	Ordinary shares

Summary of terms	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company
Names of persons who received securities or basis on which those persons were determined	Australian institutions and sophisticated investors
Price at which equity securities were issued:	\$0.08 each
Discount to market price (if any):	20% discount to the closing price on 12th February 2016 of \$0.10
For cash issues	
Total cash consideration received:	\$1,600,358.40
Amount of cash consideration spent:	Cash when raised is held in a common bank account and is not tracked separately.
Use of cash consideration:	<p>As well as providing the Company with working capital to meet operational costs, OtherLevels intends to use existing cash and proceeds to:</p> <ul style="list-style-type: none"> • Expand the direct sales team to 8, plus sales support (4 UK, 3 USA, 1 Australia) • Continue to develop commercial and contract expertise to ensure faster deal closure • Strengthen partner ecosystem to leverage sales • Continue to expand Intelligent Messaging and add further optional modules, creating upsell opportunities
Intended use for remaining amount of cash (if any):	Cash on hand at the date of this notice will be used to progress the development of the Company's IP and working capital requirements.

Date of issue	8 June 2016
Number issued	900,000
Class and type of equity security	Unquoted options
Summary of terms	Options were issued under the Company's ESOP for an exercise price of \$0.084, vesting between 1 to 4 years from the date of issue and expiring 10 years from the date of issue
Names of persons who received securities or basis on which those persons were determined	Employees of the Company
Price at which equity securities were issued	Options were issued for nil consideration
Discount to market price (if any):	N/A

For cash issues	
Total cash consideration received:	N/A
Amount of cash consideration spent:	N/A
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	N/A

Date of issue	28 June 2016
Number issued	22,857,143
Class and type of equity security	Ordinary shares
Summary of terms	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company
Names of persons who received securities or basis on which those persons were determined	Australian institutions and sophisticated investors
Price at which equity securities were issued:	\$0.07 each
Discount to market price (if any):	10.2% discount to the closing price on 22nd June 2016 of \$0.078

For cash issues	
Total cash consideration received:	\$1,600,000
Amount of cash consideration spent:	Cash when raised is held in a common bank account and is not tracked separately.
Use of cash consideration:	<p>The funds raised via the Placement and the Subscription Agreement will be used to:</p> <ul style="list-style-type: none"> • Fund the expansion and growth of OtherLevels' sales activities • Further strengthen commercial and contract capabilities to support and accelerate deal closure • Continue to grow OtherLevels' Partner Program • Further develop OtherLevels' digital messaging platform in order to continue to create upsell opportunities • Provide additional working capital to meet the Company's operating needs • Fund costs associated with the Placement
Intended use for remaining amount of cash (if any):	Cash on hand at the date of this notice will be used to progress the development of the Company's IP and working capital requirements.

Date of issue	14 July 2016
Number issued	400,000
Class and type of equity security	Unquoted options
Summary of terms	Options were issued under the Company's ESOP for an exercise price of \$0.085, vesting between 1 to 4 years from the date of issue and expiring 10 years from the date of issue
Names of persons who received securities or basis on which those persons were determined	Employees of the Company
Price at which equity securities were issued	Options were issued for nil consideration
Discount to market price (if any):	N/A
For cash issues	
Total cash consideration received:	N/A
Amount of cash consideration spent:	N/A
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	N/A

Information under Listing Rule 7.3A.2

- 22 The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.
- 23 The table also shows:
- (a) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
 - (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.025 50% decrease in Issue Price	\$0.05 ¹ Current Market Price	\$0.10 100% increase in Issue Price
Current Variable A* 210,911,600 Shares	10% Voting Dilution	21,091,160 shares	21,091,160 shares	21,091,160 shares
	Funds raised	\$527,279	\$1,054,558	\$2,109,116
50% increase in current Variable A* 316,367,400 Shares	10% Voting Dilution	31,636,740 shares	31,636,740 shares	31,636,740 shares
	Funds raised	\$790,919	\$1,581,837	\$3,163,674
100% increase in current Variable A* 421,823,200 Shares	10% Voting Dilution	42,182,320 shares	42,182,320 shares	42,182,320 shares
	Funds raised	\$1,054,558	\$2,109,116	\$4,218,232

*Note: Current Variable A refers to the calculation required by Listing Rule 7.1A.2 which, in the Company's case, equates to the current issued share capital of the Company.

24 The table has been prepared on the following assumptions:

- (a) the Company issues the maximum number of Shares available under the 10% Listing Rule 7.1A approval;
- (b) no options are exercised to convert into Shares before the date of the issue of the Shares available under Listing Rule 7.1A;
- (c) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- (d) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of a share issue under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Annual General Meeting;
- (e) the table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- (f) the issue of Shares under Listing Rule 7.1A consists only of Shares; and
- (g) the issue price is \$0.05, being the closing price of the shares on ASX on 22 September 2016.

25 As at the date of the Notice of Meeting, the Company has on issue 210,911,600 Shares. Subject to Shareholder approval being obtained for Resolution 3, the Company will have capacity to issue the following equity securities as at the date of the Annual General Meeting:

- (a) 31,636,740 Shares (under Listing Rule 7.1); and

(b) 21,091,160 Shares (under Listing Rule 7.1A).¹

26 Listing Rule 7.1A requires Resolution 3 to be passed as a special resolution. A special resolution needs approval by at least 75% of the votes cast by members entitled to vote on the resolution.

Directors' recommendation

27 The Directors unanimously recommend that you vote in favour of this resolution.

Resolution 4: Issue of options to a Director

28 Subject to the approval of Shareholders, the Company proposes to issue 1,200,000 options to Brendan O'Kane, Managing Director.

29 Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 10.12, Exception 4 as an exception to any requirement that may otherwise apply requiring Shareholder approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.

30 The options shall be issued under and subject to the terms of the ESOP.

31 Shareholder approval is sought for the grant of the following options as detailed below:

- a) each option is to acquire one Share;
- b) the options are issued for nil consideration;
- c) the exercise price is set at a 25% premium to the 30 day VWAP on the date of issue;
- d) the options will not be transferable;
- e) it is intended that the options will be issued within 5 days after the Annual General Meeting, but in any event no later than 12 months after the Annual General Meeting;
- f) the options will have an expiry date of 10 years after the date of issue; and
- g) the options will only vest in the event specific performance hurdles, determined by the Board, are met.

General Terms of the Issue of Options under Resolution 4

32 The other general terms for each of the options to be issued under Resolution 4 are:

- (a) if there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, the rights attaching to the options issued pursuant to Resolution 4 will be changed to the extent necessary to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation;
- (b) the options do not entitle the holder to participate in any new issues by the Company without exercising the options;

¹ The actual number of Shares the Company will have capacity to issue under Listing Rule 7.1A may vary and will be determined at the date of issue in accordance with Listing Rule 7.1A.2 (as illustrated in the table above).

- (c) the options do not confer on the holder any rights to a change in the exercise price of the options or a change to the number of underlying securities over which the options can be exercised except:
 - (i) in the case of a pro rata issue to the holders of shares (except a bonus issue) in which case the exercise price of each option shall be reduced in accordance with the formula contained in Listing Rule 6.22.2; and
 - (ii) in the case of a bonus issue to the holders of Shares, in which case the number of Shares over which each option is exercisable shall be increased by the number of Shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue;
- (d) all shares issued pursuant to the exercise of options will, subject to the Constitution of the Company, rank in all respects (other than in respect of dividends, rights issues or bonus issues declared prior to allotment) equally with the existing Shares at the date of issue and allotment; and
- (e) the options will not be quoted on ASX. The Company intends to apply to ASX for quotation of any Shares acquired on exercise of the options.

General Information

- 33 The Company discloses the following information concerning the value of the options to be issued in relation to Resolution 4. A fair value for the options to be issued has been calculated using a Black Scholes methodology and based on a number of assumptions, set out below. This methodology has been consistently used by the Company in its audited financial statements. The Board believes this valuation model is appropriate to the circumstances and has not used any other valuation or other models in proposing the terms of the options.
- 34 The stated valuation does not constitute and should not be taken as audited financial information. The reportable value of the employee benefit expense in subsequent financial periods may vary due to a range of timing and other factors. In particular, the figures were calculated effective as at 22nd September 2016.

Underlying price (share price as at 22 September 2016 being end of day closing price)	\$0.05
Exercise (strike) price – estimated range	\$0.0625
Volatility	70.0%
Dividend Yield (estimate)	\$0.00
Expiry Date	30 November 2026
Risk free rate	1.95%
Option Value	\$0.0364
Number of options issued	1,200,000
Employee benefit expense	\$43,680.00

The following table details total employee benefit expense based on the highest and lowest closing prices of the Shares traded on the ASX over the 12 months ending on 22 September 2016.

	Highest Price	Lowest Price
Closing Price (\$)	\$0.16	\$0.05
Date	27 October 2015	14 September 2016
Total employee benefits expense	\$192,000	\$60,000

As such if it is assumed all other factors are equal, where the share price increases above the \$0.05 disclosed above the final value of options granted will increase, and conversely where the share prices reduces the final value of options granted will also reduce.

Remuneration

- 35 Excluding the value of the options, the Director currently receives the following emoluments. Brendan O'Kane receives a base salary of \$200,000 per annum inclusive of superannuation and a performance bonus of up to \$85,000 inclusive of superannuation. The amount stated is per annum comprising salary, superannuation contributions and known short and long-term incentive payments for the 2016/2017 financial year.

Additional Listing Rule 10.15 disclosures

- 36 No other securities have been issued to relevant persons under the Company's employee share option plan.
- 37 All Directors, including Mr Mitchell, Mr O'Kane, Mr Lowles, Ms Cox and Mr Baxter, are potentially eligible to participate in the Company's employee share option plan.
- 38 There are no loan arrangements with Mr O'Kane in relation to the acquisition of the options.

Financial Benefit – Details and reasons

- 39 Approval has been sought for the giving of a financial benefit to Mr O'Kane, as a related party, under section 208 Corporations Act. Section 229(3)(e) Corporations Act provides that the 'issuing of securities or granting of an option to a related party' (which includes a director of an entity) is an example of the giving of a financial benefit.
- 40 The amount, terms and value (subject to the stated assumptions) of those options are set out above.
- 41 The reasons for giving this financial benefit are:
- (a) the Company wishes to maximise the use of its cash resources towards other strategic initiatives and equity based incentives such as options are used to supplement cash based remuneration;
 - (b) the total quantum of options to be issued to Mr O'Kane is moderate in number and with vesting to occur over a four-year period, the issue of options will act as an incentive for future growth of the business;

- (c) option terms are designed to incentivise the Directors to maximise the Company's longer term development and growth;
 - (d) equity based incentives, such as options, assist in the alignment of Shareholders and directors' interests;
 - (e) the remuneration package is designed to attract and retain the directors and managing director, as suitably qualified and experienced managers of the Company; and
 - (f) the Company believes the associated expense is limited and the nature of the options package proposed is commensurate with market practice.
- 42 On this basis the Company believes the giving of the benefits, as constituted by the issue of the options to Mr O'Kane, is in the best interests of the Company and its Shareholders.

Existing interests and the dilutionary effect on other members' interests

- 43 The effect that the exercise of the options will have on the interests of Mr O'Kane relative to other members' interests is set out in the following table. The table assumes no further issues of shares in, or reconstruction of the capital of, the Company during the time between issue and exercise of the option.

The total number of shares on issue in the capital of the Company	210,911,600
Shares currently held by Mr O'Kane*	30,722,160
% of shares currently held by O'Kane	14.57%
Options to be issued under Resolution 4	1,200,000
Existing options held by O'Kane	2,409,337
Shares that will be held following the exercise of all options held by O'Kane	34,331,497
% of Shares that would be held assuming no other options were exercised	16.28%

* including indirect interests

Directors' Recommendation

- 44 The Directors abstain, in the interests of good corporate governance, from making a recommendation in relation to this resolution.

Glossary

OtherLevels Holdings Limited ACN 603 987 266

Annual General Meeting	means the Company's annual general meeting the subject of this Notice of Meeting.
Annual Report	means the 2016 annual report of the Company.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of directors of the Company.
Company	means OtherLevels Holdings Limited ACN 603 987 266.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth).
Directors	means the directors of the Company.
Explanatory Memorandum	means the explanatory memorandum attached to the Notice of Meeting.
Key Management Personnel	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	means the listing rules of ASX.
Notice of Meeting	means the notice of meeting and includes the Explanatory Memorandum.
Remuneration Report	means the section of the Directors' report for the 2016 financial year that is included under section 300A(1) Corporations Act.
Shares	means the existing fully paid ordinary shares in the Company.
Shareholder	means a person who is the registered holder of Shares.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Mr Andrew Ritter (Company Secretary):

OtherLevels Holdings Limited

Level 1

235 Edward Street

Brisbane QLD 4000

Tel: +61 7 3003 0652

Email: andrew.ritter@otherlevels.com

NOTES

Proxy, representative and voting entitlement instructions

Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a Shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the Shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a Shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under section 250D of the Corporations Act.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile or email which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below**, not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

OtherLevels Holdings Limited

Level 1
235 Edward Street
Brisbane QLD 4000
Tel: +61 7 3003 0652
Fax: +61 7 3228 4999
Email: andrew.ritter@otherlevels.com

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 11.00am Brisbane time on Monday, 28 November 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

- | | |
|--------------------|--|
| Individual: | Where the holding is in one name, the holder must sign. |
| Joint Holding: | Where the holding is in more than one name, all of the security holders should sign. |
| Power of Attorney: | To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach 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) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary

LODGE YOUR VOTE



BY MAIL

OtherLevels Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of OtherLevels Holdings Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act 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 the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **3:00pm on Wednesday, 30 November 2016 at McCullough Robertson Lawyers, Level 11, 66 Eagle St, Brisbane QLD 4000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 and 4: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

For Against Abstain*

1 Directors' remuneration report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

2 Re-election of Tanya Cox

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 10% capacity to issue shares under Listing Rule 7.1A

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Issue of options to Managing Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, 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, either shareholder may 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).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the 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. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item 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 item 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 the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

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 the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second 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
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach 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 also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the 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 form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00pm on Monday, 28 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



BY MAIL

OtherLevels Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* in business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**