

# Notice of annual general meeting

ApplyDirect Limited ACN 123 129 162

**Date:** Friday, 29 November 2019

**Time:** 11.00am (Melbourne time)

**Location:** MinterEllison, Level 23, 525 Collins Street, Melbourne Victoria 3000

## Important notice

This Notice of Annual General Meeting and Explanatory Memorandum contains an explanation of, and information about, the proposal to be considered at the annual general meeting of the Company on 29 November 2019. It is given to the Shareholders to help them determine how to vote on the Resolutions.

Shareholders should read this Notice of Annual General Meeting and Explanatory Memorandum in full before deciding if and how to vote on the Resolutions. If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

This Notice of Annual General Meeting and Explanatory Memorandum is dated 28 October 2019.

In this document you will find:

1. Notice of annual general meeting
2. An explanatory memorandum containing an explanation of, and information about, the Resolutions
3. Proxy form

# Notice of annual general meeting

## ApplyDirect Limited ACN 123 129 162

Notice is hereby given that the Annual General Meeting of the members of ApplyDirect Limited (**Company**) will be held:

- on Friday, 29 November 2019
- at 11.00am (Melbourne time)
- at MinterEllison, Level 23, Rialto Towers, 525 Collins Street, Melbourne Victoria 3000.

## Business

### Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the Company for the year ended 30 June 2019.

*Note: There is no requirement for the Shareholders to approve these reports.*

### Resolution 1 – Remuneration Report

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

**"THAT** the Remuneration Report of the Company for the year ended 30 June 2019 be adopted."

*Noting that each director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders vote in favour of this Resolution.*

*Please note:*

- *this Resolution is advisory only and does not bind the Company or its directors; and*
- *the directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.*

### Resolution 2 – Election of Director – Mr Andrew Henderson

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

**"THAT** Mr Andrew Henderson, for the purposes of rule 62.2 of the Constitution and ASX Listing Rule 14.4 and for all other purposes, be re-elected as a Director of the Company on the terms and conditions as more particularly described in the Explanatory Memorandum."

### Resolution 3 – Election of Director – Mr Prashant Chandra

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

**"THAT** Mr Prashant Chandra, for the purposes of rule 62.2 of the Constitution and ASX Listing Rule 14.4 and for all other purposes, be re-elected as a Director of the Company on the terms and conditions as more particularly described in the Explanatory Memorandum."

### Resolution 4 – Change in Company Name

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

"**THAT**, for the purposes of section 157(1) of the Corporations Act and for all other purposes, the name of the Company and the name within the Company's constitution be changed from 'ApplyDirect Limited' to 'AD1 Holdings Limited'."

#### **Resolution 5 – Appointment of Auditor**

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

"**THAT**, for the purposes of section 327B of the Corporations Act and for all other purposes, PKF Melbourne Audit & Assurance Pty Ltd, having been nominated by a shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company."

#### **Resolution 6 – Ratification of Private Placement**

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

"**THAT**, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the issue by the Company under a Private Placement across two tranches of:

- a) 43,333,333 new fully paid ordinary shares to More Capital Holdings Pty Ltd in its capacity as trustee for More Capital Holdings Trust on 19 July 2019; and
- b) 23,333,333 new fully paid ordinary shares to MatriarchRock Pty Ltd in its capacity as trustee for the PJ Smedley Super Fund on 13 September 2019,

on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."

#### **Resolution 7 – Approval of additional 10% placement capacity**

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

"**THAT** for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the Company having the additional capacity to issue Shares up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX 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 ASX Listing Rule 7.1A.3 and otherwise on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."

## Voting exclusions

1. The Company will disregard any votes cast on Resolution 1 by:
  - (a) a member of the Company's key management personnel (**KMP**) or a closely related party of a KMP;
  - (b) persons who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed; and
  - (c) any associate of a KMP or of any persons who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, a vote may be cast by such a person if:

- (a) the vote is cast by that person as a proxy in accordance with a direction by the shareholder as to how that person is to vote on the Resolution; and
- (b) the shareholder who directed that person how to vote is entitled to vote on the Resolution (eg. the shareholder is not a KMP or a closely related party of a KMP),

or

- (c) the voter is the chair of the Meeting and the appointment of the Chairman as proxy (by a shareholder who is entitled to vote on the Resolution) does not specify the way the proxy is to vote on the Resolution; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a KMP.

The Chairman intends to vote undirected proxies (where he has been appropriately authorised) in favour of this Resolution.

2. The Company will disregard, for the purposes of Resolution 6, any votes cast in favour of Resolution 6 by or on behalf of:
  - (a) persons who have participated in the issue of the New Shares under the Private Placement; and
  - (b) an associate of persons who have participated in the issue of the New Shares under the Placement.

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.

3. The Company will disregard, for the purposes of Resolution 7, any votes cast in favour of Resolution 7 by a person (or any associated of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit if Resolution 7 is passed, except a benefit solely in the capacity of a holder of Shares, and any associated of that purposes (or those persons).

However, the Company need not disregard a vote if:

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

## Voting entitlement time

4. It has been determined (in accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001* (Cth)) that for the purposes of the Meeting, the Company's shares will be taken to be held by the persons who are the registered Shareholders of the Company at 7.00pm (Melbourne time) on Wednesday, 27 November 2019. Accordingly, those persons are entitled to attend and vote (if not excluded) at the Meeting.

## Proxies

5. Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of the requirements under the Corporations Act, as they will apply to this meeting.
6. A member who is entitled to vote at the Meeting may appoint:
  - (a) one proxy if the member is only entitled to one vote; or
  - (b) one or two proxies if the member is entitled to more than one vote.
7. Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise half of the votes, in which case any fraction of votes will be disregarded.
8. A proxy need not be a member of the Company.
9. If you require an additional proxy form, the Company will supply it on request.
10. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company, at least 48 hours before the time for holding the Meeting (ie. by no later than 11.00am (Melbourne time) on Wednesday, 27 November 2019), at:
  - (a) online: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au);
  - (b) by mail: ApplyDirect Limited, c/- Link Market Services Limited, Reply Paid 1519, Sydney South NSW 1234 Australia;
  - (c) by fax: +61 2 9287 0309; or
  - (d) by hand: Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 (please do not use this address for mailing purposes).
11. Proxies given by corporate shareholders must be executed in accordance with their constitutions, or under the hand of a duly authorised attorney.
12. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Company's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
13. If a Shareholder appoints the chairperson of the Meeting as the Shareholder's proxy and does not specify how the chairperson is to vote on an item of business, the chairperson will vote, as proxy for that Shareholder, in favour of the item on a poll.

## Corporate Representatives

14. A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

## Scrutineer

15. The Company's registrar, Link Market Services Limited will act as scrutineer for any polls that may be required at the Meeting.

**Dated:** 28 October 2019

By order of the Board

A handwritten signature in cursive script, appearing to read 'Prashant Chandra', written in dark ink.

.....  
Prashant Chandra  
Secretary

# ApplyDirect Limited – Annual General Meeting

## Explanatory memorandum

### 1. Introduction

This Explanatory Memorandum forms part of this Notice of Meeting and has been prepared to provide Shareholders of the Company with sufficient information to consider the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company. The Annual General Meeting of the Company will be held on Friday, 29 November 2019 commencing at 11.00am (Melbourne time) at MinterEllison, Level 23, 525 Collins Street, Melbourne, Victoria, Australia.

The Board recommends that Shareholders read this Explanatory Memorandum carefully and in its entirety before making any decision in relation to the Resolutions.

### 2. Resolutions

#### ***Resolution 1: Remuneration Report***

Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is in the 2019 Annual Report of the Company and is also available on the Company's website at [www.applydirect.com.au](http://www.applydirect.com.au).

The Remuneration Report:

- (a) describes the policies behind and structure of the remuneration arrangements of the Company and the link between the remuneration of employees and the Company's performance;
- (b) sets out the remuneration arrangements in place for each director and for specified senior executives of the Company; and
- (c) explains the differences between the bases for remunerating non-executive directors and executives, including any executive directors.

The Corporations Act requires the agenda for an Annual General Meeting to include a resolution that the Remuneration Report be put to the vote. Should 25% or more of the votes cast on this Resolution (in person or by proxy) to approve the Remuneration Report be against approval of that report, then at the 2019 Annual General Meeting the resolution to approve next year's Remuneration Report must be approved by 75% or more of the votes cast to avoid a resolution being put to the 2019 Annual General Meeting to consider a spill of the Board.

A reasonable opportunity for discussion of, and comment on, the Remuneration Report will be provided by the Chairman at the Annual General Meeting.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders **vote in favour** of Resolution 1 to adopt the Remuneration Report.

#### ***Resolution 2: Re-election of Director – Mr Andrew Henderson***

Pursuant to rule 62.2 of the Constitution and ASX Listing Rule 14.4, Mr Andrew Henderson, a non-executive Director and chairman of the Company, must retire at the Meeting and has decided to offer himself for re-election at the Meeting. Mr Henderson was appointed to the Board of Directors of the Company as a casual vacancy on 19 March 2019 in accordance with rule 62.1 of the Constitution.

This Resolution seeks Shareholder approval of the re-election of Mr Henderson.

#### **Profile of Andrew Henderson**

Andrew has over 20 years of experience in Technology products and services businesses. Having worked in Asia in the early 2000's he returned to Australia to found Phoenix IT&T Consulting Pty Ltd, where he was CEO and Executive Director for 13 years. Phoenix was sold to ASX listed DWS Limited in 2015 with 240 consultants at the time of the sale.

Currently, Andrew is the Executive Director of Jitterbit Pty Ltd in the Australian and New Zealand region, a Gartner leading eiPaaS (Enterprise Integration Platform as a Service) and OCG Systems Pty Ltd, an integration managed service business.

Andrew has a Diploma in Financial Markets, a Master of Science (Information Technology), he is a Member of the Australian Institute of Company Directors and a Senior Associate of FINSIA.

Andrew was appointed to the Company's Board on 19 March 2019.

The Board (excluding Andrew Henderson, who abstains from making a recommendation) recommends supporting the election of Andrew Henderson and recommends that Shareholders **vote in favour** of Resolution 2.

#### **Resolution 3: Re-election of Director – Mr Prashant Chandra**

Pursuant to rule 62.2 of the Constitution and ASX Listing Rule 14.4, Mr Prashant Chandra, a non-executive Director and chairman of the Company, must retire at the Meeting and has decided to offer himself for re-election at the Meeting. Mr Chandra was appointed to the Board of Directors of the Company as a casual vacancy on 22 October 2019 in accordance with rule 62.1 of the Constitution.

This Resolution seeks Shareholder approval of the re-election of Mr Chandra.

#### **Profile of Prashant Chandra**

Prashant was the Company's Financial Controller from October 2016 to May 2018 and has been Chief Financial Officer and Company Secretary of the Company since May 2018. On 22 October 2019, Prashant was appointed interim Managing Director of the Company, following the resignation of Bryan Petereit.

Prior to the commencement of his employment with AD1, Mr Chandra was the Financial Controller of efm Logistics Group (February 2014 to October 2016) and Adecco Group (January 2012 to January 2014).

Mr Chandra has a Master's Degree in Accounting and Finance from Monash University and a certificate in Governance Practice from the Governance Institute of Australia.

Prashant was appointed to the Company's Board on 22 October 2019.

The Board (excluding Prashant Chandra, who abstains from making a recommendation) recommends supporting the election of Prashant Chandra and recommends that Shareholders **vote in favour** of Resolution 3.

#### **Resolution 4: Change in Company Name**

Pursuant to section 157 of the Corporations Act, the Company seeks Shareholder approval for the change of the name of the Company from 'ApplyDirect Limited' to AD1 Holdings Limited'.

Following the Company's acquisition of Utility Software Services Pty Ltd on 22 March 2019 and its wider strategic growth plan, including the prospect of future acquisitions, the Board believes that a name reflective of a holding and parent company is more suitable for it into the future.



Your Directors, Andrew Henderson, Prashant Chandra, and Michael Norster, unanimously recommend that eligible shareholders **vote in favour** of Resolution 4 set out in the accompanying Notice of Meeting.

### ***Resolution 5: Appointment of Company Auditor***

As part of the Company's periodic review of the professional services provided to the Company by professional services firms, the Company decided to assess the services provided by accounting firms for statutory audits. The decision to conduct this review is not due to any dissatisfaction with the professional services provided to the Company by its current auditor, Grant Thornton. Instead, it merely reflects the Company's desire to ensure the Company receives the best possible services from its professional advisers.

The result of this process is that, in compliance with section 329(5) of the Corporations Act, Grant Thornton is resigning as the Company's Auditor effective on and from the date of the Annual General Meeting. A Consent for Resignation from the Australian Securities and Investments Commission has been requested and is expected to be received and tabled at the Annual General Meeting.

A written notice of nomination of PKF Melbourne Audit & Assurance Pty Ltd to become the Company's Auditor has been given to the Company by Michael Norster, in compliance with section 328B(1) of the Corporations Act. A copy of that notice of nomination accompanies this Notice of Meeting. In accordance with section 328A(1) of the Corporations Act, PKF Melbourne Audit & Assurance Pty Ltd has provided its consent by notice in writing to the Company to act as Auditor of the Company.

Your Directors, Andrew Henderson, Prashant Chandra, and Michael Norster, unanimously recommend that eligible shareholders **vote in favour** of Resolution 5 and thank Grant Thornton for the professional services they have provided to the Company over a number of years.

### ***Resolution 6: Ratification of Private Placement***

#### **(a) Explanation**

The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the placement of 66,666,666 New Shares that were issued across two tranches on 19 July 2019 and 13 September 2019 to associates of the Smedley Family Office under the Company's capacity to issue securities pursuant to Listing Rules 7.1.

ASX Listing Rule 7.1 provides that a company must not, during a 12 month period, issue or agree to issue in excess of 15% of the number of securities on issue at the commencement of that 12 month period without shareholder approval.

ASX Listing Rule 7.4 allows for the ratification of previous issues of securities which are not made with shareholder approval (or under another exception to ASX Listing Rule 7.1) provided that the issue of securities did not breach the Company's placement capacity under ASX Listing Rules 7.1. If shareholders ratify the issue of securities at general meeting, those securities will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1. If the Company's shareholders ratify the issue of New Shares that occurred on 19 July 2019 and 13 September 2019 as part of the Private Placement, these Shares will be deemed to have been issued with Shareholder approval.

#### **(b) Reasons**

The effect of the ratification of the issue of New Shares under the Private Placement is that the Company's placement capacity under the ASX Listing Rules will be reinstated, enabling it to issue further securities, subject to the ASX Listing Rules, in the next 12 months without Shareholder approval.

#### **(c) Required information**

In compliance with ASX Listing Rule 7.5, the Company provides the following information:

<b>Number of securities issued</b>	66,666,666 New Shares
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<b>Fixed issue price per security</b>	The New Shares were issued at a price of \$0.015 per New Share.
<b>Recipients of issue</b>	<p>(a) 43,333,333 New Shares to More Capital Holdings Pty Ltd in its capacity as trustee for More Capital Holdings Trust; and</p> <p>(b) 23,333,333 New Shares to MatriarchRock Pty Ltd in its capacity as trustee for the PJ Smedley Super Fund.</p>
<b>Terms of securities</b>	The New Shares are fully paid ordinary shares. The Shares issued rank equally with other existing fully paid ordinary shares in the Company.
<b>Use of funds raised</b>	The proceeds of the Private Placement were used for general working capital requirements. Expenses associated with the Private Placement were paid out of the proceeds of the Private Placement.

**(d) Voting**

Some voters may not be allowed to vote on the Resolution. Please refer to the voting exclusion statement in the Notice of Meeting.

**(e) Board recommendation**

Your Directors, Andrew Henderson, Prashant Chandra, and Michael Norster, unanimously recommend that eligible shareholders **vote in favour** of Resolution 6.

**Resolution 6: Approval of additional 10% placement capacity**

**(a) Explanation**

The Company seeks Shareholder approval to permit the Company to issue an additional 10% of its issued capital over a 12 month period in accordance with ASX Listing Rule 7.1A (**Additional Placement Capacity**).

**(b) Reasons**

ASX Listing Rule 7.1 permits the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval. Under ASX Listing Rule 7.1A, eligible entities (companies that are outside the S&P/ASX 300 Index and have a market capitalisation of \$300 million or less) can issue a further 10% of share capital in 12 months on a non-pro rata basis subject to the company obtaining shareholder approval.

The Company is an eligible entity as at the date of this Notice of Meeting.

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 ASX Listing Rule 7.1A.2:

**(A x D) – E**

where:

**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 ASX 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 ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% capacity pursuant to ASX 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 Rules 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 ASX Listing Rule 7.1 or 7.4.

**(c) Required information**

In compliance with ASX Listing Rule 7.3A, the Company provides the following information:

**Minimum Price at which equity securities may be issued**

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:

- the date on which the price, at which the securities are to be issued, is agreed; or
- if the securities are not issued within five trading days of the date referred to above, the date on which the securities are issued.

**Risk of economic and voting dilution**

An issue of Shares under ASX Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks include:

- the market price for shares may be significantly lower on the issue date than on the date of the approval under ASX Listing Rule 7.1A; and
- 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.

Under ASX Listing Rule 7.3A.2, a table describing the notional possible dilution, based upon various assumptions as stated, is set out below.

**Date by which the securities will be issued**

The period commencing on the date of the Annual General Meeting (to which this Notice relates) at which approval is obtained and expiring on the first to occur of the following:

- the date which is 12 months after the date of the annual general meeting at which approval is obtained; and

- the date of the approval by holders of the Company's ordinary securities of a transaction under ASX Listing Rules 11.1.2 or 11.2.

The approval under ASX Listing Rule 7.1A will cease to be valid if holders of the Company's ordinary securities approve a transaction under ASX Listing Rules 11.1.2 or 11.2.

**Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration**

It is the Board's current intention that any funds raised under an issue of equity securities will be used for general working capital requirements and to increase resources available to pursue major clients and partnerships .

The Company reserves the right to issue Shares for non-cash consideration, including for payment of service or consultancy fees and costs.

**Details of ApplyDirect's allocation policy for issues under approval**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to ASX Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- 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;
- the effect of the issue of the ASX Listing Rule 7.1A shares on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

The allottees under the ASX 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 new shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the ASX Listing Rule 7.1A facility will be or include the vendors of the new assets or investments.

**Previous approvals under ASX Listing Rule 7.1A**

Approval obtained by the Company from Shareholders on 26 November 2018 for

additional 10% capacity under ASX Listing Rule 7.1A.

<b>Equity Securities on issue as at 28 October 2019</b>	552,628,531
<b>Equity Securities issued in the 12 months preceding the Date of the Meeting</b>	307,369,983
<b>Percentage of Equity Securities issued in the 12 months preceding the Date of the Meeting out of the total number of Equity Securities on issue as at the Date of the Meeting</b>	55.6%

Further Information required under ASX Listing Rule 7.3A.6 in respect of Equity Securities issued in the preceding 12 months is detailed in Schedule 1.

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

The table below shows the dilution of existing Shareholders on the basis of the closing price of Shares on ASX on 17 October 2019 of \$0.014 and the current number of ordinary securities for variable "A" calculated under the formula in ASX Listing Rule 7.1A(2) as at the date of this notice.

The table shows 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 entitlement issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future meeting of shareholders. The table also shows two examples where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the closing price of Shares on ASX on 17 October 2019 of \$0.014.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.007 50% decrease in Issue Price	\$0.014 Issue Price	\$0.026 100% increase in Issue Price
<b>Current Variable A*</b> <b>481,461,865 Shares</b>	10% voting dilution	48,146,186	48,146,186	48,146,186
	Funds raised	\$337,023	\$674,046	\$1,251,800
<b>50% increase in current Variable A*</b> <b>722,192,797 Shares</b>	10% voting dilution	72,291,279	72,291,27	72,219,279
	Funds raised	\$505,534	\$1,012,077	\$1,877,701
<b>100% increase in current Variable A*</b> <b>962,923,730 Shares</b>	10% voting dilution	96,292,373	96,292,373	96,292,373
	Funds raised	\$676,046	\$1,348,093	\$2,503,601

\*Note: Current Variable A refers to the calculation required by Listing Rule 7.1A.2.

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Shares available under the 10% ASX Listing Rule 7.1A approval.
- (ii) No Options are exercised to convert into Shares before the date of the issue of the Shares available under ASX Listing Rule 7.1A.
- (iii) 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%.
- (iv) The table does not show an example of dilution that may be caused to a particular shareholder by reason of any Share issue under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the meeting.
- (v) The table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
- (vi) The issue of securities under ASX Listing Rule 7.1A consists only of Shares.
- (vii) The issue price is \$0.014, being the closing price of the shares on ASX on 17 October 2019.

**(d) Board recommendation**

Your directors Andrew Henderson, Prashant Chandra, and Michael Norster, unanimously recommend that eligible shareholders **vote in favour** of Resolution 7 set out in the accompanying Notice of Meeting.

### 3. Glossary

AD1 or Company	means ApplyDirect Limited ACN 123 129 162.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited or its financial market, the Australian Securities Exchange, as the context requires.
ASX Listing Rules	means the listing rules of ASX as they are amended from time to time.
Board	means the board of directors of AD1 from time to time.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Explanatory Memorandum	means the explanatory notes to the Resolutions that forms part of the Notice of Meeting.
Meeting	means the annual general meeting of Shareholders called by the Notice of Meeting.
New Shares	means the Shares that have been issued as part of the Private Placement.
Notice or Notice of Meeting or Notice of Annual General Meeting	means this notice of annual general meeting and explanatory memorandum.
Private Placement	means the placement of New Shares that were issued across two tranches on 19 July 2019 and 13 September 2019 to associates of the Smedley Family Office.
Resolutions	means the resolutions set out in the Notice.
Share	means a fully paid ordinary share in the capital of AD1.
Shareholder	means a holder of one or more Shares.



## Schedule 1 Listing Rule 7.3A.6

No.	Date of Issue	Number issued	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount / Premium to market price (per cent.)	Consideration and/or terms of issue
1	21 December 2018	4,166,666	Fully paid ordinary shares (AD1)	Mr Michael Kay	\$0.03	+30.43	\$125,000 Mr Michael Kay was a Director of the Company at the time of issue and AD1 shares were issued as part of a private placement pursuant to shareholder approval at AGM on 26 November 2018.
2	21 December 2018	1,388,888	21-Dec-21 \$0.06 Unlisted Options (Dec Options)	Mr Michael Kay	Nil	NA	Mr Michael Kay was a Director of the Company at the time of issue and Dec Options were issued as part of a private placement pursuant to shareholder approval at AGM on 26 November 2018.
3	21 December 2018	4,166,666	AD1	Mr Michael Norster	\$0.03	+30.43	Mr Michael Norster is a Director of the Company and AD1 Shares were issued as a part of a private placement pursuant to shareholder approval at AGM on 26 November 2018.
4	21 December 2018	1,388,888	Dec Options	Mr Michael Norster	Nil	NA	Mr Michael Norster is a Director of the Company and Dec Options were issued as a part of a private placement pursuant to shareholder approval obtained at AGM held on 26 November 2018.
5	22 March 2019	132,888,893	AD1	Utility Software Services Pty Ltd (USS)	\$0.027	+108%	\$3,588,000 The Company acquired USS on 22 March 2019 and issued AD1 shares in consideration for all the shares of USS under the share purchase agreement, pursuant to shareholder approval obtained at a general meeting held on 19 March 2019.



No.	Date of Issue	Number issued	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount / Premium to market price (per cent.)	Consideration and/or terms of issue
6	22 March 2019	36,666,666	AD1	Potentate Investments Pty Ltd, Mr Christopher Kuperman and Mr Andrew Henderson	\$0.027	+108%	\$990,000  Potentate Investments Pty Ltd is owned and controlled by Mr Michael Norster. Mr Michael Norster is a Director of the Company were issued as part of a private placement, pursuant to shareholder approval obtained at a general meeting held on 19 March 2019.
7	19 July 2019	43,333,333	AD1	More Capital Holdings Pty Ltd in its capacity as trustee for More Capital Holdings Trust	\$0.015	-11.7%	\$650,000
8	30 August 2019	55,536,650	AD1	Eligible Shareholders under Share Purchase Plan	\$0.015	Nil	AD1 Shares issued to existing shareholders under SPP as announced to ASX on 23 July 2019.
9	30 August 2019	4,500,000	24-July-2019 Unlisted Options (CFO Options)	Chief Financial Officer	Nil	NA	CFO Options were issued to Chief Financial Officer as part of remuneration package. The CFO Options consist of 4,500,000 unlisted options across three tranches (each comprising of 1,500 unlisted options), subject to employment condition and Target Share Price Condition. The Exercise Price and Target Share Price condition for each tranche is:  Tranche 1: \$0.05 Tranche 2: \$0.075 Tranche 3: \$0.10

No.	Date of Issue	Number issued	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount / Premium to market price (per cent.)	Consideration and/or terms of issue
10	13 September 2019	23,333,333	AD1	MatriarchRock Pty Ltd in its capacity as trustee for the PJ Smedley Super Fund	\$0.015	-11.7%	\$350,000
	<b>TOTAL EQUITY SECURITIES</b>	<b>307,369,983</b>					

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

ApplyDirect 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 ApplyDirect 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 **11.00am (Melbourne time) on Friday, 29 November 2019 at MinterEllison, Level 23, Rialto Towers, 525 Collins Street, Melbourne Victoria 3000** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** 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 Resolution 1, even though the Resolution is 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*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Appointment of Company Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Mr Andrew Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Ratification of Private Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – Mr Prashant Chandra	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Change in Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



\* 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 Resolution is 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" must 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](http://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 **11.00am (Melbourne time) on Wednesday, 27 November 2019**, 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:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MAIL

ApplyDirect 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

\* During 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.**

# *Potentate Investments Pty Ltd*

Potentate Investments Pty Ltd  
ACN 112 551 612

18 October 2019

The Directors  
ApplyDirect Limited  
Suite 102, 697 Burke Road  
Hawthorn East, VIC 3123

Dear Directors

## **Nomination of PKF Melbourne Audit & Assurance Pty Ltd as Auditor of ApplyDirect Limited**

Pursuant to section 328B(1) of the Corporations Act 2001, as sole director of Potentate Investments Pty Ltd, being a member of ApplyDirect Limited ABN 29 123 129 162 (**Company**) I hereby nominate PKF Melbourne Audit & Assurance Pty Ltd of Level 12, 440 Collins Street for appointment as Auditor of the Company at the next Annual General Meeting of the Company to be held on 29 November 2019.

Please distribute copies of this nomination as required by section 328B (3) of the Corporations Act 2001.

Yours faithfully



**Michael Norster**  
**Sole Director**  
**Potentate Investments Pty Ltd**