
SCOUT SECURITY LIMITED
ACN 615 321 189
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00 am (AEST)
DATE: 25 July 2024
PLACE: Held as a **Virtual Meeting**

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (AEST) on 23 July 2024.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 29,604,957 Shares on the terms and conditions set out in the Explanatory Statement."

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

2. RESOLUTION 2 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 64,250,000 Shares on the terms and conditions set out in the Explanatory Statement."

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

3. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT OPTIONS

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 93,854,957 Options on the terms and conditions set out in the Explanatory Statement."

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

4. RESOLUTION 4 – APPROVAL TO ISSUE SECURITIES UNDER ENTITLEMENT OFFER

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

"That, for the purposes of the Entitlement Offer Waiver and for all other purposes, approval is given for the Company to conduct the Entitlement Offer on the terms and conditions detailed in the Explanatory Memorandum."

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

5. RESOLUTION 5 – APPROVAL TO ISSUE SHARES AND OPTIONS ON CONVERSION OF LOAN NOTES TO NON-RELATED PARTIES

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 507,368,800 Shares and

552,484,131 Options on conversion of the Loan Notes, on the terms and conditions set out in the Explanatory Statement."

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

6. RESOLUTION 6 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTY ON CONVERSION OF LOAN NOTES – MARTIN PRETTY

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 9,914,977 Shares and 10,453,706 Options to Martin Pretty (or his nominee) on conversion of the Loan Notes, on the terms and conditions set out in the Explanatory Statement."

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

7. RESOLUTION 7 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTY ON CONVERSION OF LOAN NOTES – ANTHONY BROWN

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to, 4,039,291 Shares and 4,258,765 Options to Anthony Brown (or his nominee) on conversion of the Loan Notes, on the terms and conditions set out in the Explanatory Statement."

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

8. RESOLUTION 8 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTY ON CONVERSION OF LOAN NOTES – DANIEL ROBERTS

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 18,403,969 Shares and 20,312,648 Options to Daniel Roberts (or his nominee) on conversion of the Loan Notes, on the terms and conditions set out in the Explanatory Statement."

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

9. RESOLUTION 9 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTY ON CONVERSION OF LOAN NOTES – RYAN MCCALL

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 21,384,344 Shares and 23,602,131 Options to Ryan McCall (or his nominee) on conversion of the Loan Notes, on the terms and conditions set out in the Explanatory Statement."

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

10. RESOLUTION 10 – APPROVAL TO ISSUE SHARES AND OPTIONS ON CONVERSION OF CONVERTIBLE NOTES TO NON-RELATED PARTIES

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 331,562,507 Shares and 331,562,507 Options on conversion of the Convertible Notes, on the terms and conditions set out in the Explanatory Statement."

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

11. RESOLUTION 11 – ISSUE OF SHARES AND OPTIONS ON CONVERSION OF CONVERTIBLE NOTES TO RELATED PARTY - MARTIN PRETTY

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 23,124,995 Shares and 23,124,995 Options Martin Pretty (or his nominee) on conversion of the Convertible Notes, on the terms and conditions set out in the Explanatory Statement."

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

12. RESOLUTION 12 – ISSUE OF SHARES AND OPTIONS ON CONVERSION OF CONVERTIBLE NOTES TO RELATED PARTY – ANTHONY BROWN

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 14,062,498 Shares and 14,062,498 Options Martin Pretty (or his nominee) on conversion of the Convertible Notes, on the terms and conditions set out in the Explanatory Statement."

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

13. RESOLUTION 13 – ISSUE OF WARRANTS TO RELATED PARTY – MR MARTIN PRETTY

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 405 Warrants to Mr Martin Pretty

(or their nominee) on the terms and conditions set out in the Explanatory Statement."

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

14. RESOLUTION 14 – CONSOLIDATION OF CAPITAL

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

"That, subject to completion of the Debt Conversion, with effect on the Business Day immediately following the Debt Conversion, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every 100 Shares be consolidated into 1 Share; and*
- (b) every 100 Options, Performance Rights and Warrants be consolidated into 1 Option, Performance Right and Warrant (as applicable),*

and, where this Consolidation results in a fraction of a Security being held, the Company be authorised to round that fraction up to the nearest whole number."

Voting Exclusion Statements

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

Resolution 1 – Ratification of Prior Issue of Tranche 1 Placement Shares	A person who participated in the issue (namely the Placement participants) or an associate of that person or those persons.
Resolution 2 – Approval to issue Tranche 2 Placement Shares	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Placement participants) or an associate of that person (or those persons).
Resolution 3 – Approval to issue Placement Options	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Placement participants) or an associate of that person (or those persons).
Resolution 4 – Approval to issue Securities under Entitlement Offer	Any of the Company's substantial shareholders, any party that underwrites or sub-underwrites the Entitlement Offer, any brokers or managers of the Entitlement Offer and any of their respective associates.
Resolution 5 – Approval to issue Shares and Options on Conversion of Loan Notes	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Loan Note holders) or an associate of that person (or those persons).
Resolution 6 – Issue of Shares and Options to Related Party on Conversion of Loan Notes – Martin Pretty	Martin Pretty (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 7 – Issue of Shares and Options to Related Party on Conversion of Loan Notes – Anthony Brown	Anthony Brown (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 8 – Issue of Shares and Options to Related Party on Conversion of Loan Notes – Daniel Roberts	Daniel Roberts (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 9 – Issue of Shares and Options to Related Party on Conversion of Loan Notes – Ryan McCall	Ryan McCall (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 10 – Approval to issue Shares and Options on Conversion of Convertible Notes	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Convertible Note holders) or an associate of that person (or those persons).
Resolution 11 – Issue of Shares and Options to Related Party on Conversion of Convertible Notes to Related Party – Martin Pretty	Martin Pretty (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 12 – Issue of Shares and Options to Related Party on Conversion of Convertible Notes to Related Party – Anthony Brown	Anthony Brown (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 13 – Approval to issue Warrants to	Martin Pretty (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit

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

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

Voting using the Online Meeting Platform

The Company is pleased to provide shareholders with the opportunity to attend and participate in the virtual meeting through an online meeting platform powered by Automic.

Shareholders that have an existing account with Automic will be able to watch, listen and vote online. Shareholders who do not have an account with Automic are strongly encouraged to register for an account as soon as possible and well in advance of the meeting to avoid any delays on the day of the meeting. An account can be created via the following link investor.automic.com.au and then clicking on "register" and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**)) to create an account with Automic.

Shareholders will be able to vote (see the "Voting virtually at the Meeting" section of this Notice of Meeting below) and ask questions at the Meeting.

Voting Virtually at the Meeting

Shareholders who wish to vote virtually on the day of the meeting will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their user name and password.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account as soon as possible and well in advance of the meeting to avoid any delays on the day of the meeting.

How do I create an account with Automic?

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (SRN or HIN) to create an account with Automic.

I have an account with Automic, what are the next steps?

Shareholders who have an existing account with Automic (Note: with a username and password) are advised to take the following steps to attend and vote virtually on the day of the meeting:

1. Log in to the Automic website (<https://investor.automic.com.au/#/home>) using your user name and password.
2. Registration on the Day – if registration for the virtual meeting is open, click on 'Meeting open for registration' and follow the steps.
3. Live voting on the Day – if live voting for the virtual meeting is open, click on 'Meeting open for voting' and follow the steps.

For further information on the live voting process please see the Registration and Voting Guide at <https://www.automicgroup.com.au/virtual-AGMs/>.

Shareholder questions

Whilst Shareholders will be provided with the opportunity to submit questions online at the Meeting, it would be desirable if the Company was able to receive them in advance.

Shareholders are therefore requested to send any questions they may have for the Company or its Directors at the virtual Extraordinary Shareholders' Meeting to the Company Secretary, Kim Larkin by email to kim.larkin@boardroomlimited.com.au.

Please note that not all questions may be able to be answered during the meeting. In this case answers will be made available on the Company's website after the meeting.

Proxies

A Shareholder entitled to attend this Meeting and vote, is entitled to appoint a proxy to attend and vote on behalf of that Shareholder at the Meeting.

1. A proxy need not be a Shareholder.
2. If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of the votes which each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes held by that Shareholder.

3. If the Shareholder appoints only one proxy, that proxy is entitled to vote on a show of hands. If a Shareholder appoints two proxies, only one proxy is entitled to vote on a show of hands.
4. Where two proxies are appointed, any fractions of votes resulting from the appointment of two proxies will be disregarded.
5. A Proxy Form accompanies this Notice.
6. Unless the Shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit, or abstain from voting.
7. If a Shareholder wishes to appoint a proxy, the Shareholder should complete the Proxy Form and comply with the instructions set out in that form relating to lodgement of the form with the Company.
8. The Proxy Form must be signed by the Shareholder or his or her attorney duly authorised in writing or, if the Shareholder is a corporation, either signed by an authorised officer or attorney of the corporation or otherwise signed in accordance with the Corporations Act.
9. If any attorney or authorised officer signs the Proxy Form on behalf of a Shareholder, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the Proxy Form.
10. The Proxy Form (together with any relevant authority) must be received by no later than 5.00pm (AEST) on 23 July 2024 before the time scheduled for the commencement of the meeting (or any adjournment of that meeting).
11. The completed Proxy Form may be:
 - a. mailed to the address on the Proxy Form; or
 - b. voted online via the Company's Share Registry at <https://investor.automic.com.au/#/home>

Consolidation

Resolution 14 contemplates a consolidation of the Company's issued capital on a 100 for 1 basis (**Consolidation**). Unless otherwise stated, all references in this Notice to Securities are on a pre-Consolidation basis.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND TO RESOLUTIONS 1 TO 12

1.1 Background to the Placement and Entitlement Offer

As announced on 11 June 2024, the Company is undertaking a capital raising as follows:

- (a) a two tranche placement of 93,854,957 Shares at an issue price of \$0.004 per Share (**Placement Shares**) to raise \$375,420, together with one free attaching Option (exercisable at \$0.005 each on or before 13 June 2026) (**Placement Option**) for every Share issued (**Placement**), comprising:
 - (i) 29,604,957 Placement Shares issued pursuant to the Company's existing Listing Rule 7.1 placement capacity (**Tranche 1**), ratification of which is sought pursuant to Resolution 1;
 - (ii) 64,250,000 Placement Shares to be issued subject to shareholder approval sought pursuant to Resolution 2 (**Tranche 2**); and
 - (iii) 93,854,957 Placement Options to be issued subject to shareholder approval sought pursuant to Resolution 3.
- (b) a partially underwritten non-renounceable entitlement offer of up to 393,048,509 Shares under which eligible shareholders will be offered three (3) Shares for every two (2) Shares held on the record date at an issue price of \$0.004 per Share to raise up to \$1,572,194, together with one Option on the same terms as the Placement Options (**Entitlement Options**) for every Share issued (**Entitlement Offer**). The issue of securities under the Entitlement Offer is subject to shareholder approval sought pursuant to Resolution 4.

In connection with the Placement and Entitlement Offer, the Company will also make an offer to holders of Loan Notes and holders of Convertible Notes for conversion of the debts owing to them (**Debt**) on the same terms as are being offered under the Placement (**Debt Conversion**). The conversion of Loan Notes and Convertible Notes are inter-conditional, and each is conditional upon the Company raising at least \$1 million in aggregate under the Placement and Entitlement Offer.

The Company has entered into an underwriting agreement and broker mandate pursuant to which it has engaged the services of PAC Partners Securities Pty Ltd (ACN 623 653 912) (a Corporate Authorised Representative of PAC Asset Management Pty Ltd AFSL 335 374) (**PAC Partners**) to partially underwrite the Entitlement Offer (up to a value of \$654,580), manage the placement of shortfall under the Entitlement Offer and manage the Placement, details of which are set out in Schedule 4.

Pursuant to these arrangements, the Company has agreed to pay PAC Partners the following fees:

- (a) an underwriting fee of 6% of the underwritten amount raised under the Entitlement Offer;
- (b) a management fee of 2% of the non-underwritten amount raised under the Entitlement Offer;
- (c) management fee equal to 2% of the amount raised under the Placement; and
- (d) a selling fee equal to 4% of the amount raised by PAC Partners under the Placement.

1.2 Background to Loan Note Facility

The Company, Scout Security, Inc (the Company's wholly owned subsidiary) and Adaptive Income Fund, LP (**Agent**) entered into a loan note deed dated 18 July 2023, as varied by a variation deed dated 20 December 2023 and subsequently varied to permit conversion on the terms contemplated by the Debt Conversion (**Loan Note Deed**) for the issue of Loan Notes to unrelated parties (**Loan Note Holders**) as well as Directors Martin Pretty, Anthony Brown, Daniel Roberts and Ryan McCall (or their nominees) (**LN Related Parties**). In connection with entry into the Loan Note Deeds, the parties also entered into associated finance documents with respect to the grant of security under the loan notes. The Company has been granted a waiver of Listing Rule 10.1 for the grant of security to the LN Related Parties (refer to announcement dated 12 March 2024).

The Company has agreed with the Agent, on behalf of the Loan Note Holders and LN Related Parties (together, the **Lenders**) that a portion of the Loan Notes held by the Lenders will be converted (**LN Conversion**) into Shares at a deemed issue price of \$0.004 (**LN Conversion Shares**), together with one Option on the same terms as the Placement Options (**LN Conversion Options**) for each LN Conversion Share issued (together, the **LN Conversion Securities**).

Contemporaneous with LN Conversion, the Company and the Agent, on behalf of the Lenders, also agreed as follows:

- (a) that the maturity date of the Loan Notes be extended to the date that is 48 month from LN Conversion and the repayment commencement date is extended to the date that is 12 months from LN Conversion;
- (b) that the obligation on the Company to issue subsequent warrants is replaced with an obligation to issue warrants exercisable at \$0.007 (previously \$0.07) on or before the date that is 2 years from issue in the event the Loan Notes have not been repaid on the date that is 48 months following the Conversion Date, the issue of which are subject to Shareholder approval;
- (c) that the Agent, on behalf of the Lenders, consents to the following:
 - (i) the Company completing the Placement and Entitlement Offer;
 - (ii) the Loan Note Deed being varied to permit conversion of the Loan Notes;
 - (iii) the Company completing the conversion of the Loan Notes and Convertible Notes; and

- (iv) the Company entering into the receivables purchase agreement and granting security to the purchaser thereunder (refer to announcement dated 11 June 2024 for further details).

In consideration for the above concessions by the Lenders, the Company agreed to issue to the Lenders, on a pro rata basis, 44,000,000 Shares (**LN Fee Shares**), 44,000,000 Options exercisable at \$0.004 on or before the 13 June 2026 (**Class A LN Fee Options**) 50,000,000 Options on the same terms as the Placement Options (**Class B LN Fee Options**) (together the **LN Fee Securities**).

Resolution 5 seeks Shareholder approval for the issue of LN Conversion Securities and LN Fee Securities (together, the **LN Securities**) to the Loan Note Holders that are not LN Related Parties. Resolutions 6 to 9 seek Shareholder approval for the issue of LN Securities to the LN Related Parties.

A summary of the Lenders and the LN Securities to be issued is set out below:

Holder	Loan Note Value (US\$)	Loan Note Value Converting (US\$) ¹	LN Conversion Shares	LN Conversion Options	LN Fee Shares	Class A LN Fee Options	Class B LN Fee Options
Martin Pretty	US\$24,546	US \$24,546	9,440,895	9,440,895	474,082	474,082	538,729
Anthony Brown ²	US\$10,000	US \$10,000	3,846,154	3,846,154	193,137	193,137	219,474
Dan Roberts	US\$86,966	US \$43,483	16,724,231	16,724,231	1,679,638	1,679,638	1,908,679
Ryan McCall ³	US \$101,000	US \$50,525	19,432,692	19,432,692	1,951,652	1,951,652	2,217,787
Unrelated Lenders ⁴	US\$2,055,610	US\$1,215,935	467,667,307	467,667,307	39,701,491	39,701,491	45,115,331
TOTAL	US\$2,278,172	US\$1,344,489	517,111,279	517,111,279	44,000,000	44,000,000	50,000,000

Notes:

1. An agreed foreign exchange rate of US\$0.65 : A\$1 will apply in determining the number of LN Conversion Securities to be issued.
2. Anthony Brown has agreed that all interest accrued on Loan Notes he holds will convert in connection with the Debt Conversion. Assuming conversion occurs on 31 August 2024, interest of US\$795.62 will convert into LN Conversion Securities.
3. Ryan McCall has agreed that 50% of the interest accrued on Loan Notes he holds will convert in connection with the Debt Conversion. Assuming conversion occurs on 31 August 2024, interest of US\$9,109.73 will convert into LN Conversion Securities.
4. Certain unrelated Lenders have agreed that all or part of the interest accrued on Loan Notes they hold will convert in connection with the Debt Conversion. Assuming conversion occurs on 31 August 2024, interest of US\$4,683.29 will convert into LN Conversion Securities.

1.3 Background to Convertible Note Facility

The Company entered into a convertible note deed dated 16 July 2020, as amended from time to time, new convertible note deeds dated 18 April 2022 and deeds of amendment dated on or about 29 December 2023 (**December Amendment Deeds**), for the issue of Convertible Notes to unrelated parties (**Convertible Note Holders**) as well as Directors Martin Pretty and Anthony Brown (**Convertible Note Deed**).

The Company has entered into debt conversion agreements (**CN Conversion Agreements**) with each of the Convertible Note Holders to convert the Convertible Notes into Shares (**CN Conversion Shares**) and Options (**CN Conversion Options**) (together, the **CN Conversion Securities**). The CN Conversion Agreements entered into with the related party lenders were on the same terms as those entered into with the Convertible Note Holders.

Resolution 10 seeks Shareholder approval for the issue of CN Conversion Securities to the Convertible Note Holders that are not related parties of the Company. Resolutions 11 and 12 seek Shareholder approval for the issue of CN Conversion Securities to Messrs Pretty and Brown, each of whom are related parties of the Company.

A summary of the Convertible Note Holders and the CN Conversion Securities to be issued is set out below:

Holder	Convertible Note Value	CN Conversion Shares	CN Conversion Options
Martin Pretty	\$92,500	23,124,995	23,124,995
Anthony Brown	\$56,250	14,062,498	14,062,498
Unrelated Holders	\$1,326,250	331,562,507	331,562,507
TOTAL	\$1,475,000	368,750,000	368,750,000

2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

2.1 General

As set out in Section 1.1 above, the Company issued 29,604,957 Placement Shares (**Tranche 1 Placement Shares**) on 13 June 2024 to raise \$118,420 (before costs) pursuant to Tranche 1.

The issue of the Tranche 1 Placement Shares did not breach Listing Rule 7.1 at the time of the issue.

As set out in Section 1.1, the Company engaged PAC Partners to manage the Placement.

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

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

2.2 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Tranche 1 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

If Resolution 1 is not passed, the Tranche 1 Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

2.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Tranche 1 Placement Shares were issued to professional and sophisticated investors who are clients of PAC Partners or who were identified by the Directors. The recipients were identified through a bookbuild process, which involved PAC Partners and the Directors seeking expressions of interest to participate in the Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 29,604,957 Tranche 1 Placement Shares were issued and the Tranche 1 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 1 Placement Shares were issued on 13 June 2024;
- (e) the issue price was \$0.004 per Tranche 1 Placement Share. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (f) the purpose of the issue of the Tranche 1 Placement Shares was to raise \$118,420 (before costs), which will be applied towards the Company's

rollout via white label partners, as well as for new product development and ongoing working capital; and

- (g) the Tranche 1 Placement Shares were not issued under an agreement.

3. RESOLUTION 2 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES

3.1 General

As set out in Section 1.1 above, the Company is proposing to issue up to 64,250,000 Placement Shares pursuant to Tranche 2 of the Placement at an issue price \$0.004 to raise up to \$257,000 (before costs) (**Tranche 2 Placement Shares**).

As set out above, the Company engaged the services of PAC Partners to manage the issue of securities under the Placement.

Listing Rule 7.1 is summarised in Section 2.1 above.

The proposed issue of the Tranche 2 Placement Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

3.2 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares. In addition, the issue of the Tranche 2 Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares and may seek to raise capital via alternative means.

Resolution 2 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares.

3.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the Tranche 2 Placement Shares will be issued to professional and sophisticated investors who are clients of PAC Partners or who are identified by the Directors, including strategic investor Origin Wireless, Inc. The recipients will be identified through a bookbuild process involving PAC Partners and the Directors seeking expressions of interest to participate in the Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and

- (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Tranche 2 Placement Shares to be issued is 64,250,000. The Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 2 Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 Placement Shares will occur on the same date;
- (e) the issue price of the Tranche 2 Placement Shares will be \$0.004 per Tranche 2 Placement Shares. The Company will not receive any other consideration for the issue of the Tranche 2 Placement Shares;
- (f) the purpose of the issue of the Tranche 2 Placement Shares is to raise capital, which will be applied towards the Company's rollout via white label partners, as well as for new product development and ongoing working capital;
- (g) the Tranche 2 Placement Shares are not being issued under an agreement; and
- (h) the Tranche 2 Placement Shares are not being issued under, or to fund, a reverse takeover.

4. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT OPTIONS

4.1 General

As set out in Section 1.1 above, the Company is conducting a Placement pursuant to which it:

- (a) has issued 29,604,957 Placement Shares pursuant to Tranche 1 (ratification of which is sought pursuant to Resolution 1); and
- (b) proposes to issue 64,250,000 Placement Shares pursuant to Tranche 2 (shareholder approval for which is sought pursuant to Resolution 2).

The Company proposes to issue one free attaching Placement Option for every Placement Share issued, with an exercise price of \$0.005 and an expiry date that is two (2) years from the date of issue of the Placement Shares.

As set out above, the Company engaged the services of PAC Partners to manage the issue of securities under the Placement.

Listing Rule 7.1 is summarised in Section 2.1 above.

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

4.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Placement Options. In addition, the issue of the Placement Options will be

excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Placement Options.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Options.

4.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Placement Options will be issued to professional and sophisticated investors who are clients of PAC Partners or who were identified by the Directors and who participated in the Placement. The recipients were identified through a bookbuild process, which involved PAC Partners and the Directors seeking expressions of interest to participate in the Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Placement Options to be issued is 93,854,957 as the Placement Options will be issued free attaching with the Placement Shares on a 1 for 1 basis. The terms and conditions of the Placement Options are set out in Schedule 1;
- (d) the Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement Options will occur on the same date;
- (e) the issue price will be nil per Placement Option as the Placement Options will be issued free attaching with the Placement Shares on a 1 for 1 basis. The Company will not receive any other consideration for the issue of the Placement Options (other than in respect of funds received on exercise of the Options);
- (f) the purpose of the issue of the Placement Options is to be free attaching with the Placement Shares under the Placement to raise \$375,420. The Company intends to apply the funds raised from the Placement towards the Company's rollout via white label partners, as well as for new product development and ongoing working capital;
- (g) the Placement Options are not being issued under an agreement; and
- (h) the Placement Options are not being issued under, or to fund, a reverse takeover.

5. RESOLUTION 4 – APPROVAL TO ISSUE SECURITIES UNDER ENTITLEMENT OFFER

5.1 General

As set out in Section 1.1 above, the Company proposes to undertake the Entitlement Offer.

5.2 Listing Rule 7.11.3

Listing Rule 7.11.3 provides that the ratio of securities offered for a pro rata issue (such as the Entitlement Offer) must not be greater than 1 for 1 unless the offer is renounceable and the issue price is not more than the average market price for the securities calculated over the last 5 days on which sales in the securities were recorded before the date on which the pro rata issue was announced.

The Company has obtained a waiver from the requirements of Listing Rule 7.11.3 to enable it to undertake the issue of Shares under the Entitlement Offer (**Entitlement Offer Waiver**).

It is a condition of the Entitlement Offer Waiver that Shareholders approve the Entitlement Offer. Resolution 4 seeks this approval.

As the Company is currently suspended from trading on ASX, it was not able to make the Entitlement Offer renounceable as it is not possible for Shareholders to trade rights that would be issued under a renounceable offer. As such, the Entitlement Offer is being made on a non-renounceable basis.

5.3 Entitlement Offer Terms

The Entitlement Offer comprises a partially underwritten non-renounceable Entitlement Offer of up to 393,048,509 Shares under which eligible shareholders will be offered three (3) Shares for every two (2) Shares held on the record date at an issue price of \$0.004 per Share to raise up to \$1,572,194, together with one Entitlement Option for every Share issued (for a total of up to 393,048,509 Entitlement Options).

An Indicative Timetable for the Entitlement Offer is detailed below:

Action	Date
Lodgement of Prospectus with the ASIC	Tuesday, 18 June 2024
Lodgement of Prospectus and Appendix 3B with ASX	Tuesday, 18 June 2024
Ex date	Friday, 21 June 2024
Record Date for determining Entitlements	Monday, 24 June 2024
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Thursday, 27 June 2024
Last day to extend the Closing Date	Monday, 22 July 2024
Closing Date as at 5:00pm*	Thursday, 25 July 2024
Shares quoted on a deferred settlement basis	Friday, 26 July 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	Thursday, 1 August 2024
Quotation of Shares issued under the Offer	Friday, 2 August 2024

*The Directors may extend the Closing Date or Secondary Offer Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As announced on 11 June 2024, the Company will remain suspended from trading until such time as ASX is satisfied with the Company's compliance with the ASX Listing Rules, including Listing Rule 12.2 and that it is otherwise appropriate for the Company's securities to be reinstated to quotation. The Company anticipates that this will occur following completion of the Offer, Placement and Debt Conversion. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

The proposed use of funds raised under the Entitlement Offer and Placement is detailed below:

Item	Proceeds of the Offer	Minimum Subscription (\$)	%	Full Subscription (\$)	%
1.	Employee Wages ¹	400,000	40.00%	754,255	38.73%
2.	New Product Development	-	-	200,000	10.27%
3.	Payment of Loan Note and Convertible Note Interest ²	364,186	36.42%	364,186	18.70%
4.	Working capital	127,267	12.73%	500,000	25.67%
5.	Expenses of the Offer ⁴	108,546	10.85%	129,172	6.63%
	Total	1,000,000	100.00%	1,947,614	100.00%

The Directors are of the view that the Entitlement Offer will provide the most certain outcome for the Company in the present circumstances and it is preferable to allow the Company's existing Shareholders the opportunity to participate in the funding of the Company to minimise the dilution effect following completion of the Debt Conversion. The Directors consider that the Entitlement Offer must be on a 3 for 2 basis to enable sufficient funds to be raised to strengthen the Company's financial position and provide it with funds to apply towards the Company's rollout via white label partners, as well as for new product development and ongoing working capital. Undertaking the Entitlement Offer on a 1 for 1 basis or less will not enable the Company to meet its objectives.

5.4 Condition of the Entitlement Offer

The Entitlement Offer is conditional on Shareholders approving the Entitlement Offer. This is the subject of Resolution 4. In accordance with the Entitlement Offer Waiver, the Company will disregard any votes cast by any of its substantial shareholders, any party that underwrites or sub-underwrites the Entitlement Offer, any brokers or managers to the Entitlement Offer, and any of their respective associates.

For the Debt Conversion to be implemented, \$1,000,000 must be raised pursuant to the Placement and Entitlement Offer must be achieved. If Shareholders do not approve Resolution 4, the Entitlement Offer will not proceed and the Company will refund all application money received (without interest) in accordance with the Corporations Act.

5.5 Underwriting

The Entitlement Offer is partially underwritten by PAC Partners.

5.6 Shortfall Facility

In addition to the Entitlement Offer, there will be a separate and independent offer of any shortfall from the Entitlement Offer made pursuant to the Prospectus (**Shortfall Offer**). Existing Shareholders may apply for shortfall shares under the Shortfall Offer. Further details of the Shortfall Offer are contained in the Prospectus.

5.7 Capital structure

The effect of the Entitlement Offer on the capital structure of the Company is detailed in the Prospectus.

5.8 Timetable

An indicative timetable for the Entitlement Offer is detailed in Section 5.3.

5.9 Issue price of Shares

Shares under the Entitlement Offer will be offered at an issue price of \$0.004 per Share.

5.10 Terms of the Shares

The Shares offered under the Entitlement Offer will be fully paid ordinary shares in the capital of the Company. A summary of the rights and liabilities attaching to the Shares offered under the Entitlement Offer will be detailed in the Prospectus.

5.11 Persons to whom Shares will be issued Shares under the Entitlement Offer will be issued to:

- (a) Eligible Shareholders who take up their entitlements (either in full or in part);
- (b) Shareholders who apply for additional Shares (in the event of shortfall in application due to other Shareholders not taking up their entitlements); and
- (c) PAC Partners and any sub-underwriters (in the event that there is a further shortfall).

5.12 Possible advantages and disadvantages

The advantages of passing Resolution 4 include:

- (a) providing the Company with a strengthened balance sheet;
- (b) facilitating the Company's execution of its proposed activities (as detailed in Section 3.1 and the Prospectus); and
- (c) assisting the Company's compliance with Listing Rule 12, including having a level of operations, financial condition, proportion of assets in cash, level of spread and appropriate structure and operations appropriate and suitable to facilitate the reinstatement of the Company's securities to trading on ASX.

The principal disadvantage of passing Resolution 4 is that existing Shareholders will have their holdings diluted following the issue of the Shares the subject of Resolution 4, if they do not participate in the Entitlement Offer.

5.13 Directors' recommendation and intention

Having regard to all the considerations detailed in this Notice, the Directors consider that, in the absence of a superior proposal, the expected advantages of the Entitlement Offer outweigh its potential disadvantages and risks. After considering all these factors, in the absence of a superior proposal, the Directors recommend that Shareholders vote in favour of Resolution 4 to approve the Entitlement Offer.

6. RESOLUTION 5 – APPROVAL TO ISSUE SHARES AND OPTIONS ON CONVERSION OF LOAN NOTES

6.1 General

As set out in Section 1.2 above, the Company has agreed to issue the LN Securities to the Lenders under the Loan Note Deed.

Listing Rule 7.1 is summarised in Section 2.1.

The proposed issue of the LN Securities falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

6.2 Technical information required by Listing Rule 14.1A

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the LN Securities.

If Resolution 5 is passed, the Company will be able to proceed with the issue of the LN Securities. In addition, the issue of the LN Securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the LN Securities or CN Conversion Securities and the Company's obligation to repay the Loan Notes will commence without extension, which will have an adverse impact upon the Company and may result in the Company being unable to continue operating as a going concern. Further, in the event the LN Securities are not issued, the proposed amendment to the Loan Note Deed set out in Section 1.2 will not take effect.

6.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the LN Securities will be issued to the Lenders;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that, other than the Agent, and Cameron Drummond who controls the Agent, none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the

Company, advisers of the Company or an associate of any of these parties; and

- (ii) issued more than 1% of the issued capital of the Company;
- (c) Cameron Drummond is an adviser to the Company and has received fees in consideration for capital raising services from the Company in connection with the issue of Loan Notes. The Agent and Mr Drummond will be issued, in aggregate, up to 194,740,385 LN Conversion Shares, 194,740,385 LN Conversion Options, 13,038,698 LN Fee Shares, 13,038,698 Class A LN Fee Options and 14,816,702 Class B LN Fee Options;
- (d) excluding the issue of LN Securities to be issued to related parties of the Company (the subject of Resolutions 6 to 9) and including the LN Securities to be issued to the Agent and Cameron Drummond, the maximum number of:
 - (i) LN Conversion Shares to be issued is 467,667,307;
 - (ii) LN Conversion Options to be issued is 467,667,307;
 - (iii) LN Fee Shares is 39,701,491;
 - (iv) Class A LN Fee Options is 39,701,491; and
 - (v) Class B LN Fee Options is 45,115,331,for an aggregate of 507,368,800 Shares and 552,484,131 Options;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the LN Conversion Options, Class A LN Fee Options and Class B LN Fee Options will be issued on the terms and conditions set out in Schedule 1;
- (g) the LN Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the LN Securities will occur on the same date;
- (h) the deemed issue price will be:
 - (i) \$0.004 per LN Conversion Share;
 - (ii) nil per LN Conversion Option as the LN Conversion Options are being issued free attaching to the LN Conversion Shares; and
 - (iii) nil per LN Fee Share, Class A LN Fee Option and Class B LN Fee Option, as they are being issued in consideration for the amendments and consents detailed in Section 1.2.

The Company will not receive any other consideration for the issue of the LN Securities (other than in respect of funds received on exercise of the LN Conversion Options, Class A LN Fee Options and Class B LN Fee Options);

- (i) the purpose of the issue of the LN Securities is to satisfy the Company's obligations under the Loan Note Deed;
- (j) the LN Securities are being issued to the Lenders under the Loan Note Deed. A summary of the material terms of the Loan Note Deed (as amended) is set out in Schedule 2; and
- (k) the LN Securities are not being issued under, or to fund, a reverse takeover.

7. RESOLUTIONS 6 TO 9 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTIES ON CONVERSION OF LOAN NOTES

7.1 General

As set out in Section 1.2, the Company has agreed, subject to obtaining Shareholder approval, to issue LN Securities to the LN Related Parties (or their nominees) on the terms and conditions set out below.

Resolutions 6 to 9 seek Shareholder approval for the issue of the LN Securities to the LN Related Parties (or their nominees).

7.2 Director recommendation

Each Director (other than David Shapiro) has a personal interest in the outcome of Resolutions 6 to 9 on the basis that the Directors (other than David Shapiro) (or their nominees) are to be issued LN Securities on the same terms and conditions should Resolutions 6 to 9 be passed. For this reason, notwithstanding that the Directors that are to receive LN Securities do not consider their personal interests to be material (in their respective personal circumstances the Directors (other than David Shapiro) do not believe that it is appropriate to make a recommendation on Resolutions 6 to 9 of this Notice.

7.3 Chapter 2E of the Corporations Act

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

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

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

The issue of LN Securities to the LN Related Parties (or their nominees) constitutes giving a financial benefit and the LN Related Parties are related parties of the Company by virtue of being Directors.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the LN Securities because the LN Securities will be issued to the LN Related Parties (or their nominee) on the same terms as LN Securities issued to non-related party participants in the Debt Conversion and as such the giving of the financial benefit is on arm's length terms.

7.4 Listing Rule 10.11

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

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

unless it obtains the approval of its shareholders.

The issue of LN Securities falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 6 to 9 seek the required Shareholder approval for the issue of the LN Securities under and for the purposes of Listing Rule 10.11.

7.5 Technical information required by Listing Rule 14.1A

Resolution 6 to 9 seek Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the LN Securities to the LN Related Parties.

If Resolutions 6 to 9 are passed, the Company will be able to proceed with the issue of the LN Conversion Securities to the LN Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the LN Conversion Securities (because approval is being obtained under Listing Rule 10.11), the issue of the LN Conversion Securities will not use up any of the Company's 15% annual placement capacity.

If Resolutions 6 to 9 are not passed, the Company will not be able to proceed with the issue of the LN Securities or the CN Conversion Securities and the Company's obligation to repay the Loan Notes will commence without extension, which will have an adverse impact upon the Company and may result in the Company being unable to continue operating as a going concern. Further, in the event the LN Securities are not issued, the proposed amendment to the Loan Note Deed set out in Section 1.2 will not take effect.

7.6 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 6 to 9:

- (a) the LN Conversion Securities will be issued to the following persons:
 - (i) Martin Pretty (or his nominee) pursuant to Resolution 6;
 - (ii) Anthony Brown (or his nominee) pursuant to Resolution 7;
 - (iii) Daniel Roberts (or his nominee) pursuant to Resolution 8;
 - (iv) Ryan McCall (or his nominee) pursuant to Resolution 9,each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of LN Securities to be issued to the LN Related Parties is set out in Section 1.2;
- (c) the terms and conditions of the LN Conversion Options, Class A LN Fee Options and Class B LN Fee Options are set out in Schedule 1;
- (d) the LN Conversion Shares and LN Fee Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the LN Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the LN Securities will occur on the same date;
- (f) the deemed issue price will be:
 - (i) \$0.004 per LN Conversion Share;
 - (ii) nil per LN Conversion Option as the LN Conversion Options are being issued free attaching to the LN Conversion Shares; and
 - (iii) nil per LN Fee Share, Class A LN Fee Option and Class B LN Fee Option, as they are being issued in consideration for the amendments and consents detailed in Section 1.2;
- (g) the LN Securities are being issued to the LN Related Parties under the Loan Note Deed (as amended). A summary of the material terms of the Loan Note Deed (as amended) is set out in Schedule 2;
- (h) the LN Securities are not intended to remunerate or incentivise the LN Related Parties; and
- (i) a voting exclusion statement is included in Resolutions 6 to 9 of the Notice.

8. RESOLUTION 10 – APPROVAL TO ISSUE SHARES AND OPTIONS ON CONVERSION OF CONVERTIBLE NOTES

8.1 General

As set out in Section 1.3 above, the Company has agreed to issue 368,750,000 CN Conversion Shares and 368,750,000 CN Conversion Options to the Convertible Note holders.

As summarised in Section 2.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the CN Conversion Securities falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

8.2 Technical information required by Listing Rule 14.1A

If Resolution 10 is passed, the Company will be able to proceed with the issue of the CN Conversion Securities. In addition, the issue of the CN Conversion Securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 10 is not passed, the Company will not be able to proceed with the issue of the CN Conversion Securities or the Loan Note Conversion and the Company's obligation to repay the Loan Notes will commence without extension, which will have an adverse impact upon the Company and may result in the Company being unable to continue operating as a going concern. Further, in the event the LN Securities are not issued, the proposed amendment to the Loan Note Deed set out in Section 1.2 will not take effect.

Resolution 10 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the CN Conversion Securities.

8.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 10:

- (a) the CN Conversion Securities will be issued to the Convertible Note holders;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, other than National Nominees Limited (as nominee for Fundhost Limited) (**NNL**) and Altor Capital Management Pty Ltd (as trustee for the Altor Alpha Fund) (**Altor**), the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;

- (c) NNL and Altor are each substantial shareholders as at the date of this Notice. NNL will be issued 153,125,000 CN Conversion Shares and 153,125,000 CN Conversion Options on conversion of Convertible Notes with a value of \$612,500 and Altor will be issued 30,937,493 CN Conversion Shares and 30,937,493 CN Conversion Options on conversion of Convertible Notes with a value of \$123,750;
- (d) excluding CN Conversion Securities to be issued to related parties of the Company (for whom Shareholder approval is sought under Resolutions 11 and 12), the maximum number of CN Conversion Shares to be issued is 331,562,507 and the maximum number of CN Conversion Options to be issued is 331,562,507;
- (e) the CN Conversion Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the CN Conversion Options will be issued on the terms and conditions set out in Schedule 1;
- (g) the CN Conversion Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the CN Conversion Securities will occur on the same date;
- (h) the deemed issue price will be \$0.004 per CN Conversion Share, and nil per CN Conversion Option as the CN Conversion Options are being issued free attaching to the CN Conversion Shares on a one for one basis. The Company will not receive any other consideration for the issue of the CN Conversion Securities (other than in respect of funds received on exercise of the CN Conversion Options);
- (i) the CN Conversion Securities are being issued to the Convertible Note Holders under the CN Conversion Agreements. A summary of the material terms of the CN Conversion Agreements is set out in Schedule 3; and
- (j) the CN Conversion Securities are not being issued under, or to fund, a reverse takeover.

9. RESOLUTIONS 11 AND 12 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTIES ON CONVERSION OF CONVERTIBLE NOTES

9.1 General

As set out in Section 1.3, the Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 37,187,493 CN Conversion Shares and 37,187,493 CN Conversion Options to Directors Martin Pretty and Anthony Brown (or their nominees) on the terms and conditions set out below.

Resolutions 11 and 12 seek Shareholder approval for the issue of the CN Conversion Securities to Martin Pretty and Anthony Brown (or their nominees).

9.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 7.3 above.

The issue of CN Conversion Securities to Messrs Pretty and Brown (or their nominees) constitutes giving a financial benefit and Messrs Pretty and Brown are related parties of the Company by virtue of being Directors.

The Directors (other than Messrs Pretty and Brown who have a personal interest in Resolutions 11 and 12) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of CN Conversion Securities because the CN Conversion Securities will be issued to Messrs Pretty and Brown (or their nominees) on the same terms as CN Conversion Securities issued to non-related party Convertible Note holders and as such the giving of the financial benefit is on arm's length terms.

9.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 7.4 above.

The issue of CN Conversion Securities falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 11 and 12 seek the required Shareholder approval for the issue of the CN Conversion Securities under and for the purposes of Listing Rule 10.11.

9.4 Technical information required by Listing Rule 14.1A

If Resolutions 11 and 12 are passed, the Company will be able to proceed with the issue of the CN Conversion Securities to Messrs Pretty and Brown within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the CN Conversion Securities (because approval is being obtained under Listing Rule 10.11), the issue of the CN Conversion Securities will not use up any of the Company's 15% annual placement capacity.

If Resolutions 11 and 12 are not passed, the Company will not be able to proceed with the issue of the CN Conversion Securities to the CN Related Parties or other Convertible Note Holders, or LN Securities, and the Company's obligation to repay the Loan Notes will commence without extension, which will have an adverse impact upon the Company and may result in the Company being unable to continue operating as a going concern. Further, in the event the LN Securities are not issued, the proposed amendment to the Loan Note Deed set out in Section 1.2 will not take effect.

9.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 11 and 12:

(a) the CN Conversion Securities will be issued to the following persons:

- (i) Martin Pretty (or his nominee) pursuant to Resolution 11;
- (ii) Anthony Brown (or his nominee) pursuant to Resolution 12;

each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;

- (b) the maximum number of CN Conversion Securities to be issued to Messrs Pretty and Brown is set out in Section 1.3;
- (c) the terms and conditions of the CN Conversion Options are set out in Schedule 1;
- (d) the CN Conversion Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the CN Conversion Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Conversion Securities will occur on the same date;
- (f) the deemed issue price will be \$0.004 per CN Conversion Share, and nil per CN Conversion Option as they are being issued free attaching to the CN Conversion Shares on a one for one basis. The Company will not receive any other consideration for the issue of the CN Conversion Securities (other than in respect of funds received on exercise of the CN Conversion Options);
- (g) the CN Conversion Securities are not intended to remunerate or incentivise Messrs Pretty and Brown;
- (h) the CN Conversion Securities are being issued to Messrs Pretty and Brown under the CN Conversion Agreements. A summary of the material terms of the CN Conversion Agreement is set out in Schedule 3; and
- (i) a voting exclusion statement is included in Resolutions 11 and 12 of the Notice.

10. RESOLUTION 13 – APPROVAL TO ISSUE WARRANTS TO RELATED PARTY – MARTIN PRETTY

10.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 405 warrants exercisable at \$0.05 on or before 1 May 2026 (**Warrants**) to Mr Martin Pretty (or their nominee) on the terms and conditions set out below, due to a former investment made under the Loan Note Deed, which were not issued due to an administrative error when previously seeking Shareholder approval.

Resolution 13 seeks Shareholder approval for the issue of the Options to Mr Pretty (or their nominee).

10.2 Chapter 2E of the Corporations Act

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

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

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

The issue of Warrants to Mr Pretty (or their nominee) constitutes giving a financial benefit and Mr Pretty is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Pretty who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Warrants because the issuance of the Warrants the subject of this resolution as the terms of issuance are identical to the terms offered to all participants (that are not related parties of the Company) in the Company's debt facility announced to ASX on 28 April 2023 and as such the giving of the financial benefit is on arm's length terms.

10.3 Listing Rule 10.11

Listing Rule 10.11 is summarised in Section 7.4 above.

The issue of Warrants falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 13 seeks the required Shareholder approval for the issue of the Warrants under and for the purposes of Listing Rule 10.11.

10.4 Technical information required by Listing Rule 14.1A

If Resolution 13 is passed, the Company will be able to proceed with the issue of the Warrants to Mr Pretty within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Warrants (because approval is being obtained under Listing Rule 10.11), the issue of the Warrants will not use up any of the Company's 15% annual placement capacity.

If Resolution 13 is not passed, the Company will not be able to proceed with the issue of the Warrants.

10.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 13:

- (a) the Warrants will be issued to Mr Pretty (or their nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Pretty is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Warrants to be issued is 405;
- (c) the terms and conditions of the Warrants are set out in Schedule 5;
- (d) the Warrants will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Warrants will occur on the same date;

- (e) the issue price of the Warrants will be nil. The Company will not receive any other consideration in respect of the issue of the Warrants (other than in respect of funds received on exercise of the Warrants);
- (f) the purpose of the issue of the Warrants is to correct an administrative oversight when previously seeking shareholder approval for their issue. Funds raised from the exercise of the Warrants will be used to continue to support the Company's working capital;
- (g) the Warrants are being issued to Mr Pretty under the Loan Note Deed. A summary of the material terms of the Loan Note Deed is set out in Schedule 2; and
- (h) a voting exclusion statement is included in Resolution 13 of the Notice.

11. RESOLUTION 14 – CONSOLIDATION OF CAPITAL

11.1 Background

Resolution 14 seeks Shareholder approval to consolidate the Company's issued capital on the basis that:

- (a) every 100 Shares be consolidated into 1 Share (subject to rounding); and
- (b) every 100 Options, Performance Rights and Warrants be consolidated into 1 Option, Performance Right and Warrant, as applicable (subject to rounding).

11.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

11.3 Fractional entitlements

Not all security holders will hold that number of Securities which can be evenly divided by 100. Fractional entitlements will be rounded up to the nearest whole number.

11.4 Taxation

It is not considered that any taxation implications will exist for security holders arising from the Consolidation. However, security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

11.5 Holding statements

From the date two Business Days after the Effective Date (as set out in the timetable in Section 11.7 below), all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

11.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

	Shares	Options ¹	Performance Rights
Current pre-Consolidation	262,032,339	118,963,676	16,694,761
Security issues prior to the Consolidation ²	1,387,159,788	1,466,764,745	-
Sub-total	1,649,192,127	1,585,728,421	16,694,761
Post Consolidation³	16,491,921	15,857,284	166,948

Notes:

1. This includes Warrants currently on issue. The terms of these Options and Warrants are set out in the table below.
2. Comprising:
 - (a) 64,250,000 Tranche 2 Placement Shares and 93,854,957 Placement Options to be issued pursuant to the Placement. Shareholder ratification for the issue of the Tranche 1 Placement Shares is sought pursuant to Resolution 1, Shareholder approval for the issue of the Tranche 2 Placement Shares is sought pursuant to Resolution 2 and shareholder approval for the issue of the Placement Options is sought pursuant to Resolution 3;
 - (b) 929,861,279 Shares and 979,861,279 Options to be issued pursuant to the Convertible Note and Loan Note conversion (including fees to be issued to the Loan Note holders, shareholder approval of which is sought pursuant to Resolutions 5 to 12); and
 - (c) 393,048,509 Shares and 393,048,509 Options issued pursuant to the Entitlement Offer (assuming maximum subscription under the Entitlement Offer); and
 - (d) 405 Warrants to be issued pursuant to Resolution 13.
3. Subject to rounding.

The effect the Consolidation will have on the terms of the Options is as set out in the tables below:

Options / Warrants – pre-Consolidation

Terms	Number
Options exercisable at \$0.07 on or before 16 July 2024	74,757,329
Options exercisable at \$0.135 on or before 31 December 2024	1,433,256
Options exercisable at \$0.07 on or before 31 July 2026	2,300,460
Options exercisable at \$0.10 on or before 21 April 2025	5,400,000
Options exercisable at \$0.07 on or before 18 March 2025	900,000
Options exercisable at \$0.004 on or before 13 June 2026	1,422,764,745
Options exercisable at \$0.005 on or before 13 June 2026	44,000,000

Terms	Number
Warrants exercisable at \$0.05 on or before 1 May 2026	34,173,036
Total	1,585,728,826

Options / Warrants – post-Consolidation

Terms	Number
Options exercisable at \$7.00 on or before 16 July 2024	747,573
Options exercisable at \$13.50 on or before 31 December 2024	14,333
Options exercisable at \$7.00 on or before 31 July 2026	23,005
Options exercisable at \$10.00 on or before 21 April 2025	54,000
Options exercisable at \$7.00 on or before 18 March 2025	9,000
Options exercisable at \$0.40 on or before 13 June 2026	14,227,648
Options exercisable at \$0.50 on or before 13 June 2026	440,000
Warrants exercisable at \$5.00 on or before 1 May 2026	341,730
Total	15,857,292

11.7 Indicative timetable*

If Resolution 14 is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 7) of the Listing Rules):

Action	Date
Company announces Consolidation.	Tuesday, 25 June 2024
Company sends out the Notice of Meeting	Tuesday, 25 June 2024
Shareholders pass Resolution 14 to approve the Consolidation.	Thursday, 25 July 2024
Effective Date of Consolidation	Friday, 2 August 2024
Last day for pre-Consolidation trading.	Monday, 5 August 2024
Post-Consolidation trading commences on a deferred settlement basis.	Tuesday, 6 August 2024
Record Date. Last day for the Company to register transfers on a pre-Consolidation basis.	Wednesday, 7 August 2024
First day for the Company to update its register and send holding statements to security holders reflecting the change in the number of Securities they hold.	Thursday, 8 August 2024
Last day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of Securities they hold and to notify ASX that this has occurred.	Wednesday, 14 August 2024

GLOSSARY

\$ means Australian dollars.

Agent means Adaptive Income Fund, LP.

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

CN Conversion Agreements means the debt conversion agreements with each of the Convertible Note Holders.

CN Conversion Options means the Options to be issued to the Convertible Note Holders upon conversion of the Convertible Notes.

CN Conversion Securities means the CN Conversion Options and CN Conversion Shares.

CN Conversion Shares means the Shares to be issued to the Convertible Note Holders upon conversion of the Convertible Notes.

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

Convertible Note means a convertible note issued pursuant to the Convertible Note Deed.

Convertible Note Holders means the holders of Convertible Notes who are unrelated parties of the Company.

Convertible Note Deed means a convertible note deed dated 16 July 2020, as amended from time to time, new convertible note deeds dated 18 April 2022 and deeds of amendment dated on or about 29 December 2023.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Lenders means the Loan Note Holders and LN Related Parties.

Listing Rules means the Listing Rules of ASX.

LN Conversion means a portion of the Loan Notes held by the Lenders that will be converted into LN Conversion Shares, together with one LN Conversion Option for each LN Conversion Share issued.

LN Conversion Shares means Shares at a deemed issue price of \$0.004 to be issued to the Lenders upon conversion of a portion of the Loan Notes held by the Lenders.

LN Conversion Options means Options to be issued on a 1 for 1 free attaching basis with the LN Conversion Shares, on the terms set out in Schedule 1.

LN Conversion Securities means the LN Conversion Shares and LN Conversion Options.

LN Fee Shares means the Shares to be issued as consideration to the Lenders under the Loan Note Deeds.

LN Fee Securities means the LN Fee Shares, Class A LN Fee Options and Class B LN Fee Options.

LN Related Parties means Directors Martin Pretty, Anthony Brown, Daniel Roberts and Ryan McCall (or their nominees).

Loan Note means a loan note issued pursuant to the Loan Note Deed.

Loan Note Deed means a loan note deed dated 18 July 2023, as varied by a variation deed dated 20 December 2023 and subsequently varied to permit conversion on the terms contemplated by the Debt Conversion.

Loan Note Holders means the holders of the Loan Notes who are unrelated parties of the Company.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

PAC Partners means PAC Partners Securities Pty Ltd (ACN 623 653 912) (a Corporate Authorised Representative of PAC Asset Management Pty Ltd AFSL 335 374).

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

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

- (i) Placement Options, LN Conversion Options, Class A LN Fee Options, CN Conversion Options and Options to be issued under the Shortfall Offer: \$0.005; and
- (ii) Class B LN Fee Options: \$0.004.

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before the date that is two (2) years from the date of issue of the Placement Shares **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

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

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

SCHEDULE 2 – LOAN NOTE DEED

A summary of the terms and conditions of the Loan Note Deed is set out below.

Repayment of Debt	<p>Subject to satisfaction of the conditions set out below, 50% of the Loan Notes held by each Lender (Converting Loan Notes) will convert into equity (Conversion) as follows:</p> <p>(a) the Company agrees to issue to the Lender, and the Lender agrees to accept, the number of Shares as determined by the formula set out below (Conversion Shares):</p> $CS = (LN \div ER) \div IP$ <p>Where:</p> <p>CS = Number of Conversion Shares to be issued</p> <p>LN = Number of Converting Loan Notes held by the Lender that are to be converted</p> <p>ER = The agreed A\$:US\$ exchange rate of A\$0.65 : US\$1</p> <p>IP = The issue price in A\$ of Conversion Shares, being A\$0.004 per Share</p> <p>(b) the Company agrees to issue to the Lender, and the Lender agrees to accept, 1 option to acquire a Share (exercisable at A\$0.005 on or before the date that is 2 years following the issue by the Company of Shares under a placement to be completed in connection with the Conversion) (Conversion Options) for every Conversion Share issued;</p> <p>(c) the Company agrees to pay to the Lender any accrued but unpaid Interest in respect of the Converting Loan Notes on the date of Conversion, on the date that is 5 days' following satisfaction of the Conditions (as defined below) (Conversion Date) in full and final repayment of the Converting Loan Notes so converted.</p>
Conditions Precedent	<p>Conversion of the Converting Loan Notes is conditional upon satisfaction of the following conditions precedent (Conditions) on or before 31 August 2024 (or such later date as agreed by the Company and the Agent in writing) (Conditions End Date):</p> <p>(a) the receipt of any necessary approvals from the Company's shareholders in a general meeting;</p> <p>(b) the conditions precedent to conversion of all convertible notes on issue as at the Conversion Date being satisfied or waived;</p> <p>(c) each Lender resident in the United States providing an accredited investor certificate or similar document to give the Company comfort that the issue of Conversion Securities complies with applicable law;</p> <p>(d) the receipt of signatures of all holders of Convertible Notes to conversion of their Convertible Notes under the Debt Conversion on the terms set out in this deed;</p> <p>(e) the receipt of consent of the Agent to the conversion in accordance with the terms of the Finance Documents; and</p> <p>(f) the Company raising a minimum of \$1,000,000 under a Placement and Entitlement Offer to be completed by the Company on the same terms as the Conversion,</p> <p>and in the event the Conditions are not satisfied on or before the Conditions End Date, the Conversion will not occur.</p> <p>In accordance with the terms of the Loan Note Deed, each Lender may elect, by notice in writing to the Agent and the Company on or before 30 April 2024, to</p>

	<p>convert:</p> <p>(a) a greater proportion of Loan Notes held by them; and/or</p> <p>(b) accrued but unpaid interest for the prior ending on the Conversion Date in respect of any Loan Notes held by them.</p>
Release and discharge	<p>Upon the issue of the Conversion Securities and payment of accrued interest, each lender irrevocably and unconditionally agrees:</p> <p>(a) to fully and finally release and discharge the Company and Scout Security, Inc., their current and former directors, officers, servants, agents, employees, successors and assigns, from all present or future disputes, claims, demands, complaints, causes of action, cross claims (and counter claims), actions, suits, remedies, reliefs, proceedings, judgments, damages, losses, costs, expenses or liabilities howsoever arising, whether actual, present, contingent or otherwise, whether at law or by contract, whether known or unknown and which could be brought now or in the future including interest and costs (Claims) in respect of the Debt, or otherwise; and</p> <p>(b) that the Loan Note Deed may be pleaded by either party as an absolute bar and defence to any Claim or other proceeding commenced or continued by the other party in breach of the terms of the Loan Note Deed.</p>

SCHEDULE 3 – CN CONVERSION AGREEMENT

A summary of the terms and conditions of the CN Conversion Agreement is set out below.

Repayment of Debt	<p>Subject to satisfaction of the Conditions on or before the Conditions End Date (each as defined below) the Company agrees to:</p> <ul style="list-style-type: none"> (a) issue to the lender, and the lender agrees to accept the CN Conversion Securities; (b) pay to the lender any accrued but unpaid Interest in respect of the Convertible Notes; and <p>in full and final repayment of the Debt.</p>
Conditions Precedent	<p>Conversion of the Convertible Notes is conditional upon satisfaction of the following conditions precedent (Conditions) on or before 31 August 2024 (or such later date as agreed by the Company and the Agent in writing) (Conditions End Date):</p> <ul style="list-style-type: none"> (a) the receipt of any necessary Shareholder approvals in a general meeting; (b) all conditions precedent to conversion of at least 50% of the Loan Notes on issue as at the conversion date being satisfied or waived; (c) the receipt of signatures from all lenders agreeing to the proposed amendments to permit conversion of at least 50% of all Loan Notes on issue, and lenders collectively agreeing that at least 50% of all Loan Notes on issue being converted; (d) the receipt of consent from the Agent under the Loan Note Deed entered into by the Company to the conversion of Loan Notes; and (e) the Company raising a minimum of \$1,000,000 under the Placement, <p>and in the event the Conditions are not satisfied on or before the Conditions End Date, the conversion will not occur.</p>
Release and discharge	<p>Upon the issue of the CN Conversion Securities and payment of accrued interest, the lender irrevocably and unconditionally agrees:</p> <ul style="list-style-type: none"> (a) to fully and finally release and discharge the Company, its current and former directors, officers, servants, agents, employees, successors and assigns, from all present or future disputes, claims, demands, complaints, causes of action, cross claims (and counter claims), actions, suits, remedies, reliefs, proceedings, judgments, damages, losses, costs, expenses or liabilities howsoever arising, whether actual, present, contingent or otherwise, whether at law or by contract, whether known or unknown and which could be brought now or in the future including interest and costs (Claims) in respect of the Debt, or otherwise; and (b) that the CN Conversion Agreement may be pleaded by either party as an absolute bar and defence to any Claim or other proceeding commenced or continued by the other party in breach of the terms of the CN Conversion Agreement.

SCHEDULE 4 – LEAD MANAGER MANDATE AND UNDERWRITING AGREEMENT

1. Lead Manager Mandate

The Company has signed a mandate letter dated on or about 15 May 2024 to engage PAC Partners to act as lead manager and bookrunner to the Offer (**Lead Manager Mandate**), the material terms and conditions of which are summarised below:

Fees	<p>Under the terms of the Lead Manager Mandate, the Company has agreed to pay:</p> <ul style="list-style-type: none"> (a) a management fee of 2% of total funds raised under the Placement and Entitlement Offer (plus GST); and (b) a capital raising fee of 4% of all funds raised by PAC Partners under the Placement. <p>Subject to \$1,000,000 being raised under the Placement and Entitlement Offer, the Company has agreed to enter into a separate corporate advisory mandate with the Lead Manager on commercial terms to be agreed, which are anticipated to be customary for an agreement of its kind.</p>
Termination Events	<p>If, at any time an event takes place and PAC Partners reasonably believes that such event:</p> <ul style="list-style-type: none"> (a) is reasonably likely to have a material adverse effect on the outcome of the Entitlement Offer or the aftermarket for the Shares; (b) is reasonably likely to have a material adverse effect on the condition, trading or financial position, performance, profits and losses, results, business or operations of the Company; or (c) has given rise to, or could give rise to, a contravention by PAC Partners, or Pac Partners being involved in a contravention of, the Corporations Act or any other applicable law or regulation, or a liability of PAC Partners under any applicable law or regulation, <p>then PAC Partners may at any time by written notice to the Company immediately and without any cost or liability to PAC Partners, terminate its engagement.</p> <p>Any termination by either PAC Partners or the Company pursuant to the above will take effect upon receipt by the other party of written notice to that effect.</p> <p>If either party terminates the engagement in accordance with the above, PAC Partners will be entitled to:</p> <ul style="list-style-type: none"> (a) any outstanding payments in respect of any fees that have separately been agreed to between PAC Partners and the Company; and (b) the reimbursement of any incurred or accrued expenses up to the date of termination.
Approval for further capital raisings	<p>For a period of 90 days from the date of completion of the Entitlement Offer, the Company will not make any further issues of equity without first obtaining the written consent of PAC Partners, which shall not be unreasonably withheld.</p> <p>For the avoidance of doubt this clause does not include the issue of equity announced to ASX prior to entry into the Lead Manager Mandate, issues made under an employee or director incentive plan or by way of the exercise of options and other convertible securities on issue.</p>
Right of First Refusal	<p>The Company agrees that if the Lead Manager Mandate is suspended or terminated by the Company for any reason (other than due to the gross</p>

negligence, wilful misconduct, recklessness or fraud of PAC Partners), the Company will provide PAC Partners with an opportunity to tender for a role similar to that contemplated by the Lead Manager Mandate, being an equity capital raise from Australian based investors, if the Entitlement Offer or any offer of securities on substantially similar terms to the Entitlement Offer or for a similar purpose to that for the Entitlement Offer is reactivated by the Company within 6 months of the date of the Lead Manager Mandate.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and confidentiality provisions).

2, Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with Pac Partners, pursuant to which PAC Partners has agreed to underwrite the Entitlement Offer up to a value of \$654,580 (**Underwritten Amount**), being 163,645,043 Shares and 163,645,043 New Options (the **Underwritten Securities**).

The Underwriter may appoint sub-underwriters to sub-underwrite the Entitlement Offer (including Martin Pretty or his associated entities who has agreed to sub-underwrite \$110,000 of the Entitlement Offer). The appointment of any sub-underwriter and the allocation of any Underwritten Securities is at the sole discretion of the Underwriter. It is a condition of the Underwriting Agreement that no sub-underwriter (together with their associates) acquires a relevant interest in more than 19.9% of the issued share capital of the Company on completion of the Offer.

The material terms and conditions of the Underwriting Agreement are summarised below:

Fees	<p>Subject to the Conditions Precedent set out below, PAC Partners' compliance with the application process for Shortfall Securities pursuant to clause 6.1 and, if there are any Shortfall Securities, the Company must:</p> <ul style="list-style-type: none"> (a) on the date of issue of the Underwritten Securities, pay to PAC Partners an underwriting fee of 6% of the Underwritten Amount; (b) on completion of the Entitlement Offer (being the date that the last of the shortfall securities are issued under the Entitlement Offer), pay to PAC Partners a management fee of 2% of the funds raised under the Entitlement Offer in excess of the Underwritten Amount; <p>as consideration for the underwriting obligation undertaken by PAC Partners pursuant to the Underwriting Agreement.</p>
Conditions Precedent	<p>The obligations of PAC Partners under the Underwriting Agreement (except under clause 12.4 (Confidentiality)) are subject to and conditional upon:</p> <ul style="list-style-type: none"> (a) Shareholder Approval: on or before 5:00pm on 31 August 2024 (Approval Date), the Company receiving Shareholder approval to undertake the Offer in accordance with the terms of the ASX Waiver; (b) Due Diligence: PAC Partners being satisfied acting reasonably (in its sole and absolute discretion) with the due diligence program and the due diligence results; (c) Sub-Underwriters: PAC Partners procuring such persons to sub-

	<p>underwrite the Offer as PAC Partners in its absolute discretion thinks fit;</p> <p>(d) Underwriter's consent to be named: PAC Partners being satisfied (in its sole and absolute discretion) with the form of the prospectus and having given its consent to be named in the prospectus;</p> <p>(e) Legal sign-off: a legal sign-off letter being provided to the due diligence committee by the solicitors for the Company; and</p> <p>(f) Prospectus: the Prospectus being lodged with ASIC, (together, the Conditions Precedent).</p> <p>If any of the Conditions Precedent are not satisfied by 5:00pm on the lodgement date set out in the Underwriting Agreement (or the Approval Date, in respect of the condition set out in paragraph (a) above), PAC Partners may terminate the Underwriting Agreement by notice in writing to the Company.</p>
Immediate Termination Events	<p>PAC Partners may terminate the Underwriting Agreement by notice in writing to the Company given on or at any time before the issue of all the Underwritten Securities, without cost or liability to PAC Partners in the following circumstances:</p> <p>(a) indices fall: the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 10% or more or more below its respective level as at the close of business on the Business Day prior to that date; or</p> <p>(b) prospectus: the Company does not lodge the prospectus on the lodgement date or the prospectus or the Entitlement Offer is withdrawn by the Company; or</p> <p>(c) supplementary prospectus:</p> <ul style="list-style-type: none"> (i) PAC Partners forms the view on reasonable grounds that a supplementary prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a supplementary prospectus in such form and content and within such time as PAC Partners may reasonably require; or (ii) the Company lodges a supplementary prospectus without the prior written agreement of PAC Partners; or <p>(d) non compliance with disclosure requirements: it transpires that the prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:</p> <ul style="list-style-type: none"> (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and (ii) the rights and liabilities attaching to the Underwritten Securities; or <p>(e) misleading prospectus: it transpires that there is a statement in the prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or</p> <p>(f) proceedings: ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any</p>

	<p>regulatory action or to seek any remedy, in connection with the Entitlement Offer or the prospectus, or publicly foreshadows that it may do so;</p> <p>(g) unable to issue securities: the Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority; or</p> <p>(h) future matters: any statement or estimate in the prospectus which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of PAC Partners, unlikely to be met in the projected timeframe;</p> <p>(i) withdrawal of consent to prospectus: any person (other than PAC Partners) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or</p> <p>(j) appendix 3B: the Company fails to lodge an appendix 3B in relation to the Underwritten Securities with ASX within 7 days of the Lodgement Date; or</p> <p>(k) ASIC application: an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the prospectus, the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn; or</p> <p>(l) ASIC hearing: ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to the prospectus to determine if it should make a stop order in relation to the prospectus or ASIC makes an interim or final stop order in relation to the prospectus under section 739 of the Corporations Act; or</p> <p>(m) Takeovers Panel: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in PAC Partners' reasonable opinion has a material adverse effect; or</p> <p>(n) authorisation: any authorisation which is material to anything referred to in the prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to PAC Partners acting reasonably; or</p> <p>(o) indictable offence: a director or senior manager of the Company or any of its subsidiaries (Relevant Company) is charged with an indictable offence.</p>
Conditional Termination Events	<p>Termination Events requiring a material adverse effect (as that term is defined in the Underwriting Agreement) before termination are:</p> <p>(a) hostilities: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel and PAC Partners believes (on reasonable grounds) that the outbreak or escalation is likely to result in the S&P ASX 200 Index falling by the percentage contemplated above;</p> <p>(b) default: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;</p>

- (c) **incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
- (d) **contravention of constitution or Act:** a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (e) **adverse change:** an event occurs which gives rise to a material adverse effect or any adverse change or any development including a likely material adverse effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the prospectus becomes incapable of being met or in PAC Partners' reasonable opinion, unlikely to be met in the projected time;
- (f) **error in due diligence results:** it transpires that any of the due diligence results or any part of the verification material was, misleading or deceptive, materially false or that there was a material omission from them;
- (g) **significant change:** a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (h) **public statements:** without the prior approval of PAC Partners a public statement is made by the Company in relation to the Entitlement Offer or the prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (i) **misleading information:** any information supplied at any time by the Company or any person on its behalf to PAC Partners in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (j) **change in act or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of this Agreement;
- (k) **prescribed occurrence:** a prescribed occurrence occurs, other than as disclosed in the prospectus;
- (l) **suspension of debt payments:** the Company suspends payment of its debts generally;
- (m) **event of insolvency:** an event of insolvency occurs in respect of a Relevant Company;
- (n) **judgment against a Relevant Company:** a judgment in an amount exceeding \$74,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (o) **litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company except as disclosed in the prospectus;
- (p) **Board and senior management composition:** there is a

	<p>change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of PAC Partners (such consent not to be unreasonably withheld);</p> <p>(q) change in shareholdings: there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Entitlement Offer or a matter disclosed in the prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;</p> <p>(r) timetable: there is a delay in any specified date in the Timetable which is greater than 2 Business Days;</p> <p>(s) force majeure: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;</p> <p>(t) certain resolutions passed: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of PAC Partners;</p> <p>(u) capital structure: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon exercise of Options, such Options having been disclosed to the ASX as at the date of this Agreement;</p> <p>(v) breach of material contracts: any of the contracts set out in the Prospectus or announced to market prior to the date of the Underwriting Agreement is terminated or substantially modified; or</p> <p>(w) market conditions: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.</p>
Conditions, Warranties and Undertaking	<p>The Company has provided customary warranties and representations to PAC Partners, including about the Entitlement Offer and its compliance with applicable laws. PAC Partners has also provided customary representations and warranties to the Company, primarily with respect to its compliance with applicable laws.</p>
Indemnity and Guarantee	<p>As is customary with underwriting arrangements, the Company has agreed to indemnify PAC Partners, its officers, employees, and agents and advisers against all prosecutions, losses, penalties, actions, suits, claims, costs, demands and proceedings arising out of or in respect of:</p> <p>(a) non compliance by the Company with the Corporations Act or Listing Rules in relation to the prospectus or any supplementary prospectus;</p> <p>(b) any advertising of the Entitlement Offer or any documents in respect of the Entitlement Offer which accompany the prospectus or any supplementary prospectus;</p> <p>(c) any statement, misstatement, misrepresentation, non disclosure, inaccuracy in or omission from the prospectus or any supplementary prospectus, any advertising of the Entitlement Offer or any documents in respect of the Entitlement Offer which accompany the prospectus or any supplementary prospectus; or</p>

	<p>(d) any breach or failure by the Company to observe any of the terms of the Underwriting Agreement.</p> <p>In addition to the above, the Company will pay and will indemnify and keep indemnified PAC Partners against and in relation to, all reasonable costs and expenses of and incidental to the Entitlement Offer, including but not limited to:</p> <ul style="list-style-type: none"> (a) the disbursements of PAC Partners (including legal fees); (b) accommodation and travelling expenses of PAC Partners relating to the Entitlement Offer; and (c) all marketing and promotional expenditure related to the Entitlement Offer, <p>provided that the aggregate of all costs and expenses referred to above does not exceed \$5,000 (without the prior written consent of the Company).</p>
Other Terms	<p>The Company must not make any announcement as to the success or otherwise of the Entitlement Offer nor otherwise advertise or publicise the Entitlement Offer before the closing date except with the prior written consent of PAC Partners (such consent not to be unreasonably withheld) except to the extent required by the Listing Rules, the Corporations Act, by statute or by regulatory authorities in any relevant governing jurisdiction.</p>

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

SCHEDULE 5 – TERMS AND CONDITIONS OF WARRANTS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Warrant will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each Warrant will expire at 5:00 pm (WST) on 1 May 2026 (**Expiry Date**). A Warrant not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

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

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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



SCOUT SECURITY LIMITED | ABN 13 615 321 189

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Your proxy voting instruction must be received by **11.00am (AEST) on Tuesday, 23 July 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking 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 SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



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