



**PieNetworks Limited**  
**ACN 078 661 444**

---

## **NOTICE OF GENERAL MEETING**

**A General Meeting of the Company will be held at 21 River Road, Bayswater, Western Australia on 20 September 2012 at 10:30am (WST).**

---

*This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 316 9100.***

# PieNetworks Limited

ACN 078 661 444

---

## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of PieNetworks Limited (**PIE or Company**) will be held at 21 River Road, Bayswater, Western Australia on 20 September 2012 at 10:30am (WST) (**General Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered as Shareholders on Tuesday 18 September at 5pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Section 9 of the Explanatory Memorandum.

## AGENDA

---

### 1. Resolution 1 – Section 195 Approval

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

*"That, for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in this Notice."*

---

### 2. Resolution 2 - Underwriting Agreement

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

*"That, subject to passing Resolution 1, pursuant to and in accordance with the Constitution and for all other purposes, Shareholders approve the Underwriting Agreement and otherwise as detailed in the accompanying Explanatory Memorandum."*

---

### 3. Resolution 3 – Approval to issue Placement Shares

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

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue up to 167,000,000 Shares at an issue price of \$0.002 each per Share to raise up to \$334,000 on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person (or any associates of such a person) who may participate in the issue of the Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of the Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

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

---

## **4. Resolution 4 – Right to participate under the Placement by the Directors or their nominees**

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

*“That, in accordance with Listing Rule 10.11 and for all other purposes, approval be and is hereby given to allow the Company to issue Shares to the Directors or their nominees on the same terms and conditions as those offered under the Placement and otherwise as detailed in the accompanying Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by the Directors or their nominees (and any of their Associates).

However, the Company will not disregard a vote if:

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

Further, a member of the Key Management Personnel and their Closely Related Parties who are appointed as a proxy will not vote on this Resolution unless:

- (c) the appointment specifies the way the proxy is to vote on this Resolution; or
- (d) the proxy is the person chairing the General Meeting and the appointment expressly authorises the chairman to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

---

## 5. Resolution 5 – Consolidation of Capital

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

*“That, in accordance with section 254H of the Corporations Act, Listing Rule 7.20 and the Constitution and for all other purposes, approval be and is hereby given to the consolidation of the issued capital of the Company on a 1 for 30 basis with any fractional entitlements being rounded down to the nearest whole number and otherwise as detailed in the accompanying Explanatory Statement.”*

---

Dated 17 August 2012

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to be 'P. Gunzburg', with a long horizontal line extending from the end of the signature.

**Mr Peter Gunzburg**  
Director

# **PieNetworks Limited**

## **ACN 078 661 444**

---

### **EXPLANATORY MEMORANDUM**

---

#### **1. Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at 21 River Road, Bayswater, Western Australia on 20 September 2012 at 10:30am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

- Section 2: Action to be taken by Shareholders
- Section 3: Background to the transaction
- Section 4: Resolution 1 – Section 195 Approval
- Section 5: Resolution 2 – Execution of Underwriting Agreement
- Section 6: Resolution 3 – Approval to issue Placement Shares
- Section 7: Resolution 4 – Right to participate under the Placement by the Directors or their nominees
- Section 8: Resolution 5 – Consolidation of Capital
- Section 9: Definitions

A Proxy Form is located at the end of the Explanatory Memorandum.

---

#### **2. Action to be taken by Shareholders**

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the General Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the General Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

---

## 3. Background to the Transactions

### 3.1 Capital Raising

On Monday 13 August 2012, the Company announced that it was proposing to raise funds via a non-renounceable pro-rata entitlements offer at an issue price of \$0.002 each per Share to raise up to \$2,226,669 (**Rights Issue**) and a placement at an issue price of \$0.002 each per Share to raise up to \$334,000 (**Placement**) to enable the Company to continue to expand its current operations and to pursue alternative investment opportunities that are complimentary to its current business.

This General Meeting has been called by the Board to seek the necessary approvals required as a result of that announcement, and to seek approval for participation by the Directors in the proposed Placement.

### 3.2 Underwriting Agreement

The Company has executed an underwriting agreement (**Underwriting Agreement**) with Cunningham Peterson Sharbanee Securities Pty Ltd trading as CPS Securities (**CPS** or **Underwriter**) with respect to the Rights Issue. The Underwriting Agreement is not operative unless it receives Shareholder approval.

Subject to the Underwriting Agreement becoming effective:

- (a) Mr Peter Gunzburg, a Director, has agreed to sub-underwrite up to \$500,000 with relief on his entitlement under the Rights Issue. Mr Gunzburg will be paid fees of 3% of the total shortfall sub-underwritten by Mr Gunzburg (to a maximum of \$15,000) to be paid by the Underwriter.
- (b) Mr Bill Zikou, a Director, has agreed to sub-underwrite up to \$200,000 with relief on his entitlement under the Rights Issue. Mr Zikou will be paid fees of 3% of the total shortfall sub-underwritten by Mr Zikou (to a maximum of \$6,000) to be paid by the Underwriter.

The Underwriting Agreement is subject to standard terms and conditions. Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting fee of 5% (excluding GST) of the value of the underwritten amount, as well as reimbursement of reasonable expenses. Refer to Schedule 1 for the terms and conditions of the Underwriting Agreement.

### 3.3 The Placement

In addition to the Rights Issue, the Company is proposing to undertake a placement of up to 167,000,000 Shares (to be issued prior to the Capital Consolidation) at an issue

price of \$0.002 each per Share to raise up to \$334,000 (**Placement Shares**). Shareholder approval is being sought for the issue of the Placement Shares.

The Directors also wish to be able to participate in the Placement. The terms and conditions upon which the Directors will subscribe for Placement Shares will be the same terms and conditions under which others will subscribe for Placement Shares. The proposed issue of Placement Shares to the Directors is not being made as part of remuneration or incentive arrangements.

### **3.3 Activities going forward**

The Board and management will continue to focus on creating value from the Company's existing assets, as well as pursuing new global investment opportunities that will increase Shareholder wealth.

The Company is currently seeking to identify a number of potential projects, and intends to identify other new projects over the coming months. As an ongoing process, these projects will then be assessed for their technical, legal and commercial suitability.

It should be noted that there can be no guarantee that any proposed acquisition of a project will be completed or will be successful. The acquisition of new business opportunities (whether completed or not) may also require the payment of monies (as a deposit or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence.

If any proposed acquisition is not completed, monies already advanced may not be recoverable. Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with speculative investments remain.

---

## **4. Resolution 1 – Section 195 Approval**

Section 195 of the Corporations Act provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

Due to Director participation as sub-underwriters to the Rights Issue, some of the Directors have a material personal interest in the outcome of Resolution 2. In the absence of this Resolution 1, the Directors would not be able to form a quorum at Directors meetings necessary to carry out the terms of Resolution 2.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

---

## **5. Resolution 2 – Underwriting Agreement**

### **5.1 General**

Resolution 2 is an ordinary resolution and provides for the Company to execute the Underwriting Agreement.

Mr Gunzburg and Mr Zikou are both Directors and have agreed to sub-underwrite part of the Rights Issue. Given that both Mr Gunzburg and Mr Zikou have a material personal interest in the execution of the Underwriting Agreement, the Directors are unable to form a quorum to consider the Underwriting Agreement.

Accordingly, the effectiveness of the Underwriting Agreement is to be approved by Shareholders.

Resolution 2 is an ordinary resolution.

## **5.2 The Constitution**

The Constitution provides as follows:

(a) Article 14.1

Article 14.1 of the Constitution provides for the ability of the Directors to exercise all such powers of the Company as are not, by the Corporations Act or the Constitution, required to be exercised by the Company in general meeting.

(b) Article 15.3

Article 15.3 provides that no business shall be transacted at any Directors' meeting unless a quorum is present, comprising 2 Directors present in person who are entitled to vote at the meeting.

Due to the conflict of Messrs Gunzburg and Zikou by virtue of the benefit they will receive, the Directors cannot form a quorum to pass a resolution to execute the Underwriting Agreement. Accordingly, the Directors are seeking the approval of Shareholders of the Underwriting Agreement.

If Shareholders do not approve this Resolution, the Underwriting Agreement will not become operative.

---

## **6. Resolution 3 – Approval to issue Placement Shares**

### **6.1 General**

Resolution 3 is an ordinary resolution and seeks Shareholder approval for the allotment and issue of up to 167,000,000 Shares (to be issued prior to the Capital Consolidation) at an issue price of \$0.002 each per Share to raise up to \$334,000.

The effect of Resolution 3 will be to allow the Directors to issue up to 167,000,000 Shares without using the Company's 15% placement capacity.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

### **6.2 Listing Rule 7.1**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 3 will be to allow the Directors to issue the Placement Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **6.3 Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Placement Shares:

- (a) the maximum number of Shares which may be issued is 167,000,000 (to be issued prior to the Capital Consolidation);
- (b) the 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) and it is intended that allotment will occur on the same date;
- (c) the issue price of the Shares is \$0.002 each per Share;
- (d) the Directors will determine to whom the Placement Shares will be issued but these persons will not be related parties of the Company;
- (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) up to \$334,000 will be raised from the issue of the Placement Shares; and
- (g) a voting exclusion statement is included in Resolution 3.
- (h) proceeds from the issue of the Placement Shares will predominantly be used to fund business development activities and to provide general working capital.

---

## **7. Resolution 4 – Right to participate under the Placement by the Directors or their nominees**

### **7.1 General**

Resolution 4 is an ordinary resolution and provides for the issue of Shares to the Directors or their nominees should they elect to apply for Shares under the Placement.

The issue of Shares pursuant to this Resolution is to be approved by Shareholders under the requirements of Listing Rule 10.11.

### **7.2 Listing Rule 10.11**

Shareholder approval is required under Listing Rule 10.11 because the Directors are related parties of the Company.

Listing Rule 10.11 restricts the Company's ability to issue securities to Directors (or an entity controlled by a Director), unless approval is obtained from Shareholders. The effect of passing Resolution 4 will be to allow the Company to issue a maximum of 100,000,000 Shares in total to the Directors or their nominees (if they elect to participate in the Public Offer) within one (1) month after the General Meeting (or a longer period, if permitted by ASX) without breaching Listing Rule 10.11.

As Shareholder approval is being sought under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

### 7.3 Specific Information Required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of the Shares to the Directors is provided as follows:

- (a) the Shares will be issued to Messrs Gunzburg, Zikou and Pitts (or their nominees).
- (b) a maximum of 100,000,000 Shares will be issued as follows:

Director	No. of Shares
Mr Peter Gunzburg	65,000,000
Mr Bill Zikou	25,000,000
Mr Mark Pitts	15,000,000
<b>TOTAL</b>	<b>100,000,000</b>

- (c) subject to receiving Shareholder approval, the Company will issue the new Shares no later than one (1) month after the date of the General Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) the Shares will be issued to the Directors at an issue price of \$0.002 each per Share and otherwise on the same terms and conditions as the Shares offered pursuant to the Placement.
- (e) a voting exclusion statement is included in the Notice.
- (f) the funds raised will be used for fundraising and professional fees, applied towards the Company's ongoing business and otherwise to identify global investment opportunities that will increase Shareholder wealth.

---

## 8. Resolution 5 – Consolidation of Capital

Resolution 5 is an ordinary resolution and it proposes that the issued capital of the Company be altered by consolidating the Existing Shares on a 1 for 30 basis (**Capital Consolidation**). Any fractional entitlements as a result of holdings not being evenly divisible by 30 will be rounded down to the nearest whole number. The Record Date for determining the consolidation of capital will be 15 October 2012. Refer to Section 8(c) for further details of the timetable for the Capital Consolidation.

Section 254H of the Corporations Act enables a company to convert all or any of its securities into a smaller number of securities by a resolution passed at a general meeting. The conversion proposed by Resolution 5 is permitted under section 254H of the Corporations Act.

In accordance with section 254H(2) of the Corporations Act, the Capital Consolidation will take place after completion of the Rights Issue and the Placement in accordance with the timetable detailed in the Listing Rules and as set out in Section 8(c).

The consolidation will not result in any change to the substantive rights and obligations of Shareholders of the Company. The purpose of the consolidation of the existing issued capital of the Company is to reduce the number of existing securities on issue.

For example, a Shareholder currently holding 10,000 Shares, will as a result of the consolidation, hold 333 Shares.

Additionally, an optionholder currently holding 10,000 Options, will as a result of the consolidation, hold 333 Options however the exercise price of the Options will be amended in an inverse proportion to that ratio.

The consolidation will not effect the Company's balance sheet and tax position which will remain unaltered. However, the Company's issued capital shall as a result of the consolidation be as follows:

(a) **Existing securities**

At the date of this Explanatory Statement, the Company has on issue:

- (i) 1,113,334,510 Shares. Assuming that the Rights Issue and the Placement are completed, at the time of the Capital Consolidation the Company will have 2,393,669,020 Shares on issue which will then be consolidated on a 1 for 30 basis; and
- (ii) 61,600,000 Options of difference classes which will be consolidated on a 1 for 30 basis.

(b) **Revised structure after the Capital Consolidation**

A comparative table of changes in the capital structure of the Company as a consequence of the Capital Consolidation is set out below, assuming that no Options are exercised prior to completion of the Rights Issue and Placement:

<b>Shares</b>	<b>Number</b>
Shares on issue at date of Explanatory Statement	1,113,334,510
Shares offered under the Rights Issue	1,113,334,510
Shares offered under the Placement	167,000,000
Shares on issue after completion of the Offers	2,393,669,020
<b>Total Shares on issue after the Capital Consolidation</b>	<b>79,788,967</b>

<b>Options</b>	<b>Number</b>
Unlisted exercisable at \$0.01 on or before 30 November 2014	3,000,000
Unlisted exercisable at \$0.05 on or before 31 March 2013	20,000,000
Unlisted exercisable at \$0.01 on or before 30 June 2015	17,600,000
Unlisted exercisable at \$0.03 on or before 30 November 2014	1,000,000
Unlisted exercisable at \$0.03 on or before 30 November 2015	20,000,000

Options on issue at completion of the Entitlements Offer	61,600,000
<b>Total Options on issue after the Capital Consolidation</b>	<b>2,053,333</b>

On a fully diluted basis, the Company would have 81,842,300 Shares on issue.

(c) **Timetable for Capital Consolidation**

If Resolution 5 is passed, the Capital Consolidation will take effect in accordance with the following timetable (as set out in the Listing Rules):

<b>Event</b>	<b>Anticipated Date</b>
Company announces Capital Consolidation and dispatches Notice	21 August 2012
Company notifies ASX that Shareholders have approved the Capital Consolidation	20 September 2012
Trading commences in the reorganised securities on a deferred settlement basis	9 October 2012
Record Date	15 October 2012
Notice of change in holdings sent to security holders	16 October 2012
Dispatch of new holding statements for consolidated securities.	22 October 2012

The above dates are indicative only and are subject to change.

---

## 9. Definitions

In this Explanatory Memorandum and Notice:

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Board** means the board of Directors.

**Business Day** means a day on which trading takes place on ASX.

**Capital Consolidation** has the meaning in Section 8.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Constitution** means the constitution of the Company.

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

**Director** means a director of the Company.

**Existing Shares** has the meaning in Section 8.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**General Meeting** has the meaning given in the introductory paragraph of the Notice.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of ASX.

**Notice** means this notice of general meeting.

**Offers** means the Placement and the Rights Issue.

**Option** means an option to acquire a Share.

**PIE** and **Company** means PieNetworks Limited ACN (078 661 444).

**Placement** has the meaning in Section 3.3 of the Explanatory Memorandum.

**Placement Shares** has the meaning in Section 3.3.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution contained in this Notice.

**Rights Issue** has the meaning in Section **Error! Reference source not found..**

**Section** means a section of the Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Underwriter** means Cunningham Peterson Sharbanee Securities Pty Ltd (ACN 088 055 636) trading as CPS Securities.

**Underwriting Agreement** has the meaning in Section 3.2.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

## **Schedule 1 – Terms and Conditions of the Underwriting Agreement**

- (c) The Company and the Underwriter have entered into an underwriting agreement (Underwriting Agreement) pursuant to which the Underwriter has agreed to underwrite the Rights Issue (subject to Shareholder approval).
- (d) All definitions and clauses referred to in the below summary are as applied in the Underwriting Agreement.
- (e) The obligation of the Underwriter to fully underwrite the Rights Issue will be subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:
  - (i) **(Shareholder Approval)**: the Company does not obtain the Shareholder Approval;
  - (ii) **(Sub-Underwriter termination)**: any sub-underwriter terminates, threatens to terminate or otherwise threatens to not comply with its obligations under any sub-underwriting agreement entered into with the Underwriter in relation to the Entitlements Offer;
  - (iii) **(Share Price)**: the share price of the Company trading on the ASX under the ASX code of “PIE” finishes trading for two consecutive days with a closing share price that is less than the Price;
  - (iv) **(Indices fall)**: the S&P ASX 200 Index is at any time after the date of this Agreement 15% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement; or
  - (v) **(Prospectus)**: the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Entitlements Offer is withdrawn by the Company; or
  - (vi) **(No Listing Approval)**: the Company fails to lodge an Appendix 3B in relation to the Underwritten Shares with ASX within 7 days of the Lodgement Date; or
  - (vii) **(Supplementary prospectus)**:
    - (A) the Underwriter 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 the Underwriter may reasonably require; or
    - (B) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter; or
  - (viii) **(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:

- (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
- (B) the rights and liabilities attaching to the Underwritten Shares;
- (ix) **(Restriction on allotment)**: the Company is prevented from allotting the Underwritten Shares within the time required by this 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;
- (x) **(Withdrawal of consent to Prospectus)**: any person (other than the Underwriter) 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;
- (xi) **(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;
- (xii) **(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;
- (xiii) **(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, or an application for such a declaration is made to the Takeovers Panel;
- (xiv) **(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, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (xv) **(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 the Underwriter;
- (xvi) **(Indictable offence)**: a director or senior manager of a Relevant Company is charged with an indictable offence;
- (xvii) **(Termination Events)**: any of the following events occurs and, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act:

- (A) (Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
- (B) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
- (C) (Contravention of constitution or Act): a 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;
- (D) (Adverse change): an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change 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 the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (E) (Error in Due Diligence Results): it transpires that any of the Due Diligence Results or any part of the Verification Material was false, misleading or deceptive or that there was an omission from them;
- (F) (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;
- (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 the Underwriter a public statement is made by the Company in relation to the Entitlements Offer, the Issue or the Prospectus;
- (I) (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Entitlements Offer or the Issue or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;

- (J) (Official Quotation qualified): the official quotation is qualified or conditional (other than conditions which would not, in the opinion of the Underwriter, have a Material Adverse Effect);
- (K) (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;
- (L) (Prescribed Occurrence): a Prescribed Occurrence occurs, other than as disclosed in the Prospectus;
- (M) (Suspension of debt payments): the Company suspends payment of its debts generally;
- (N) (Event of Insolvency): an Event of Insolvency occurs in respect of a Relevant Company;
- (O) (Judgment against a Relevant Company): a judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (P) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company, other than any claims foreshadowed in the Prospectus;
- (Q) (Board and senior management composition): there is a 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 Shares without the prior written consent of the Underwriter;
- (R) (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company 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;
- (S) (Timetable): there is a delay in any specified date in the Timetable which is greater than 5 Business Days;
- (T) (Force Majeure): a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 14 days occurs;
- (U) (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 the Underwriter;

- (V) (Capital Structure): any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus;
  - (W) (Breach of Material Contracts): any of the Contracts is terminated or substantially modified;
  - (X) (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or
  - (Y) (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.
- (xviii) The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

THIS PAGE IS LEFT BLANK INTENTIONALLY