



1 July 2016

Dear Shareholder

As you may be aware, on 30 June 2016 the Company announced to the Australian Securities Exchange that it had entered into a senior secured convertible note facility (**Facility**) with a leading US based fund manager (**Lender**) to replace the Company's existing senior loan facility from its European debt provider.

In accordance with the contractual terms of the Facility documents, the Company is required to seek shareholder approval for a number of the features of the Facility, including the theoretical maximum number of shares that may be issued upon conversion of the Facility to the Lender, and the provision by the Company and its subsidiaries of guarantees in relation to the Facility.

Accordingly, the Company is calling an Extraordinary General Meeting on Monday 1 August 2016 (**Meeting**), and a Notice of Extraordinary General Meeting, in which a number of resolutions in relation to the facility are proposed (the **Notice**), is attached.

Whilst the nature of the resolutions in the Notice is technical, the resolutions represent important issues for the Company and I urge you to read the Notice and the Explanatory Memorandum carefully.

The Board is recommending that shareholders vote in favour of these resolutions as it holds the view that the Facility represents a more flexible and cost effective arrangement than was previously in place.

I wish to also let you know that whilst the Company is seeking approval for the maximum possible number of shares that could be issued under the Facility if all repayments were made by way of an issue of shares rather than cash, the Board intends to make minimal share based repayments.

The Board is mindful of the need to balance the Company's requirement to maintain a strong cash position with the need to minimise dilution to shareholders' interests; accordingly, discretion has been retained under the contractual terms of the Facility, (subject to meeting certain covenants), to elect to make payments in cash or equity. The Company has a recent track record of generating positive cash flow every month and the Board has no reason to expect that this will not continue; accordingly, it is the Company's priority to repay the Facility leveraging its strong cash flows where possible.

The Company remains focussed on its strategy to optimise the performance of its operating divisions, increase its operating cash and reduce debt as much as practical.

If you have any questions in relation to the Meeting or the Notice, please do not hesitate to contact the Company through the Company Secretary whose details are set out below.

I look forward to seeing you at the Meeting.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Theo Hnarakis', with a long horizontal flourish extending to the right.

Theo Hnarakis  
**Chairman**

**Contact Details:**

Sophie Karzis

Company Secretary

Level 1, 61 Spring Street, Melbourne VIC 3000

T 03 9286 7501 | F 03 9662 1472

M 0409 540 827 | E [sk@ccounsel.com.au](mailto:sk@ccounsel.com.au)



# Notice of extraordinary general meeting and explanatory memorandum

**Crowd Mobile Limited**

ACN 083 160 909

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**Date:** Monday 1 August 2016

**Time:** 4.30 pm (Melbourne time)

**Venue:** RSM Australia,  
Level 21, 55 Collins Street  
Melbourne, Victoria, 3000

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE is given that an Extraordinary General Meeting of Crowd Mobile Limited ACN 083 160 909 will be held at RSM Australia, Level 21, 55 Collins Street, Melbourne, Victoria 3000 on Monday, 1 August 2016 at 4.30 pm (Melbourne time).**

### BUSINESS OF THE MEETING

Shareholders are invited to consider the following items of business:

<b>Resolution 1</b>	<b>Approval of issue of Convertible Note</b>
<b>Description</b>	Crowd Mobile seeks approval of Shareholders for the issue of the Convertible Note during the period of 3 months after the Meeting (or a longer period if allowed by ASX) without using the Company's 7.1 Capacity.
<b>Resolution (Ordinary)</b>	To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b> :  <i>"THAT, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue and allotment of the Convertible Note in the Company for an aggregate subscription price of EUR 10,805,000 (which is, as at the EUR:AUD exchange rate on 27 June 2016, is equivalent to approximately AUD 16,077,191.70) and any Interest Repayment Shares to JGB, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."</i>
<b>Voting Exclusion</b>	The Company will disregard any votes cast on this resolution by any person who participated in the issue of the Convertible Notes and any of their associates, and any person who may participate in the issue of the Conversion Shares and Interest Repayment Shares and any of their associates. However, the Company need not disregard a vote if it is cast by:  (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or  (b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.

<b>Resolution 2</b>	<b>Approval of issue of Performance Rights to Director</b>
<b>Description</b>	Crowd Mobile seeks approval of Shareholders for the issue of 3,500,000 Performance Rights to Mr Hans De Back, an Executive Director of the Company.
<b>Resolution (Ordinary)</b>	To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b> :  <i>"THAT, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to grant 3,500,000 Performance Rights to Mr Hans De Back, an Executive Director of the Company, or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."</i>

<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast on this resolution by:</p> <ul style="list-style-type: none"> <li>(a) The Directors of the Company, being Messrs Theo Hnarakis, Hans De Back and Domenic Carosa, and their nominee(s);</li> <li>(b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed;</li> <li>(c) any associates of the persons named in sub-paragraphs (a) and (b); and</li> <li>(d) as a proxy by a member of Key Management Personnel and a Closely Related Party of Key Management Personnel, where the proxy appointment does not specify the way the proxy is to vote.</li> </ul> <p>However, the Company will not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form that specify how the proxy is to vote on this resolution; or</li> <li>(b) the chair of the Meeting, as proxy for a person who is entitled to vote, in accordance with the directions of the proxy form that does not specify how the proxy is to vote on this resolution, but expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.</li> </ul>
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<b>Resolution 3</b>	<b>Approval of issue of Options to Director</b>
<b>Description</b>	Crowd Mobile seeks approval of Shareholders for the issue of 1,500,000 Options to Mr Hans De Back, an Executive Director of the Company.
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p><i><b>“THAT, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to grant 1,500,000 Options to Mr Hans De Back, an Executive Director of the Company, or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</b></i></p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast on this resolution by:</p> <ul style="list-style-type: none"> <li>(a) The Directors of the Company, being Messrs Theo Hnarakis, Hans De Back and Domenic Carosa, and their nominee(s);</li> <li>(b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed;</li> <li>(c) any associates of the persons named in sub-paragraphs (a) and (b); and</li> <li>(d) as a proxy by a member of Key Management Personnel and a Closely Related Party of Key Management Personnel, where the proxy appointment does not specify the way the proxy is to vote.</li> </ul> <p>However, the Company will not disregard a vote if it is cast by:</p>

	<p>(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form that specify how the proxy is to vote on this resolution; or</p> <p>(b) the chair of the Meeting, as proxy for a person who is entitled to vote, in accordance with the directions of the proxy form that does not specify how the proxy is to vote on this resolution, but expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.</p>
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<b>Resolution 4</b>	<b>Approval of Provision of Financial Assistance to JGB</b>
<b>Description</b>	The Company seeks Shareholder approval for the provision of Financial Assistance to JGB by Crowd Mobile and the Guarantor Subsidiaries as further described in the Explanatory Memorandum accompanying this Notice.
<b>Resolution (Special)</b>	To consider and, if thought fit, pass the following resolution as a <b>special resolution</b> :  <i>“THAT for the purposes of sections 260B(1) and 260B(2) of the Corporations Act and for all other purposes, approval is given for all the transactions described in the Explanatory Statement attached to this special resolution and all elements of those transactions that may constitute financial assistance by Crowd Mobile and the Guarantor Subsidiaries in connection with the acquisition by JGB of the Convertible Note the subject of Resolution 1 (which gives rise to JGB’s right to acquire Shares in Crowd Mobile), by way of execution of the Note Subscription Agreements and in particular the Subsidiary Guarantee in favour of JGB (Financial Assistance).”</i>
<b>Voting Exclusion</b>	The Company will disregard any votes cast on this resolution by JGB and any of its associates. However, the Company need not disregard a vote if it is cast by: <p>(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or</p> <p>(b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</p>

<b>Resolution 5</b>	<b>Approval of issue of JGB Options</b>
<b>Description</b>	The Company seeks Shareholder approval for the issue of a warrant under which 5,000,000 Options will be issued during the period of 3 months after the Meeting (or a longer period if allowed by ASX) without using the Company’s 7.1 Capacity.
<b>Resolution (Ordinary)</b>	To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b> :  <i>“THAT for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of a warrant under which 5,000,000 Options will be issued to JGB, on such terms as more particularly described in the Explanatory Memorandum accompanying this Notice.”</i>

**Voting  
Exclusion**

The Company will disregard any votes cast on this resolution by:

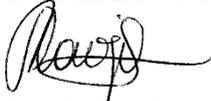
- (a) JGB and its nominee(s);
- (b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed; and
- (c) any associates of the persons named in sub-paragraphs (a) and (b).

However, the Company will not disregard a vote if it is cast by:

- (d) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (e) the chair of the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.

Dated 1 July 2016

**BY ORDER OF THE BOARD OF CROWD MOBILE LIMITED**



Sophie Karzis  
**Company Secretary**

## QUESTIONS FROM SHAREHOLDERS

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In order to provide an equal opportunity for all Shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company. Please send your questions to:

The Company Secretary, Crowd Mobile Limited  
**Via mail:** Level 1, 61 Spring Street, Melbourne VIC 3000  
**Via email:** [sk@ccounsel.com.au](mailto:sk@ccounsel.com.au)

Written questions must be received by no later than **5.00pm (Melbourne time) on Wednesday 27 July 2016.**

Your questions should relate to matters that are relevant to the business of the Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

During the course of the Meeting, the Chair will seek to address as many Shareholder questions as reasonably practicable. However, there may not be sufficient time to answer all questions at the Meeting. Please note that individual responses may not be sent to Shareholders.

## VOTING INFORMATION

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### Entitlement to vote at the Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations 2001* that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company as at **7.00 pm (Melbourne time) on Saturday 30 July 2016**, subject to any applicable voting exclusion.

### Voting by proxy

- (a) A Shareholder entitled to attend and vote at the Meeting may appoint one proxy or, if the Shareholder is entitled to cast 2 or more votes at the Meeting, 2 proxies, to attend and vote instead of the Shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the Meeting, each proxy may be appointed to represent a specified proportion or number of the Shareholder's voting rights at the Meeting.
- (c) A proxy need not be a Shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the Meeting.
- (e) A proxy form accompanies this notice. If a Shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or

other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of authority **by 4.30 pm (Melbourne time) on Saturday 30 July 2016:**

<b>Online</b>	<a href="http://www.votingonline.com.au/crowdmobileegm2016">www.votingonline.com.au/crowdmobileegm2016</a>
<b>by post</b>	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001
<b>by personal delivery</b>	Boardroom Pty Limited Level 12, Grosvenor Place 225 George Street Sydney NSW 2000
<b>by facsimile</b>	+61 9290 9655

### Proxy voting by the Chair

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 2 and 3. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 2 and 3. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Company's Chairman, Mr Theo Hnarakis, will chair the Meeting and intends to vote all available undirected proxies in favour of each item of business.

If you appoint as your proxy any Director of the Company except the Chairman or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolutions 2 and 3, he or she will not vote your proxy on that item of business.

# EXPLANATORY MEMORANDUM

## TO NOTICE OF EXTRAORDINARY GENERAL MEETING

Resolution 1	Approval of issue of Convertible Note		
<b>Explanation</b>	<p>Resolution 1 is an ordinary resolution which seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Convertible Note, the underlying Conversion Shares and the Interest Repayment Shares in accordance with the terms of the Convertible Note.</p> <p>As explained on pages 15 to 16 of this Explanatory Memorandum, the issue of this Convertible Note by the Company is conditional upon the approval by Shareholders of the Financial Assistance which is, pursuant to Resolution 4, proposed to be provided by the Company and the Guarantor Subsidiaries to the proposed holder of the Convertible Note, JGB.</p>		
<b>Purpose of funds raised</b>	<p>Subject to receiving Shareholder approval under Resolution 1 and Resolution 4, Crowd Mobile intends to issue the Convertible Note to JGB in exchange for loan monies. The loan monies will be used to refinance an existing loan facility which was entered into by the Company in October 2015 to provide a portion of the funding for the Track Acquisition (<b>Existing Loan Facility</b>), with the balance of the funds raised to be used for working capital and general corporate purposes in Australia and/or the Netherlands. The loan monies also include consideration for the JGB Options the subject of Resolution 5.</p>		
<b>ASX Listing Rules</b>	<p>ASX Listing Rule 7.1 provides that, subject to certain exceptions, shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue (<b>7.1 Capacity</b>).</p> <p>The effect of Resolution 1 will be to allow the Company to issue the Convertible Note during the period of 3 months after the Meeting (or a longer period if allowed by ASX) without using the Company's 7.1 Capacity.</p> <p>Exception 4 in ASX Listing Rule 7.2 provides that a listed company may issue new securities upon the conversion of existing convertible securities, without requiring shareholder approval of those new securities pursuant to ASX Listing Rule 7.1 (as long as the company issued the existing convertible securities in compliance with the ASX Listing Rules). As such, if Shareholder approval is obtained for the issue of the Convertible Note pursuant to Resolution 1, the Company will be able to issue the underlying Conversion Shares and Interest Repayment Shares without depleting the Company's 7.1 Capacity pursuant to Exception 4 in ASX Listing Rule 7.2.</p>		
<b>Specific information required by ASX Listing Rule 7.3</b>	<p>In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to Shareholders:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 30%; vertical-align: top;"><b>Maximum no. of securities to be issued</b></td> <td>The Convertible Note has a principal face value of EUR 11,828,005 (which is equivalent to approximately AUD 17,599,361.76 at the Exchange Rate), and the total subscription price to be paid is EUR 10,805,000 (which is approximately AUD 16,077,191.70 at the Exchange Rate). The theoretical maximum number of Conversion Shares which may be issued in relation to the Convertible</td> </tr> </table>	<b>Maximum no. of securities to be issued</b>	The Convertible Note has a principal face value of EUR 11,828,005 (which is equivalent to approximately AUD 17,599,361.76 at the Exchange Rate), and the total subscription price to be paid is EUR 10,805,000 (which is approximately AUD 16,077,191.70 at the Exchange Rate). The theoretical maximum number of Conversion Shares which may be issued in relation to the Convertible
<b>Maximum no. of securities to be issued</b>	The Convertible Note has a principal face value of EUR 11,828,005 (which is equivalent to approximately AUD 17,599,361.76 at the Exchange Rate), and the total subscription price to be paid is EUR 10,805,000 (which is approximately AUD 16,077,191.70 at the Exchange Rate). The theoretical maximum number of Conversion Shares which may be issued in relation to the Convertible		

		<p>Note is 188,664,666 Shares. Interest Shares may also be issued by the Company in payment of interest on the Convertible Note.</p> <p><b>Date by which securities will be issued</b></p> <p>The Company will issue and allot the Convertible Note no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow). Conversion Shares and Interest Shares may be issued at regular intervals during the term of the Convertible Note.</p> <p><b>Issue price per security</b></p> <p>The Convertible Note is issued, along with the JGB Options the subject of Resolution 5, for a total combined subscription price of EUR 10,805,000 which is, as at the exchange rate on 27 June 2016, equivalent to approximately AUD 16,077,191.70).</p> <p><b>Name of allottee</b></p> <p>JGB (or its nominee).</p> <p><b>Terms of securities</b></p> <p>A summary of the terms and conditions of the Convertible Note are provided below. Any Conversion Shares issued upon conversion of the Convertible Note or Interest Shares on repayment of the interest accrued on the Convertible Note will be fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.</p> <p><b>ASIC Relief</b></p> <p>Ordinarily, to facilitate the on-sale of Shares issued without disclosure (under Chapter 6D.2 of the Corporations Act), a prospectus or cleansing statement would need to be issued following each tranche of Shares issued on conversion of the Convertible Note or repayment in Shares of the interest accrued on the Convertible Note.</p> <p>The Company would ordinarily rely on the relief provided in relation to the Convertible Note in <i>ASIC Corporations (Sale Offers: Securities Issued on the Conversion of Convertible Note) Instrument 2016/82 (Instrument 2016/82)</i> which allows for one cleansing statement to be issued on the issue of the Convertible Note to cover subsequent Share issues. However, the Company does not technically comply with the requirement in Instrument 2016/82 in that it must not have suspended for a period of more than 5 trading days in the previous 12 months.</p> <p>The Company has however been in suspension over the past 12 months for a total of 16 trading days. Therefore, the Company is seeking a variation to Instrument 2016/82 to allow the Convertible Shares to be on-sold within 12 months of the date of conversion and Interest Shares to be on-sold within 12 months of the date of issue, notwithstanding the fact that the Company has been in suspension for 16 trading days over the past 12 months.</p>
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	<p>The provision of this waiver is a key requirement of JGB in accepting a subscription for the Convertible Note.</p> <p><b>ASX Relief</b></p> <p>The Company has the discretion (among other discretions in the Note Subscription Agreements) to choose to pay interest by issuing Interest Repayment Shares.</p> <p>Under ASX Listing Rule 7.3.2, any Shares approved with shareholder approval under ASX Listing Rule 7.1 must be issued within 3 months of the shareholder approval. As the term of the Convertible Note is 30 months, it is likely that some Interest Repayment Shares will be issued after the 3 month cut off. Therefore, the Company is seeking a waiver from ASX in relation to ASX Listing Rule 7.3.2 to allow the Interest Repayment Shares to be issued at any time during the 30-month term, provided Resolution 1 is approved by Shareholders.</p> <p>This waiver is not essential for JGB, and if denied by ASX, the Company may choose to seek to refresh its 7.1 Capacity at a later stage.</p> <p><b>Use of funds raised</b></p> <p>Crowd Mobile intends to use the funds raised from the issue of the Convertible Note for the purposes of refinancing the Existing Loan Facility, with the balance of the funds raised to be used for working capital and general corporate purposes in Australia and/or the Netherlands.</p> <p><b>Voting Exclusion Statement</b></p> <p>A voting exclusion statement applies to this resolution, as set out in the Notice.</p>
<p><b>Summary of the terms and conditions of the Convertible Note</b></p>	<p>The terms and conditions of the Convertible Note are summarised as follows:</p> <ol style="list-style-type: none"> <li>1. The Convertible Note has a principal face value of EUR 11,828,005 (which is, approximately AUD 17,599,361.76 at the Exchange Rate);</li> <li>2. The Convertible Note is secured against all assets of Crowd Mobile and the Guarantor Subsidiaries, is non-transferable without Crowd Mobile's consent, and will not be listed on the ASX;</li> <li>3. The Convertible Note has a maturity date of 31 October 2018 (<b>Maturity Date</b>). The principal sum of the Convertible Note plus any accrued interest thereon will be repayable upon expiry if not redeemed prior to that time.</li> <li>4. Repayment of the principal sum of the loan plus accrued interest (<b>Loan Amount</b>) to JGB shall be made by Crowd Mobile during the term of the Convertible Note according to the following conditions: <ol style="list-style-type: none"> <li>(a) Interest on the Convertible Note shall accrue at a rate of 6.25% per annum and shall be payable by Crowd Mobile to JGB monthly in arrears and on the Maturity Date in either cash or Shares at the election of Crowd Mobile subject to the terms of the Securities Subscription Agreement (each date upon which an interest payment falls due being an <b>Interest Payment Date</b>). The ability of Crowd Mobile to elect to pay in Shares is subject to the Dollar Value Limitation.</li> </ol> </li> </ol>

- (b) At any time between April 2017<sup>1</sup> and the Maturity Date and provided certain conditions are met, Crowd Mobile may elect to repay the entirety (and no less) of the then outstanding Loan Amount and any other amounts due and payable pursuant to the Note Subscription Agreements in cash (**Crowd Redemption Right**), provided that Crowd Mobile shall also be required to make payment of any amounts already requested for repayment by JGB in accordance with item 4(c) below as at the date that Crowd Mobile elects to repay the full outstanding Loan Amount and the Equity Conditions are satisfied (**Crowd Redemption Election Date**);
- (c) No later than the Maturity Date, subject to Crowd Mobile not first exercising the Crowd Redemption Right, JGB may elect that Crowd Mobile be required in any given calendar month to make payment to JGB of up to EUR 720,000 (which approximately AUD 1,071,316.80 at the Exchange Rate) in Shares (**Monthly Equity Cap**) or up to EUR 450,000 (which is, as approximately AUD 679,573 at the Exchange Rate) in cash (**Monthly Cash Cap**) of the outstanding principal amount during any given calendar month.
- (d) All cash redemptions will be repaid at 101.5% of the relevant amount. Whether the Crowd Redemption Right occurs in Shares or cash, is at the election of Crowd Mobile. If Crowd Mobile elects to pay in Shares, then Shares will be issued a month in advance of every relevant month up to the Monthly Equity Cap so that they are available for JGB to sell into the market during the course of that month as JGB elects to redeem. The redemption and subsequent sale of Shares into the market will be restricted by the Equity Conditions, the Dollar Value Limitation and the Beneficial Ownership Limitation. If any of these conditions restrict the issue of Shares, payment must be made in cash, having regard to the Monthly Cash Cap. Such election by JGB shall be notified to Crowd Mobile via a '**JGB Redemption Election Notice**'; and
- (e) The entire Loan Amount must be repaid (whether in cash or Shares or a combination thereof) by the Maturity Date.
5. The price at which Conversion Shares and Interest Repayment Shares (**Stock Payment Price**) are to be issued shall be the lowest of:
- (a) a 30% premium to the VWAP (converted to EUR) on the day of the Meeting;
- (b) 90% of the VWAP for the Trading Day immediately preceding, as the case may be, the date of the applicable JGB Redemption Election Notice, the applicable Interest Payment Date, or the Crowd Election Redemption Date; and
- (c) 90% of the weighted average of the 10 lowest VWAPs during the 20 consecutive Trading Days immediately prior to, as the case may be, the applicable JGB Redemption Election Notice, the applicable Interest Payment Date, or the Crowd Election Redemption Date.
6. One of the Equity Conditions to Crowd Mobile being entitled to issue Conversion Shares or Interest Repayment Shares at any given time (as opposed to making repayment in cash) is that on each of the 10 Trading Days prior to the applicable date of issue, unless waived by JGB, the closing price of Crowd Mobile Shares is at least AUD 0.10 per Share (appropriately adjusted for any stock split, stock dividend, stock combination, stock buy-back or other similar transaction).
7. The theoretical maximum number of 188,664,666 Conversion Shares and 22,433,894 Interest Repayment Shares which may be issued is calculated in

<sup>1</sup> One year after the Original Issue Date.

accordance with the above terms and is dependent on the elections of JGB and Crowd during the term of the Convertible Note. We note that this number is a theoretical maximum the Company is required to provide for shareholders to understand the largest number of Shares that may be issued under the Note Subscription Agreements. To derive this figure, the Company has assumed the lowest price possible of AUD 0.10 under which the principal amount owing may be redeemed by JGB as Shares, an exchange rate of EUR: AUD of 0.65. Given the multitude of scenarios that may be relevant the Company has not considered the impact of the limitations on the issue of Shares presented by the Equity Conditions, Dollar Value Limitation and Beneficial Ownership Limitation which will also restrict the number of Shares the Company may be able to issue. Therefore, in practice Crowd Mobile expects the equity dilution to be a far lower number than 188,664,666 Shares.

8. If an event of default as defined in the Note Subscription Agreements occurs, the any amounts unpaid will bear interest at a rate of 12.25% per annum during the duration of the event of default continuing.
9. There are a number of covenants which are standard for this type of transaction and which require JGB to approve including:
  - (a) entering into further indebtedness;
  - (b) incur further liens;
  - (c) make or hold certain investments;
  - (d) disposing of material assets;
  - (e) change corporate documents;
  - (f) change of control transactions;
  - (g) offer to buy back more than de minimis shares;
  - (h) pay cash dividends or distributions;
  - (i) create new subsidiaries; or
  - (j) engage in transactions with affiliates.
10. The Company also has a covenant relating to annualised Consolidated EBITDA tested quarterly (calculating annual Consolidated EBITDA by multiplying a relevant quarter by four) to the effect that annual Consolidated EBITDA must be (**EBITDA Covenant**):
  - (a) The EUR equivalent of USD 7 million (equivalent to approximately AUD 9,456,904.24 at the Exchange Rate) as at the date of the Note Subscription Agreements, where the outstanding Loan Amount is more than EUR 5 million (which is, as at the exchange rate on 27 June 2016, equivalent to approximately AUD 7,433,440.89);
  - (b) The EUR equivalent of USD 5.5 million (equivalent to approximately AUD 7,430,927.02 at the Exchange Rate) as at the date of the Note Subscription Agreements, where the outstanding Loan Amount is more than EUR 4 million (which is, as at the exchange rate on 27 June 2016, equivalent to approximately AUD 5,946,752.71);
  - (c) The EUR equivalent of USD 5 million (equivalent to approximately AUD 6,755,388.20 at the Exchange Rate) as at the date of the Note Subscription Agreements, where the outstanding Loan Amount is more than EUR 3 million (equivalent to approximately AUD 4,460,166.74 at the Exchange Rate).

	<p>11. Additionally, within 45 days of the end of each quarter, the Company is required to confirm in writing with JGB that it is not in breach of the EBITDA Covenant.</p> <p>12. If the Company breaches the EBITDA Covenant, it has a number of opportunities to cure this breach. Only when the implied cumulative annual shortfall is the EUR equivalent of USD 1.75 million (equivalent to approximately AUD 2,364,226.06 at the Exchange Rate) as at the date of the Note Subscription Agreements, will this be an immediate event of default.</p> <p>13. While the Loan Amount is outstanding, the Company must hold AUD 1 million of its own funds on deposit in a bank account for the first 90 days after the issue of the Convertible Note moving to AUD 1.5 million after 90 days.</p> <p>14. From the funds provided by JGB for the Convertible Note, the sum of EUR 2,255,000 (equivalent to approximately AUD 3,309,565.82 at the Exchange Rate) is to be kept in a blocked account (<b>Blocked Account</b>). So long as the Company can demonstrate that it has cash on hand after 90 days of the issue of the Convertible Note of at least AUD 3 million a release regime can be activated. Under the release regime, the sum of the EUR equivalent of USD 150,000 (equivalent to approximately AUD 202,909.73 at the Exchange Rate) as at the date of the Note Subscription Agreements may be released from the Blocked Account per month, provided the Company is able to demonstrate that the Consolidated EBITDA for the preceding month was at least the EUR equivalent of USD 700,000 (equivalent to approximately AUD 946,912.06 at the Exchange Rate) as at the date of the Note Subscription Agreements.</p> <p>15. As interest is being paid to JGB, a foreign entity, Australian taxation laws required an amount of 10% of the interest payments to be withheld and paid to the ATO. The Company and JGB have agreed to split this obligation 50/50.</p> <p>16. The Convertible Note does not entitle the holder to any special or additional payment of cash dividends or distributions. Any Conversion Shares issued in accordance with the Note Subscription Agreements will rank pari-passu with other existing fully paid ordinary shares in the Company, and the holders of the Conversion Shares will have the same rights to cash dividends and distributions as all other holders of fully paid ordinary shares in the Company. One of Company's covenants pursuant to the JGB Note Subscription Agreements is that the Company will not pay any dividends or distributions on any equity securities of the Company while the Convertible Note and Loan Amount remain outstanding.</p> <p>17. The Convertible Note does not entitle the holder to any voting rights at general meetings of the Company, nor the special or additional right to participate in any rights issue, share purchase plan and the like. Any Conversion Shares issued in accordance with the Note Subscription Agreements will rank pari-passu with other existing fully paid ordinary shares in the Company, and the holders of the Conversion Shares will have the same rights to with respect to participation in any rights issue, share purchase plan and the like as all other holders of fully paid ordinary shares in the Company.</p>
<p><b>Working examples of conversion mechanisms – Interest Payment by the Company in Shares</b></p>	<p>The Company pays interest on the outstanding principal of the Convertible Note at 6.25% on the last Trading Day (<b>Interest Payment Date</b>) of each calendar month. The Company may elect to make that interest payment in cash or Shares (<b>Interest Shares</b>) or a combination thereof. If the Company elects to make all or some payment in Interest Shares then it must notify JGB no later than 20 Trading Days before the Interest Payment Date.</p>

	<p>The payment of Interest Shares will be restricted by the Equity Conditions, the Dollar Value Limitation and the Beneficial Ownership Limitation.</p> <p>If for example, the outstanding principal amount on 31 January 2017 would be EUR 5,770,000, the 6.25% monthly interest payable equates to EUR approximately 30,052. Assuming an exchange rate of 1.50, this equates to AUD 45,078.</p> <p>The Company then converts that, at the Stock Payment Price. If the Stock Payment Price is AUD 0.30 in advance of the Interest Payment Date, then 150,260 shares are issued to JGB in advance of the Interest Payment Date.</p> <p>If, on the Interest Payment Date the Stock Payment Price is AUD 0.28, which equates to 160,993 Interest Payment Shares (ie 45,078 / AUD 0.28) then a further 10,733 Interest Shares are issued being the difference between the two Interest Share issues.</p>
<p><b>Working examples of conversion mechanisms – Conversion by JGB</b></p>	<p>The conversion price of the Convertible Note is set as a 30% premium to the VWAP of the Company's shares on the date of the Meeting.</p> <p>If JGB wish to convert any part of the Convertible Note this would reduce the outstanding principal amount. If for example JGB elected to convert EUR 100,000 then it may serve a notice on the Company to convert the EUR 100,000 into Shares. Assuming a 1.50 AUD:EUR exchange rate, this equates to AUD 150,000. If we assume the conversion price is set at \$0.30 then 500,000 Shares would be issued on conversion. Such conversion is also subject to the Beneficial Holder Limitation.</p>
<p><b>Working examples of conversion mechanisms – Optional redemption by JGB</b></p>	<p>During any calendar month, JGB may require the Company to redeem a part of the outstanding principal amount up to the Monthly Equity Cap or Monthly Cash Cap. With respect to any calendar month the Company will decide if such month will be subject to the Monthly Equity Cap or Monthly Cash Cap (i.e if the Company will pay redemptions in Shares or cash) on the fifth Trading Date prior to the start of the calendar month.</p> <p>If JGB wishes to redeem up to EUR 720,000 in Shares for a month where the Company has chosen the Monthly Equity Cap, then the Company must issue Shares equal to EUR 720,000 in advance of any redemptions for the month.</p> <p>For example, the Company would issue EUR 720,000 in advance shares, which at an AUD:EUR exchange rate of 1.50, would equal AUD 1,080,000. At an assumed Stock Payment Price of \$0.30, this would equate to 3,600,000 Shares (<b>Advance Shares</b>).</p> <p>During the course of the month, JGB may serve any number of redemption notices up to the Monthly Equity Cap. For example, if JGB chose to redeem EUR 500,000, and this equated to AUD 750,000 then this amount would be divided by the Stock Payment Price. If the Stock Payment Price was \$0.30, then 2,500,000 Shares would be available for JGB to hold or sell into the ASX. At the end of the month, if there is a surplus of Advance Shares, such Advanced Shares would be held over for the following month. Share redemptions are subject to the Dollar Value Limitation, the Equity Conditions and the Beneficial Holder Limitation.</p> <p>If JGB wishes to redeem in a month where the Company has chose the Monthly Cash Cap, , then redemptions occur at 101.50% of the cash redeemed up to the Monthly Cash Cap. For example, if JGB redeems EUR 100,000, and this is</p>

	<p>equated to AUD 150,000, then the amount payable by the Company to redeem the AUD 150,000 is AUD 152,250.</p> <p>All redemptions reduce the outstanding principal amount.</p>
<b>Board Recommendation</b>	The Directors unanimously recommend that shareholders vote in favour of this resolution.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

<b>Resolutions 2 and 3</b>	<b>Approval of issue of Performance Rights and Options to Director</b>
<b>Explanation</b>	<p>Resolutions 2 and 3 are ordinary resolutions which respectively seek Shareholder approval pursuant to ASX Listing Rule 10.14 for the issue of 3,500,000 Performance Rights and 1,500,000 Options to Mr Hans De Back, an Executive Director of the Company, pursuant to the terms of an agreement in relation to Mr De Back's provision of executive services to the Company in his capacity as Chief Executive Officer of the Track Subsidiaries.</p> <p>The 3,500,000 Performance Rights the subject of Resolution 2 and the 1,500,000 Options the subject of Resolution 3 are proposed to be issued under the Company's Executive Share Option &amp; Performance Rights Plan which was approved by Shareholders at the Company's 2015 Annual General Meeting (<b>Executive Plan</b>).</p>
<b>Reasons for Resolutions 2 and 3</b>	<p>Shareholder approval of the issue of the Performance Rights and Options to Mr De Back is sought for all purposes under the Corporations Act and ASX Listing Rules, including for the following purposes:</p> <p><b><u>ASX Listing Rule</u></b></p> <p>Under ASX Listing Rule 10.14, the acquisition of securities by a Director under an employee incentive scheme such as the Executive Plan requires Shareholder approval.</p> <p>In accordance with the Listing Rules, Shareholders are being asked under Resolution 2 to approve the grant of Performance Rights to Mr De Back under the Executive Plan, and under Resolution 3 to approve the grant of Options to Mr De Back under the Executive Plan.</p> <p>Exception 14 in ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply where Shareholder approval for an issue of securities is obtained under ASX Listing Rule 10.14. This means that, if Shareholder approval is obtained for Resolutions 2 and 3, the issue of the Performance Rights and Options to Mr De Back, along with the underlying Shares which may be issued upon vesting of the Performance Rights or exercise of the Options, will not deplete the Company's 7.1 Capacity.</p> <p><b><u>Corporations Act</u></b></p> <p>Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties of a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies or shareholder approval is obtained. For the</p>

purposes of Chapter 2E, Mr De Back (being a Director of the Company) is a related party of the Company by virtue of section 228(2) of the Corporations Act.

A “financial benefit” is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. The giving of a financial benefit to a related party of a public company is ordinarily prohibited by Chapter 2E of the Corporations Act. One exception to the general rule is where the benefit constitutes “reasonable remuneration” in respect of the duties and responsibilities of the related party in the management of the public company.

The issue of the Performance Rights the subject of Resolution 2 and the Options the subject of Resolution 3 constitutes part of the agreed remuneration payable to Mr De Back (subject to Shareholder approval being obtained) under the agreement relating to Mr De Back’s provision of executive services to the Company in his capacity as Chief Executive Officer of the Track Subsidiaries.

An alternative to the issue of the Performance Rights and Options would be to increase Mr De Back’s cash remuneration. However, given the current stage of development of the Company, and the necessity for cash resources to be preserved and directed into the growth of the Company’s business, the Board considers the issue of the Performance Rights and Options to be an appropriate cash-free method of remunerating Mr De Back for his commitment and contribution to the Company following the acquisition by the Company of Track Holdings BV and its related entities.

On this basis, in the view of the Board, the issue of the Performance Rights the subject of Resolution 2 and the Options the subject of Resolution 3 does constitute “reasonable remuneration” in respect of Mr De Back and, as the provision of such a benefit is expressly permitted by section 211(1) of the Corporations Act, the Board does not consider the Company is required to seek Shareholder approval pursuant to Chapter 2E of the Corporations Act in order to give Mr De Back the financial benefit that is inherent in the issue to him of the Performance Rights and the Options.

Accordingly, Resolutions 2 and 3 do not seek approval for the purposes of Chapter 2E of the Corporations Act.

**Disclosures made for the purposes of ASX Listing Rule 10.15**

The only related parties who may participate in the Executive Plan are Directors of the Company. Under the Executive Plan, the Directors of the Company may issue Shares, Options or Performance Rights to the Directors and executives of the Company and its subsidiaries, and to their associated entities

There is currently no proposal by the Directors to issue any securities under the Executive Plan to any Director or his associates, other than to the parties as described in this Notice of Meeting and Explanatory Memorandum. Any such issue would also require the approval of Shareholders under ASX Listing Rule 10.14.

There is no loan proposed in relation to the proposed issue of the Performance Rights the subject of Resolution 2 or the Options the subject of Resolution 3.

Details of any securities issued under the Executive Plan will be published in each annual report of the Company relating to a period in which such securities have been issued, along with details regarding approval for the issue of those securities which was obtained under ASX Listing Rule 10.14.

For the purposes of ASX Listing Rule 10.15.4, the below table discloses the details of securities issued to persons referred to in ASX Listing Rule 10.14 under the Executive Plan since Shareholders last approved the Executive Plan at the Company's 2015 Annual General Meeting:

<b>Name of recipient</b>	<b>Number of securities received</b>	<b>Acquisition price</b>
Theo Hnarakis	1,000,000 Options	Nil
Hans De Back	500,000 Options	Nil

**Specific information required under ASX Listing Rules for Resolution 2 – Approval of issue of Performance Rights to Director**

**Disclosures made for the purposes of ASX Listing Rule 10.15**

In accordance with ASX Listing Rule 10.15, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 10.14, the following information is provided to Shareholders with respect to Resolution 2:

<b>Maximum no. of securities to be issued</b>	3,500,000 Performance Rights
<b>Date by which securities will be issued</b>	If Shareholder approval is obtained for Resolution 2, the Company will issue the Performance Rights as soon as is practicable after the Meeting, or in any event no later than 1 month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
<b>Issue price per security</b>	The Performance Rights will be issued for nil consideration pursuant to the agreement under which the Director provides executive services in his capacity as Chief Executive Officer of the Track Subsidiaries.
<b>Recipient of issue</b>	Mr Hans De Back, Executive Director, or his nominee(s).

	<p><b>Terms of securities</b> The Performance Rights will vest upon the satisfaction of various performance hurdles relating to Crowd Mobile's EBITDA, the number of Crowd Mobile apps downloaded, the number of Crowd Mobile apps rolled out, and the Track Co-op EBITDA. A portion of the Performance rights will vest upon satisfaction of the relevant performance hurdle. 1,000,000 of the Performance Rights will expire on 30 November 2018 and the remaining 2,500,000 Performance Rights will expire on 31 March 2018. The underlying Shares issued upon vesting of the Performance Rights will be quoted and will rank equally with all existing Shares on issue in the Company.</p> <p><b>Use of funds raised</b> The Performance Rights are to be issued for nil consideration and so no funds will be raised from the issue of the Performance Rights.</p> <p><b>Voting Exclusion Statement</b> A voting exclusion statement applies to this item of business, as set out in the Notice.</p>
<b>Specific information required under ASX Listing Rules for Resolution 3 – Approval of issue of Options to Director</b>	
<p><b>Disclosures made for the purposes of ASX Listing Rule 10.15</b></p>	<p>In accordance with ASX Listing Rule 10.15, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 10.14, the following information is provided to Shareholders with respect to Resolution 3:</p> <p><b>Maximum no. of securities to be issued</b> 1,500,000 Options</p> <p><b>Date by which securities will be issued</b> If Shareholder approval is obtained for Resolution 3, the Company will issue the Options as soon as is practicable after the Meeting, or in any event no later than 1 month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).</p> <p><b>Issue price per security</b> The Options will be issued for nil consideration pursuant to the agreement under which Director provides executive services in his capacity as Chief Executive Officer of the Track Subsidiaries.</p> <p><b>Recipient of issue</b> Mr Hans De Back, Executive Director of Crowd Mobile, or his nominee(s).</p> <p><b>Terms of securities</b> The Options will each be exercisable at 1.45 times the VWAP of Crowd Mobile Shares traded on ASX during the 30 trading days immediately prior to the issue of the Options at any time between the date upon which the Options vest and the 3-year anniversary of the date upon which the Options vest. The Options will vest 2 years from the date of issue of the Options on the condition that Mr De Back remains with the Company as a Director or in an executive role. The Company will not apply to</p>

	<p>ASX for quotation of the Options. The underlying Shares issued upon the exercise of the Options will be quoted and will rank equally with all existing Shares on issue in the Company.</p> <p><b>Use of funds raised</b> The Options are to be issued for nil consideration. Accordingly, no funds will be raised from the issue of the Options. However, the Company will raise funds from the exercise of the Options. The Company expects that such funds will be applied towards its working capital requirements.</p> <p><b>Voting Exclusion Statement</b> A voting exclusion statement applies to this item of business, as set out in the Notice.</p>
<b>Other information</b>	The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 2 and 3.
<b>Board Recommendation</b>	For the aforementioned reasons, the Directors do not wish to make a recommendation to Shareholders about the proposed Resolutions 2 and 3.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 2 and 3.

<b>Resolution 4</b>	<b>Approval of Financial Assistance to JGB</b>
<b>Explanation</b>	<p>Resolution 4 is a special resolution which seeks Shareholder approval pursuant to section 260B(2) of the Corporations Act for the proposed Financial Assistance to be given to JGB by Crowd Mobile.</p> <p>The Company has set out below the information known to it that is material to the decision on how to vote on Resolution 4 as required under section 260B(4) of the Corporations Act.</p>
<b>Information required under section 260B(4) of the Corporations Act</b>	<p><b>Background</b></p> <p>As laid out on pages 6 to 10 of this Explanatory Memorandum, the Company intends to issue a Convertible Note to JGB, subject to the passing of Resolutions 1 and 4.</p> <p>Pursuant to the Note Subscription Agreements, it is proposed that JGB will advance to Crowd Mobile a total principal sum of EUR 10,805,000 (which is, as at the exchange rate on 27 June 2016, equivalent to approximately AUD 16,077,191.70) in exchange for the Convertible Note in Crowd Mobile on the terms and conditions on pages 6 to 10 of this Explanatory Memorandum.</p> <p>As laid out in the summary of the proposed terms and conditions of the Convertible Note, JGB may be entitled to receive from Crowd Mobile either cash or Shares, or a combination of both.</p> <p>Section 260A of the Corporations Act provides that a company may financially assist a person to acquire shares (or units of shares) in the company or in a holding company of that company only if:</p> <p>(a) the giving of the assistance does not materially prejudice: (1) the interests of the company giving the financial assistance or that company's shareholders; or (2) that company's ability to pay its creditors; or</p>

- (b) the giving of the financial assistance is approved by shareholders of the company, and if relevant its holding company, in accordance with section 260B of the Corporations Act; or
- (c) an exemption under section 260C of the Corporations Act applies to the financial assistance.

A company may be regarded as providing 'financial assistance' pursuant to section 260A of the Corporations Act if it furnishes something needed in order that a transaction be carried out, or something in the nature of aid or help. Common examples of 'financial assistance' include issuing a debenture, giving security over the company's assets, and giving a guarantee or indemnity in respect of another person's liability.

It is proposed that the Guarantor Subsidiaries are to be guarantors for the repayment of the Loan Amount by Crowd Mobile, and that the obligations of Crowd Mobile under the Note Subscription Agreements are to be secured against all assets of Crowd Mobile and the Guarantor Subsidiaries.

The security provided to JGB by the Guarantor Subsidiaries and Crowd Mobile may be considered to be a provision of financial assistance for the purposes of section 206A of the Corporations Act. JGB intends to advance the loan monies to the Company on the basis that it will receive the security from the Guarantor Subsidiaries and Crowd Mobile and JGB will not advance the loan monies or obtain a right to receive Shares in Crowd Mobile if this security is not provided (i.e. the provision of the Financial Assistance is a condition precedent to the issuing of the Convertible Note).

Section 260B of the Corporations Act relevantly requires that:

- (a) A company providing financial assistance to a person in order for that person to obtain shares in that company must seek approval of the financial assistance by special resolution of its members; and
- (b) The listed holding company of a company which is proposing to provide financial assistance to another party to acquire shares in the holding company must seek approval of the proposed financial assistance by special resolution of the shareholders of the holding company.

This means that Crowd Mobile is required to seek approval from its Shareholders both in its capacity as a company which is proposing to provide Financial Assistance to JGB for the acquisition of Shares in Crowd Mobile, and in its capacity as holding company of the Guarantor Subsidiaries which are proposing to provide Financial Assistance to JGB for the acquisition of Shares in Crowd Mobile.

#### **Reasons for the proposal to give Financial Assistance**

The reasons for the proposal that Crowd Mobile and the Guarantor Subsidiaries give the Financial Assistance are that:

- (a) It is a proposed requirement of the Note Subscription Agreements that Crowd Mobile and the Guarantor Subsidiaries give the Financial Assistance. In the view of the Directors, such a reasonable requirement is a necessary part of obtaining JGB's agreement to provide the loan monies referred to above. The Company intends to use the loan monies to refinance the Existing Loan Facility, and so the Company would obtain a significant benefit through receiving the loan monies from JGB.
- (b) If Crowd Mobile and the Guarantor Subsidiaries do not give the proposed Financial Assistance within a specified period, a condition precedent to the issuing of the Convertible Note the subject of Resolution 1 will not be met. As such, JGB will not provide the loan monies to Crowd Mobile, and Crowd Mobile will not have those funds available to refinance the Existing Loan Facility and will not receive the benefit referred to above.

#### **Advantages of the proposed Financial Assistance**

	<p>In addition to benefitting the Company by ensuring that it can refinance the Existing Loan Facility, the provision of the proposed Financial Assistance will benefit the Company by allowing the Company to obtain additional funds for working capital through the issue of the Convertible Note to JGB.</p> <p><b>Effect of the proposed Financial Assistance on the ability of Crowd Mobile and each Guarantor Subsidiary to pay its creditors</b></p> <p>The proposed Financial Assistance itself consists of the Company providing security to secure the obligations of the Company to repay the Loan Amount and any other obligations under the Note Subscription Agreements. On that basis, the provision of the Financial Assistance itself should have no bearing on the ability of the Company to pay its creditors.</p> <p><b>Other information material to decision</b></p> <p>The Directors do not believe that the provision of the Financial Assistance will have an adverse effect on the Company or materially prejudice the interests of the Company, the Guarantor Subsidiaries or the Company's Shareholders.</p>
<b>Voting Exclusion Statement</b>	A voting exclusion statement applies to this item of business, as set out in the Notice.
<b>Board Recommendation</b>	The Directors of the Company have unanimously approved the statements set out above for the purposes of section 260B(4) of the Corporations Act and determined that it includes all information known to the Company that is material to the decision on how to vote on the resolution required by section 260(B)(4) of the Corporations Act. The Directors unanimously recommend that shareholders approve Resolution 4.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution 4.

<b>Resolution 5</b>	<b>Approval of issue of JGB Options</b>
<b>Explanation</b>	<p>Pursuant to the terms of the Note Subscription Agreements, the Company has agreed to issue to JGB 5,000,000 Options. The issue of the JGB Options is subject to Shareholder approval obtained at this Meeting.</p> <p>As with the Convertible Note, the issue of the JGB Options by the Company is conditional upon the approval by Shareholders of the Financial Assistance which is, pursuant to Resolution 4, proposed to be provided by the Company and the Guarantor Subsidiaries to JGB.</p>
<b>Reason for Resolution 5</b>	The effect of Resolution 5 will be to allow the Company to issue the JGB Options during the period of 3 months after the Meeting (or a longer period if allowed by ASX) without using the Company's 7.1 Capacity.

<p><b>Specific information required by ASX Listing Rule 7.3</b></p>	<p>In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to shareholders:</p> <p><b>Maximum no. of securities to be issued</b>                      5,000,000 Options.</p> <p><b>Date by which securities will be issued</b>                      If Shareholder approval is obtained for Resolution 5, the Company will issue the JGB Options as soon as is practicable after the Meeting, or in any event no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).</p> <p><b>Issue price of the securities</b>                      The JGB Options are issued along with the Convertible Note the subject of Resolution 1 at a total combined subscription price of EUR 10,805,000 (which is, as at the exchange rate on 27 June 2016, equivalent to approximately AUD 16,077,191.70).</p> <p><b>Name of allottee</b>                      JGB (or its nominee).</p> <p><b>Terms of securities</b>                      The JGB Options will be exercisable at AUD 0.30 each on or before the date which is five years from the date on which the JGB Options are issued. The Options will not vest and be exercisable until 1 November 2016. The Company will not apply to ASX for quotation of the Options. The underlying Shares issued upon the exercise of the Options will rank equally with all existing Shares on issue in the Company.</p> <p><b>Use of funds raised</b>                      Crowd Mobile intends to use the funds raised from the issue of the JGB Options for the purposes of refinancing the Existing Loan Facility, with the balance of the funds raised to be used for working capital and general corporate purposes in Australia and/or the Netherlands. Funds raised from the exercise of the Options are expected to be used for general working capital.</p> <p><b>Voting Exclusion Statement</b>                      A voting exclusion statement applies to this item of business, as set out in the Notice.</p>
<p><b>Board Recommendation</b></p>	<p>The Directors unanimously recommend that Shareholders vote in favour of this resolution.</p>
<p><b>Chairman's available proxies</b></p>	<p>The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.</p>

## Definitions

<b>7.1 Capacity</b>	Means the Company's capacity to issue Shares under ASX Listing Rule 7.1.
<b>ASX</b>	Means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Beneficial Ownership Limitation</b>	Means be Voting Power (as that term is defined in the Corporations Act) of up to 4.99% in the Company.
<b>Company or Crowd Mobile</b>	Means Crowd Mobile Limited ACN 083 160 909.
<b>Conversion Shares</b>	Means the Shares payable to JGB or its nominees upon conversion of the Convertible Note the subject of the Note Subscription Agreements.
<b>Convertible Note</b>	Means the convertible note the subject of Resolution 1, which the Company intends to issue to JGB if Resolutions 1 and 4 are passed. The terms of the Convertible Note are summarised on pages 7 of the Explanatory Memorandum.
<b>Corporations Act</b>	Means the <i>Corporations Act 2001</i> (Cth).
<b>Closely Related Party</b> (of a member of KMP of an entity)	Has the definition given to it by section 9 of the Corporations Act, and means:  <ul style="list-style-type: none"> <li>(a) a spouse or child of the member; or</li> <li>(b) a child of the member's spouse; or</li> <li>(c) a dependant of the member or of the member's spouse; or</li> <li>(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or</li> <li>(e) a company the member controls; or</li> <li>(f) a person prescribed by the regulations for the purposes of this definition (nothing at this stage).</li> </ul>
<b>Dollar Value Limitation</b>	Means a limit on the issue of Shares not to exceed 20% of the aggregate dollar trading volume of the Shares over a 20-day consecutive trading period prior to the relevant date of issue of Shares.
<b>Consolidated EBITDA</b>	means, for any period, for the Company and its Subsidiaries on a consolidated basis an amount equal to the net income (on a consolidated basis) of the Company and its Subsidiaries for such period; <b>plus</b>  <ul style="list-style-type: none"> <li>(a) the following to the extent deducted in calculating such net income: <ul style="list-style-type: none"> <li>i. all interest and premium payments of the Company and its Subsidiaries in connection with the Convertible Note;</li> <li>ii. the provision for taxes payable;</li> <li>iii. depreciation and amortization expense;</li> <li>iv. Share based payments expense for equity compensation to officers and employees of the Company;</li> </ul> </li> </ul>

	<p>v. an aggregate amount of expenses relating to fees payable to corporate advisers not to exceed USD 250,000 during the 2017 fiscal year;</p> <p>vi. transaction costs of the Company and Purchaser (reimbursed by the Company) in relation to the issue of the Notes; and</p> <p>vii. non-cash expenses related to equity compensation and impairment of goodwill and intangible assets; <b>minus</b></p> <p>(b) Federal, state, local and foreign income tax credits of the Company and its Subsidiaries for such period.</p>
<b>Equity Conditions</b>	<p>means:</p> <p>(a) the Company having honoured all conversions and redemptions;</p> <p>(b) paying all amounts owing to JGB;</p> <p>(c) the Shares trading on ASX are listed or quoted for trading;</p> <p>(d) there is no existing Event of Default;</p> <p>(e) the Beneficial Holder Limitation is not exceeded;</p> <p>(f) there has been no public announcement of a pending or proposed change of control transaction;</p> <p>(g) JGB is not in possession of any "insider information"; and</p> <p>(h) on each of the ten trading days prior to the applicable date, unless waived by the Holder, the VWAP of the Shares is at least AUD 0.10 per share.</p>
<b>Exchange Rate</b>	<p>Means the EUR:AUD exchange rate as quoted by Bloomberg at 4.00 pm local time in Melbourne, Victoria, Australia as at the day prior to the original issue date of the Convertible Note.</p>
<b>Executive Plan</b>	<p>Means the Company's Executive Share Option &amp; Performance Rights Plan which was approved by Shareholders at the Company's 2015 Annual General Meeting.</p>
<b>Existing Loan Facility</b>	<p>Means an existing loan facility which was entered into by the Company in October 2015 to provide a portion of the funding for the Track Acquisition.</p>
<b>Financial Assistance</b>	<p>Means the provision by Crowd Mobile and the Guarantor Subsidiaries to JGB of certain guarantees and security interests in favour of JGB as further explained in the Explanatory Memorandum, in connection with the acquisition by JGB of the Convertible Note.</p>
<b>Guarantor Subsidiaries</b>	<p>Means:</p> <ul style="list-style-type: none"> <li>• BONGO IP PTY LTD ACN 136 498 103</li> <li>• BONGO OPERATIONS PTY LTD ACN 136 498 112</li> <li>• GLOBAL AQA IP PTY LTD ACN 154 467 375</li> <li>• GLOBAL AQA PTY LTD ACN 154 697 195</li> <li>• BUDDY IP PTY LTD ACN 160 820 780</li> <li>• BUDDY OPERATIONS PTY LTD ACN 160 820 762</li> <li>• CROWD MOBILE IP PTY LTD ACN 169 095 318</li> <li>• CROWD MOBILE AUSTRALIA PTY LTD ACN 168 658 599</li> <li>• BONGO EUROPE PTY LTD ACN 169 299 923</li> <li>• DIGITAL GLOBAL MARKETING PTY LTD ACN 164 780 929</li> <li>• TRACK HOLDINGS B.V. (Netherlands)</li> <li>• CROWD MOBILE COOPERATIEF U.A., (CMC) (Netherlands)</li> <li>• BE TRACKED MEDIA B.V. (Netherlands)</li> </ul>

	<ul style="list-style-type: none"> <li>• TRACK CONCEPTS B.V. (Netherlands)</li> <li>• VIVAZZ MOBILE B.V. (Netherlands)</li> <li>• TRACK MOBILE B.V. (Netherlands)</li> <li>• TRACK ONLINE B.V. (Netherlands)</li> <li>• IMMEDIATO B.V. (Netherlands)</li> <li>• MOBILIZO B.V. (Netherlands),</li> </ul> <p>being subsidiaries of Crowd Mobile which have agreed to provide guarantees to JGB on behalf of Crowd Mobile with respect to the repayment of the loan monies proposed to be advanced to Crowd Mobile by JGB in exchange for the Convertible Note.</p>
<b>Interest Repayment Shares</b>	Means Shares to be issued by Crowd Mobile to JGB in payment of interest accrued on the Convertible Note.
<b>JGB</b>	Means JGB (Cayman) Newton Ltd.
<b>JGB Options</b>	Means the 5,000,000 Options the subject of Resolution 5 which are to be issued to JGB under a warrant in accordance with the Note Subscription Agreements.
<b>Key Management Personnel or KMP</b>	Means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
<b>Meeting</b>	Means the Extraordinary General Meeting of the Company to be held on 1 August 2016 at 4.30pm (Melbourne time) at RSM Australia, Level 21, 55 Collins Street, Melbourne, Victoria 3000.
<b>Note Subscription Agreements</b>	Means the Securities Subscription Agreement, the Subsidiary Guarantee and any other agreement required to give effect the issue of the Convertible Note.
<b>Option</b>	Means an option to acquire a fully paid ordinary share in the Company.
<b>Performance Right</b>	Means a right to obtain Shares subject to the achievement of relevant vesting conditions prior to the relevant expiry date.
<b>Securities Subscription Agreement</b>	Means the agreement under which JGB agrees to subscribe for the Convertible Note from the Company dated on or about 29 June 2016.
<b>Shareholder</b>	Means a holder of Shares.
<b>Share</b>	Means a fully paid ordinary share in the capital of Crowd Mobile.
<b>Subsidiary Guarantee</b>	Means a guarantee given by the Guarantor Subsidiaries to guarantee the obligations of Crowd Mobile under the Securities Subscription Agreement to be executed simultaneously with the Securities Subscription Agreement.
<b>Track Acquisition</b>	Means Crowd Mobile's acquisition of 100% of the share capital in Track Holdings BV which was announced to shareholders on 10 June 2015 and completed on 31 October 2015.
<b>Track Subsidiaries</b>	Means Track Holdings BV and its subsidiaries, which were acquired by Crowd Mobile on 30 October 2015.
<b>Trading Day</b>	Means a day on which the ASX is open for trading.

<b>VWAP</b>	Means, for any date, the daily volume weighted average price of the Shares for such date (or the nearest preceding date) on the ASX as reported by Bloomberg L.P. (based on a Trading Day from 10.00 am (Sydney, New South Wales, Australia time) to 4.00 pm (Sydney, New South Wales, Australia time)). For purposes of the Convertible Note, the VWAP for any day shall be converted into EUR at the Exchange Rate for such day.
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**-ENDS-**



#### All Correspondence to:

- By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- By Fax:** +61 2 9290 9655
- Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 4:30pm (Melbourne time) on Saturday 30 July 2016.**

### TO VOTE ONLINE

- STEP 1: VISIT** [www.votingonline.com.au/crowdmobileegm2016](http://www.votingonline.com.au/crowdmobileegm2016)
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.  
If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **4:30pm (Melbourne time) on Saturday, 30 July 2016.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

**Online** [www.votingonline.com.au/crowdmobileegm2016](http://www.votingonline.com.au/crowdmobileegm2016)

**By Fax** + 61 2 9290 9655

**By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

**In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Your Address**  
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Crowd Mobile Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held at **RSM Australia, Level 21, 55 Collins Street, Melbourne, Victoria on Monday, 1 August, 2016 at 4:30pm (Melbourne time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

**Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters:** If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 2 and 3, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 2 and 3 are connected with the remuneration of a member of the key management personnel for the Company.

**The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 2 and 3).** If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**  
\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Approval of issue of Convertible Note	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of issue of Performance Rights to Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of issue of Options to Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Provision of Financial Assistance to JGB	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of issue of JGB Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SHAREHOLDERS**  
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2016