

Notice of Annual General Meeting

Impelus Limited
ACN 089 805 416

Notice is hereby given that the Annual General Meeting of Impelus Limited (the **Company**) will be held at the Company's offices, Level 23, 100 William Street, Sydney, on **Thursday 28 November 2019** at 11.00 a.m. (AEDT)

Agenda

Item 1: Statements and Reports

To receive and consider the Annual Financial Report, together with the reports and statements of the Directors and of the Auditor for the financial period ended 30 June 2019.

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

Item 2: Ordinary Business

Resolution 1: Remuneration Report

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

“To adopt the Remuneration Report set out in the Directors’ Report for the year ended 30 June 2019.”

Notes:

- In accordance with section 250R of the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors or the Company.
- The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company’s remuneration policies.

Please note that the vote on Resolution 1 is put to Shareholders to allow a reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report which is included in the Director’s Report forming part of the Annual Report. Those Shareholders who did not receive the Annual Report, may access it on the Company’s website.

Voting Exclusion Statement

In accordance with Section 250R (4) of the Act, no member of the Key Management Personnel of the Company or a Closely Related Party of such a member may vote on the Resolution.

However, in accordance with the Act, a person described above may vote on Resolution 1 if:

- that person votes as a proxy appointed in writing (on behalf of a person who is entitled to vote on this item) that specifies how the person is to vote; or
- the person is the Chairman of the Meeting and the appointment of the chair as proxy expressly authorises the Chairman of the Meeting to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Chairman Appointed as Proxy

If the Chairman is appointed as a proxy for a person who is permitted to vote on this Resolution, the Chairman will vote any proxies which do not indicate on their Proxy Form the way the Chairman must vote, in **favour** of the Resolution.

Resolution 2: Election of Mr Brendan Birthistle as a Non-Executive Director

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

“That, for the purposes of Rule 40 of the Company’s Constitution and for all other purposes, Brendan Birthistle, being a Director appointed to fill a casual vacancy and whose appointment as a director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for election, be elected as a Director of the Company.”

Notes:

- The non-candidate Directors unanimously support the election of Mr Birthistle.

Resolution 3: Election of Mr Craig Poole as an Executive Director

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

“That, for the purposes of Rule 40 of the Company’s Constitution and for all other purposes, Craig Poole, being a Director appointed to fill a casual vacancy and whose appointment as a director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for election, be elected as a Director of the Company.”

Notes:

- The non-candidate Directors unanimously support the election of Mr Poole.

Item 4: Special Business

Resolution 4: Approval of 10 % Placement Facility

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a special resolution:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of additional Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”

Notes:

- The Directors unanimously support the approval of the 10% Placement Facility.

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution by a person, or any associate of that person, who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, the Company will not disregard a vote if:

- 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
- It is cast by the Chairman 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.

If the Chairman is appointed as a proxy for a person who is permitted to vote on this Resolution, the Chairman will vote any proxies which do not indicate on their Proxy Form the way the Chairman must vote, in **favour** of the resolution.

Resolution 5: Approval of Issue of Convertible Notes

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

“That, for the purposes of section 611 (Item 7) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve

- i. the issue of 669,000 Convertible Notes to Connaught Consultants (Finance) Pty Ltd <Super Fund Account> (“Connaught”), an entity controlled by Mr Brendan Birthistle, to allow for the conversion of the loan provided by Connaught to the Company, to convertible notes; and***
- ii. the allotment and issue of Shares to Connaught, on the conversion of the Convertible Notes proposed to be issued at a price equivalent to the VWAP of the Company’s Shares for the five trading days leading up to the date of receipt of the relevant conversion notice; and***

- iii. *the acquisition of a relevant interest in the issued voting shares of the Company by Mr Brendan Birthistle and his associates, otherwise prohibited by section 606(1) of the Corporations Act by virtue of the issue of the Shares on conversion of Convertible Notes, referred to in paragraph (ii) which, in addition to the 142,543,636 Shares already held by Mr Birthistle, and the 16,420,000 Shares held by his associates, will result in the voting power in the Company of Mr Birthistle and his associates increasing from 23% to up to 33%,*

as set out in the Explanatory Memorandum.”

Voting Exclusion:

In accordance with section 224 of the Act and Listing Rule 14.11, the Company will disregard any votes cast:

- in favour of the resolution by Connaught (an associate of a related party) or any of its Associates

However, in accordance with the Listing Rules, the Company need not disregard a vote if:

- 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
- it is cast by the Chairman 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.

If the Chairman is appointed as a proxy for a person who is permitted to vote on this Resolution, the Chairman will vote any proxies which do not indicate on their Proxy Form the way the Chairman must vote, in **favour** of the resolution.

NOTES:

Determination of Entitlement to Attend and Vote

The Directors have determined that the persons eligible to vote at the Meeting are those who are registered shareholders of the Company at 7.00 p.m. (AEDT) on Tuesday 26 November 2019, subject to any voting exclusions.

Proxies

If you are a Shareholder entitled to attend and vote, you are entitled to appoint one or two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes. A proxy need not be a Shareholder of the Company. If you want to appoint one proxy, you can use the form provided. If you want to appoint two proxies, please follow the instructions on the proxy form.

The Company's constitution provides that, on a show of hands, every person present and qualified to vote shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands, but if you appoint two proxies neither proxy may vote on a show of hands.

If you appoint a proxy who is also a Shareholder or is also a proxy for another Shareholder, your directions may not be effective on a show of hands. Your directions will be effective if a poll is required and your proxy votes.

To record a valid vote members will need to complete and lodge the Proxy Form (and the power of attorney or other authority (if any) under which it is signed, or a certified copy of it) at: the Share Registry of the Company, Link Market Services Limited, located at Level 12, 680 George Street, Sydney NSW 2000, Australia or by facsimile on +61 2 9287 0309 no later than 11.00 a.m. (AEDT) on Tuesday 26 November 2019.

You can also vote online at www.linkmarketservices.com.au by entering your SRN/HIN and postcode, which are shown on the first page of the enclosed Proxy Form.

If you choose to appoint a proxy, you are encouraged to direct your proxy vote how to vote by marking either "For", "Against" or "Abstain" for each item of business.

Shareholders may arrange to receive Shareholder information electronically, or obtain a replacement or second proxy form, by contacting Link Market Services on 1300 554 474 within Australia or +61 1300 554 474 outside Australia or go to www.linkmarketservices.com.au.

How the Chairman of the Meeting will Vote Undirected Proxies

Please note that if the Chairman of the Meeting is your proxy (or becomes your proxy by default), you expressly authorise the Chair to exercise your proxy on Resolution 1 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company, which includes the Chairman. If you appoint the Chairman as your proxy, you can direct the Chairman to vote "For" or "Against" or "Abstain" from voting on Resolution 1 by marking the appropriate box on the proxy form.

The Chairman of the Meeting intends to vote undirected proxies in **favour** of each resolution.

Admission to Meeting

Shareholders who will attend the Company Annual General Meeting (**AGM**) and who will not appoint a proxy are asked to bring the proxy form (if they have one) to the Meeting to help speed admission. Shareholders who do not plan to attend the Meeting are encouraged to complete and return a proxy form for their holdings.

Joint Holders

In the case of Shares held by joint holders, one of the joint holders may vote and if more than one joint holder is present and voting at the Meeting, only the vote of the joint holder whose name appears first in the register may be counted.

Quorum

The Company constitution provides that two members present in person constitute a quorum.

Questions and Comments by Shareholders at the Meeting

In accordance with the *Corporations Act 2001*, a reasonable opportunity will be given to Shareholders at the Meeting to ask questions about, or make comments on, the management of the Company. Similarly, a reasonable opportunity will also be given to Shareholders at the Meeting – as a whole – to ask MNSA, Impelus' auditor, or their representative, questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

Written questions for MNSA relevant to the conduct of the audit and the preparation and content of the auditor's report must be received no later than 5.00 p.m. (AEDT) on Thursday 21 November 2019 at Link Market Services (at the address or fax number for lodgement of proxy) or be sent to the Company Secretary of Impelus at Level 12, 225 George Street, Sydney, NSW, 2011 or by email to maureen.smith@impelus.com. A list of written questions to the auditor will be available at the Meeting.

EXPLANATORY MEMORANDUM

Item 1: Remuneration Report

As required by section 317 of the *Corporations Act 2001* (Cth) (**Corporations Act**) the Financial Report, Directors' Report, and Auditors' Report of Impelus Limited (the **Company**) for the financial year ended 30 June 2019 will be laid before the Meeting. There is no requirement for a formal resolution on this item, and accordingly, this item is excluded from the proxy form. Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports. Please note that an online version of the Company's 2019 Annual Report can be downloaded or viewed at: www.impelusc corp.com

Item 2: Ordinary Business

Resolution 1 – Remuneration Report

As required by section 300A of the Corporations Act, the Directors' Report includes a Remuneration Report for the consideration of Shareholders. The Chairman will provide a reasonable opportunity at the Meeting for Shareholders to ask questions about or make comments regarding the management of the Company, and also to ask the Company's auditor questions regarding the conduct of its audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In accordance with section 250R(3) of the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

In summary, the Remuneration Report:

- explains the Board's policies in relation to the nature and level of remuneration paid to Directors and Key Management Personnel of the Company; and
- sets out remuneration details for each Director and for each member of Impelus' senior executive management team.

Directors' Recommendation

Noting that each Director of the Company has a personal interest in their own remuneration the subject of this resolution, the Board does not consider it appropriate to make a recommendation to Shareholders in relation to voting on this resolution.

Resolution 2 – Election of Mr Brendan Birsthistle as a Non-Executive Director

Rule 40 of the Company's Constitution requires that a Director appointed to fill a casual vacancy since the last AGM, must retire from office and is eligible for election.

Being eligible, Mr Brendan Birsthistle offers himself for election to the Board at the Meeting. Mr Birsthistle was appointed by the Board as the Company's Non-Executive Chairman effective 4 December 2018. Mr Birsthistle has significant and substantial strategic and operational experience. Early in his career, he worked as a management consultant with WD Scott, and as a Corporate Planner for ICL Australia (International Computers) and Wormald International Limited. As a CEO of Raynors (a subsidiary of Adelaide Steamships), he and the management team successfully transformed what was a moribund company.

Mr Birsthistle operated his boutique financial planning organisation, Connaught Consultants, for over 30 years (1984-2015). To achieve a better deal for retail investors, he joined the Australian Shareholders' Association, serving as Chairman for 3 years in the early 1990's. In 2003, he was elected as a Director of CCI, a small struggling listed coal testing company and was partly instrumental in the turn-around of the Company and its eventual sale. Investors were rewarded with a four-fold increase in their original investment.

For the past ten years, Mr Birthistle has concentrated on investing mainly in listed micro-cap companies. He presently owns shares in over 60 companies, predominantly in the technical and digital sectors. He is also a director of 3 private companies and The Eolas Foundation, a charitable trust.

Mr Birthistle's educational qualifications include an MBA (University of California, Los Angeles), B.Sc. (Hons) from University College, Dublin, BA (UNSW), and a Diploma of Jurisprudence (University of Sydney).

Directors' Recommendation

The Directors (other than Mr Birthistle) unanimously recommend that Shareholders vote in favour of Mr Birthistle's election.

Resolution 3 – Election of Mr Craig Poole as an Executive Director

Rule 40 of the Company's Constitution requires that a Director appointed to fill a casual vacancy since the last AGM, must retire from office and is eligible for election.

Being eligible, Mr Craig Poole offers himself for election to the Board at the Meeting. Mr Poole was appointed by the Board as an Executive Director effective 28 October 2019. Mr Poole has over 30 years' experience as an advertising and marketing professional working with, amongst others, Westpac and DuPont Australia. He was the founder of marketing agency, Synchronesh, and led its growth and expansion into Asia, before selling it on. Mr Poole holds a Bachelor of Commerce from Macquarie University and Postgraduate Diploma (Communications) from the University of Technology, Sydney, and worked in Chartered and Commercial Accounting before transitioning into marketing and advertising. He is currently the principal of Accelerate Creative Strategies, a strategic marketing, creative and media consultancy.

Directors' Recommendation

The Directors (other than Mr Poole) unanimously recommend that Shareholders vote in favour of Mr. Poole's's election.

Item 4 - Special Business

Resolution 4: Approval of 10% Placement Facility

4.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities (as that term is defined in the ASX Listing Rules) up to 10% of its issued Share capital through placements over a 12-month period after the Annual General Meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 1.2(3) below). The Company may use the funds raised from the issue of Equity Securities under the 10% Placement Facility for items including but not limited to, cash and non-cash consideration for the acquisition of new or existing businesses, assets and investments, growth opportunities, payment of consultants in lieu of fees and for products, working capital and also for other means to expand the Company's business.

4.2 Description of Listing Rule 7.1A

1. Shareholder Approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting.

2. Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has on issue two classes of Equity Securities, Shares and Unlisted Options.

3. Formula for Calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12-month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$(A \times D) - E$

A is

the number of Fully Paid Ordinary Securities on issue 12 months before the issue date or date of agreement to issue;

- plus the number of Fully Paid Ordinary Securities issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of Partly Paid Ordinary Securities that became fully paid in the 12 months;
- plus the number of Fully Paid Ordinary Securities issued in the 12 months with approval of holders of Ordinary Securities under Listing Rule 7.1 or 7.4. This does not include an issue of Fully Paid Shares under the entity's 15% placement capacity without Shareholder approval;
- less the number of Fully Paid Ordinary Securities cancelled in the 12 months.

Note, that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

4. Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 692,216,518 Shares. At present, the Company has a capacity to issue a remaining:

- (a) 103,832,477 Equity Securities under Listing Rule 7.1; and
- (b) 69,221,651 Equity Securities under Listing Rule 7.1A.

However, the actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 1.2(3) above).

5. Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- i. the date on which the price at which the Equity Securities are to be issued is agreed; or
- ii. if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

6. 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- i. the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- ii. the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX (**10% Placement Period**).

4.3 Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company’s 15% placement capacity under Listing Rule 7.1. Resolution 4 is a special resolution and therefore requires approval by 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

4.4 Specific Information Required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company’s Equity Securities in that class, calculated over the 15 Trading Days immediately before:
 - i. the date on which the price at which the Equity Securities are to be issued is agreed; or
 - ii. if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

- b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders’ economic and voting power in the Company will be diluted. There is a risk that:
 - i. the market price for the Company’s Equity Securities may be significantly lower on the issue date than on the date of the approval at the Annual General Meeting; and
 - ii. the Equity Securities may be issued at a price that is at a discount to the market price for the Company’s Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities. The below table depicts hypothetical scenarios, showing the dilution of existing Shareholders on the basis of the closing price of the Company’s Shares of \$0.006 each on 16 October 2019 and the current number of ordinary securities for variable “A” calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

Variable “A” in Listing Rule 7.1.A.2		\$0.003	\$0.006	\$0.012
		50% decrease in issue price	Issue Price	100% increase in issue price
Current Variable A	10% Voting Dilution	69,221,652	69,221,652	69,221,652
692,216,518	Funds Raised	\$207,665	\$415,330	\$830,660
50% increase in Current Variable A	10% Voting Dilution	103,832,478	103,832,478	103,832,478
1,038,324,777	Funds Raised	\$311,497	\$622,995	\$ 1,245,990

100% increase in current Variable A	10% Voting Dilution	138,443,304	138,443,304	138,443,304
1,384,433,036	Funds Raised	\$415,330	\$830,660	\$1,661,320

The table also shows:

- i. two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' Meeting; and
 - ii. two examples where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.
- c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- d) The Company may seek to issue the Equity Securities for the purposes including, but not limited to:
- i. non-cash consideration for the growth of its existing business, acquisition of new or existing businesses including costs associated with such acquisitions, assets and investments, growth opportunities, payment of consultants in lieu of fees, repayment of debt, working capital and also for other means to expand the Company's business. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - ii. cash consideration. In such circumstances, the Company intends to use the funds raised for the growth of its existing business, acquisition of new or existing businesses including costs associated with such acquisitions, assets and investments, growth opportunities, payment of consultants in lieu of fees, repayment of debt, working capital and also for other means to generally expand the Company's business and general working capital. The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities under the 10% Placement Facility. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
 1. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 2. the effect of the issue of the Equity Securities on the control of the Company;
 3. the financial situation and solvency of the Company; and
 4. advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new businesses, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of these assets or investments.

The Company obtained Shareholder approval under Listing Rule 7.1A at its 2012, 2013, 2014, 2015, 2016, 2017 and 2018 AGMs and provides the following information pursuant to Listing Rule 7.3A.6 (a) and (b).

The total number of Equity Securities issued in the 12 months preceding the date of the Meeting is 137,363,363 Shares which represents a dilution of 24.75% to the number of Shares on issue 12 months ago.

Shares issued on 30 November 2018

Date of Issue	30 November 2018
Number Issued	114,322,000
Class	Fully Paid Ordinary Shares
Recipient	Sophisticated and professional investors – Mr Brendan Birthistle
Price/Discount	\$0.011/15%
Consideration	\$1,257,542
Use of Funds	Repayment of bank debt and working capital

Shares issued on 30 November 2018

Date of Issue	30 November 2018
Number Issued	1,000,000
Class	Fully Paid Ordinary Shares
Recipient	Mr Neil Wiles (or his nominee), Managing Director.
Price/Discount	\$0.02 / No discount
Consideration	\$20,000
Use of Funds	Accelerate the roll-out of the digital customer acquisition/lead generation assets and scale up UK operations and for general working capital.

Shares issued on 28 February 2019

Date of Issue	28 February 2019
Number Issued	22,041,636
Class	Fully Paid Ordinary Shares
Recipient	Mr Brendan Birthistle
Price/Discount	\$0.011/ No discount
Consideration	\$242,458
Use of Funds	To retire bank debt and working capital.

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

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of the 10% Placement Facility.

Resolution 5: Approval of Issue of Convertible Notes

5.1 Background

On 7 June 2019, the Company advised that it had secured a loan of \$620,000 (**Loan**) from Connaught.

Subject to shareholder approval, the loan agreement (**Loan Agreement**) provides for Connaught to convert the:

- Loan into convertible notes (**Convertible Notes**); and
- Convertible Notes to Shares.

The Company has been notified that Connaught intends to convert the Loan to Convertible Notes. Upon conversion of the Loan to Convertible Notes, Connaught also intends to convert some of the Convertible Notes immediately, to obtain 70,000,000 Shares in the Company (**New Shares**).

The terms for the conversion of the Loan to Convertible Notes and the conversion of the Convertible Notes to New Shares as set out in the Loan Agreement are as follows:

1. Each Convertible Note shall have an issue price and face value of \$1.00.
2. The Company shall issue a number of Convertible Notes such that the total face value of Convertible Notes equals the debt at the time the notice is given by Connaught (with the debt being the principal loan amount plus interest payable to the lender).
3. Connaught's obligation to pay to the Company the issue price of the Convertible Notes will be offset against the Company's obligation to repay to Connaught the debt and, subject to the payment by the Company to Connaught of interest under clause 3 of the Loan Agreements, the issue of the Convertible Notes to Connaught shall relieve the Company of any further obligations under the Loan Agreements.
4. The Convertible Notes shall be repayable by the Company on 15 December 2021 unless earlier converted.
5. The Company shall pay interest on the face value of the Convertible Notes at the interest rate as specified in the Loan Agreements (as at 4 October 2019, 13.71% per annum) at the end of each month. The accrued interest on the Loan, as at the date of the Meeting, is \$49,337 – thus bringing the total debt under the Loan Agreement to \$669,337.
6. The Convertible Notes may be converted to fully paid ordinary shares at a price equal to the Company's VWAP for the five trading days prior to receipt of the conversion notice.

The Resolution seeks Shareholder approval for the purpose of Item 7 of section 611 of the Corporations Act and ASX Listing Rules 10.11 and 10.13 to allow the Company to convert the Loan to Convertible Notes and issue Shares to Connaught upon conversion of the Convertible Notes. The issue of Shares to Connaught, when aggregated with the existing Shares held by Mr Birthistle and his associates, will result in Mr Birthistle's voting power in the Company increasing from 23%. Mr Birthistle's and Connaught's stated intention is to convert a portion of the Convertible Notes immediately, to allow for the issue of 70,000,000 Shares, which would increase his voting power in the Company to 30%.

Should Connaught convert the balance of the Convertible Notes, and assuming a VWAP of \$0.006 (as at 16 October 2019), a total of 103,333,333 Shares could be issued and the voting power of Mr Birthistle and his associates could increase to up 32.97%.

The issue of the new Convertible Notes is intended to occur within 5 business days of the Meeting if the Resolution is approved by Shareholders at the Meeting.

5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must, pursuant to section 208 of the Corporations Act:

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

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

The issue of Convertible Notes constitutes giving a financial benefit and Mr Birthistle is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Birthistle who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Convertible Notes because the Notes were negotiated on an arm's length basis and therefore fall within the exception contained in section 210 of the Corporations Act.

5.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in ASX Listing Rule 10.12 applies.

Mr Brendan Birthistle is a director of the Company and therefore a related party of the Company. The sole member and director of Connaught is Mr Birthistle, therefore, the issue of Convertible Notes and subsequent conversion of the Convertible Notes into Shares to Connaught requires Shareholder approval pursuant to ASX Listing Rule 10.11.2, given that Connaught is controlled by Mr Birthistle and its relationship with him is therefore such that approval should be obtained. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. As such, Shareholder approval for the purpose of ASX Listing Rule 10.11 is being sought under this Resolution. If approval is given by shareholders to the Resolution, the issue of shares will not come out of the Company's capacity under Listing Rule 7.1 (and separate approval is not required under Listing Rule 7.1) as the approval of shareholders is being obtained under Listing Rule 10.11.

5.4 Section 611 (item 7) of the Corporations Act

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in issued voting shares in a company if, as a result of the acquisition, that person or someone else's voting power in the company increases from less than 20% to more than 20%, or from a starting point that is above 20% and below 90% (**Section 606 Prohibition**).

The voting power of a person in a body corporate is determined under section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

Section 608 of the Corporations Act states that a person has a relevant interest in securities if they:

- are the holder of the securities; or
- have power to exercise, or control the exercise of, a right to vote attached to securities; or
- have power to dispose of, or control the exercise of power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

There are various exceptions to the Section 606 Prohibition, including under section 611 (item 7) of the Corporations Act. Section 611 (item 7) of the Corporations Act provides an exception to the Section 606 Prohibition, in circumstances where the shareholders of the company approve an acquisition of a relevant interest in the company at a meeting at which no votes are cast by the acquirer of the relevant interest and the person from whom the acquisition is to be made, including their respective associates.

5.5 Reason Section 611 Approval is Required

Mr Birthistle's relevant interest currently represents 23% of the voting power in the Company. Therefore, conversion by Connaught of Convertible Notes to Shares may result in circumstances presenting a Section 606 Prohibition, unless Shareholder approval is obtained.

For this reason, the Company is seeking Shareholder approval for the purposes of section 611 (item 7) of the Corporations Act to permit the Company to issue Convertible Notes (which will be convertible to Shares) to Connaught.

DISCLOSURE OF MATERIAL INFORMATION

5.6 Section 611 (item 7)

The following information is provided in accordance with section 611 (item 7) of the Corporations Act and the ASIC Regulatory Guide 74: Acquisitions approved by members (**RG 74**).

a) **An explanation of the reasons for the proposed acquisition**

Please refer to section 5.1 of this Explanatory Statement.

b) **When the proposed acquisition is to occur**

Please refer to section 5.1 of this Explanatory Statement.

c) **The material terms of the proposed acquisition**

Please refer to section 5.1 of this Explanatory Statement.

d) **Identity of the person proposing to make the acquisition and their associates**

The acquirer is Connaught, which is controlled by Mr Brendan Birthistle.

Mr Brendan Birthistle has the following Shareholder associates:

- (i) Connaught Consultants (Finance) Pty Ltd;
 - (ii) Connaught Consultants (Finance) Pty Ltd <Super Fund A/C>; and
 - (iii) Muinearas Pty Limited <The Eolas Foundation A/C>
- (collectively, the **Associates**).

e) **Maximum extent of the increase in Mr Brendan Birthistle's voting power in the Company**

The Company currently has 692,216,518 Shares on issue. Upon the conversion of all of the Convertible Notes and the issue of Shares, the Company would have 795,549,851 Shares on issue (based on a share price of \$0.006, as at 4 October 2019). The maximum extent of the increase in Mr Brendan Birthistle's voting power in the Company would therefore be 32.97% as illustrated in the following table:

	<i>Current position</i>	<i>Position upon the issue of the new Shares</i>
Number of Shares on issue	692,216,518	795,549,851
Number of Shares owned by Mr Brendan Birthistle	142,543,636	142,543,636
Number of Shares owned by Associates	16,420,000	119,753,333
Mr Brendan Birthistle and his Associates' voting power	22.96%	32.97%

- f) **Voting power Mr Brendan Birthistle would have as a result of the acquisition and the maximum extent of the increase in the voting power of each Associate that would result from the acquisition**
Mr Brendan Birthistle and his Associates will have a voting power in the Company of up to 32.97% as a result of the issue of the new Shares. Please refer to section 5.1(e) of this Explanatory Statement.
- g) **The identity, associations and qualifications of any person who it is intended will become a director if Shareholders approve this Resolution.**
Mr Brendan Birthistle will not seek to appoint any director to the Board if the issue of Convertible Notes is approved.
- h) **A statement of Mr Brendan Birthistle's intentions regarding the future of the Company if members approve the acquisition**
Mr Birthistle does not currently have any:
(i) intention to change the business of the Company;
(ii) intention to inject further capital into the Company;
(iii) intention regarding the future employment of present employees of the Company;
(iv) proposals where assets will be transferred between the Company and either he or any of his associates; or
(v) intention to otherwise redeploy the fixed assets of the Company.
- i) **Any intention of Mr Brendan Birthistle to significantly change the financial or dividend distribution policies of the Company**
Mr Birthistle has no intention in this respect and the Board advises that a dividend is not presently paid by the Company and there is no foreseeable change to this policy.
- j) **The interest that any Director has in the acquisition or any relevant agreement**
The Directors (other than Mr Birthistle) do not have an interest in this Resolution or the Notes. Mr Brendan Birthistle has an interest in the Loan Agreements relating to the Convertible Notes. The terms of the Loan Agreements have been disclosed above in 5.1.
- k) **Recommendation of each Director as to whether Shareholders should approve the Resolution**
The Directors (other than Mr Birthistle who has a material personal interest in the Resolution) recommend that Shareholders approve the Resolution.
- l) **An analysis of whether the acquisition the subject of this Resolution is fair and reasonable to the non-associated Shareholders**
The Directors (excluding Mr Birthistle) consider that the proposed issue of Convertible Notes is fair and reasonable, on the basis that any Shares to be issued on conversion of the Convertible Notes will be issued at a price equivalent to the VWAP of the Company's Shares traded in the five days leading up to the relevant conversion notice being received, with no discount being applied. Further, the original Loan was entered into on arms' length terms. With reference to the Company's current circumstances, the Directors consider that given the Securities are being issued at an appropriate market price, and the conversion of the Loan to Convertible Notes significantly assists the Company in its cash management initiatives (as it relieves the Company of the obligation to repay \$669,000 in debt to Connaught), the issue of Convertible Notes and the subsequent issue of Shares upon conversion of the Convertible Notes, to be fair and reasonable within the meaning in this section 5.1 of the Explanatory Statement.

5.7 ASX Listing Rule 10.11

The following information is provided in accordance with ASX Listing Rules 10.11 and 10.13.

- a) **The name of the person and relationship to the Company**
The person is Connaught. The sole member and director of Connaught is Mr Brendan Birthistle, a director, and related party, of the Company.
- b) **Maximum number of securities to be issued**

669,000 Convertible Notes will be issued to Connaught.

c) **The date by which the Company will issue the securities**

If the Resolution is approved, the Company intends to issue the Convertible Notes within 5 Business Days after the date of the Meeting, but in any event within 1 month after the date of the Meeting.

d) **The issue price of the securities and a statement of the terms of the issue**

Each Convertible Note has an issue price of \$1.00. The terms of the issue have been disclosed in section 5.1. The Convertible Notes may be converted to fully paid ordinary shares at a price equal to the Company's VWAP for the five trading days prior to receipt of the conversion notice.

e) **Voting exclusion statement**

Votes cast in favour of the Resolution by Connaught and its Associates will be disregarded.

However, in accordance with the Listing Rules, the Company need not disregard a vote if:

- i. it is cast by a person as a proxy for a Shareholder who is entitled to vote, in accordance with the directions on the proxy form; or
- ii. it is cast by the Chairman of the Meeting as proxy for a Shareholder who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

f) **Intended use of the funds raised**

The funds raised from the issue of the Convertible Notes to Connaught will be offset against the Company's obligation to repay the Loan.

Directors' Recommendation

The Directors (with the exclusion of Mr Birsthistle) unanimously recommend that Shareholders vote in favour of the issue of the Convertible Notes.

By order of the Board.



Vanessa Chidrawi

Company Secretary

Date: 25 October 2019

GLOSSARY

ASIC means the Australian Securities and Investments Commission.

AEDT means Australian Eastern Daylight Savings Time as observed in Sydney, Australia.

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

Associates means Connaught Consultants (Finance) Pty Ltd; Connaught Consultants (Finance) Pty Ltd <Super Fund A/C>; and Muinearas Pty Limited <The Eolas Foundation A/C>.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules or **Listing Rule** means the Listing Rules of the ASX, as amended or replaced from time to time except to the extent of any express written waiver by ASX.

Board means the current Board of directors of the Company.

Business Day means a day on which trading takes place on the stock market of the ASX.

Chairman means the chairman of the annual general meeting.

Closely Related Party has the meaning as defined in section 9 of the Corporations Act.

Company means Impelus Limited (ABN 24 089 805 416).

Constitution means the Company's Constitution.

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

Directors means the current directors of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means this Explanatory Memorandum as modified or varied by any supplementary Memorandum issued by the Company from time to time.

Key Management Personnel or **KMP** has the meaning as defined in section 9 of the Corporations Act.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting and the explanatory notes accompanying the Notice and the Proxy Form.

New Shares has the meaning set out in section 5.1 of the Explanatory Statement;

Option or **Unlisted Option** means an Option to acquire a Fully Paid Ordinary Share in the Company.

Proxy Form means the proxy form that is enclosed with and forms part of this Notice.

Remuneration Report means the remuneration report set out in the Director's Report section of the Company's annual financial report for the year ended 30 June 2019.

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

RG 74 has the meaning set out in section 5.1 of the Explanatory Statement

Section 606 Prohibition has the meaning set out in section 5.4 of the Explanatory Statement.

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

Shareholder means a registered holder of a Share in the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume-weighted average price.

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LODGE YOUR VOTE

- ONLINE**
www.linkmarketservices.com.au
- BY MAIL**
Impelus Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
- BY FAX**
+61 2 9287 0309
- BY HAND**
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000
- ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

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

APPOINT A PROXY

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11.00 a.m. on Thursday, 28 November 2019 at Impelus Limited, Level 23 100 William Street, Sydney NSW 2011** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 and 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 5, even though Resolutions are connected with the remuneration of a member of the Key Management Personnel of the Company, which includes the Chairman, and resolution 5 is connected with the issue of securities to an Associate of the Chairman.

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of Issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Mr Brendan Birthistle as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Election of Mr Craig Poole as an Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of 10 % Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

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

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

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

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11.00 a.m. on Tuesday, 26 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

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

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