

Thred Limited

ACN 124 541 466

Notice of Annual General Meeting

9.00am (AWST)

Wednesday, 28 November 2018

At the offices of Blackwall Legal

Level 26, 140 St Georges Terrace, Perth WA 6000

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6111 6279.

Time and place of Meeting and how to vote

Time and place of Meeting

Notice is given that the Company's Annual General Meeting will be held at 9.00am (AWST) on Wednesday, 28 November 2018 at the offices of Blackwall Legal, Level 26, 140 St Georges Terrace, Perth WA 6000.

Your vote is important

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

The Explanatory Statement accompanying this Notice provides additional information on the matters to be considered at the Meeting. The Explanatory Statement and Proxy Form each form part of this Notice of Meeting.

Voting eligibility

The Directors have determined, pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that the persons eligible to vote at the Meeting are those who are registered Shareholders at 9.00am (AWST) on Wednesday, 28 November 2018.

Voting in person

To vote in person, attend the Meeting at the time, place and date set out above.

Voting by proxy

In accordance with section 249L of the Corporations Act, members are advised that:

- (a) each member has a right to appoint a proxy;
- (b) the proxy need not be a member of the Company; and
- (c) a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of these sections, as they will apply to this Meeting. Broadly, the sections mean that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these legislative requirements are set out below.

Proxy vote if appointment specifies way to vote

An appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and

- (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

If:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Business of the Meeting

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018, together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

Resolution 1 – Adoption of Remuneration Report

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

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2018.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (**voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 – Re-election of Director – Mr Joe Graziano

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

“That, Mr Joe Graziano, a Director who was appointed 1 August 2018, retires in accordance with Article 6.3 of the Constitution, and being eligible, is re-elected as a Director.”

Resolution 3 – Re-election of Director – Mr Solomon Majteles

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

“That, for the purposes of Article 6.3 of the Constitution and for all other purposes, Mr Solomon Majteles, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

Resolution 4 – Approval of 10% Placement Capacity

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5 – Disposal of main undertaking

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

“That, for the purposes of ASX Listing Rule 11.2 and for all other purposes, approval is given for the disposal of the Sweep Business, being the main undertaking of the Company, at a minimum price of \$550,000, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 30 October 2018.

By order of the Board

Damon Sweeny
Company Secretary

Explanatory Statement

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

Financial Statements and Reports

In accordance with the Constitution, the business of the Meeting will include the receipt and consideration of the Company's annual financial report for the financial year ended 30 June 2018, together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.thred.im.

Resolution 1 – Adoption of Remuneration Report

General

The Corporations Act requires a resolution that the remuneration report be adopted be put to shareholders at a listed company's annual general meeting. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the Company's annual financial report for the financial year ended 30 June 2018.

The Chair of the Meeting must allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

Voting consequences

Under the Corporations Act, if, at consecutive annual general meetings:

- (a) at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report; and
- (b) at the first of those annual general meetings a Spill Resolution was not put to vote,

a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**). If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting, those persons whose election or re-election as directors of the company is approved will be the directors of the company.

Previous voting results

At the Company's annual general meeting for the year ended 30 June 2017, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

- (a) If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy: **you must direct your proxy how to vote** on this Resolution. Undirected proxies granted to these persons will **not** be voted and will **not** be counted in calculating the required majority if a poll is called on this Resolution.
- (b) If you appoint the Chair as your proxy (where the Chair is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member): **you do not need to direct your proxy how to vote** on this Resolution. However, if you do **not** direct the Chair how to vote, you **must** mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his or her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.
- (c) If you appoint any other person as your proxy: **you do not need to direct your proxy how to vote** on this Resolution, and you do **not** need to mark any further acknowledgement on the Proxy Form.

Resolution 2 – Re-election of Director – Mr Joe Graziano

Article 6 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Joe Graziano was appointed as a Director on 1 August 2018. Accordingly, Mr Graziano will retire in accordance with Article 6.3 of the Constitution and, being eligible, seeks re-election.

Mr Graziano is a Chartered Accountant with over 25 years' experience in corporate advisory and consulting to listed and unlisted companies in sectors including mining services, resources and exploration, and banking and finance.

Directors recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

Resolution 3 – Re-election of Director – Mr Solomon Majteles

Article 6.3 of the Constitution requires that, at the Company's annual general meeting each year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following their appointment, whichever is the longer, without submitting themselves for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under Article 6.3 of the Constitution is eligible for re-election.

The Company currently has 3 Directors and accordingly 1 must retire.

Mr Solomon Majteles retires by agreement and seeks re-election.

Mr Majteles is a commercial lawyer and has been in private legal practice since 1972. He has over 35 years' experience in business, corporate, property and commercial law and practice. Since 1983 he has been a Director of a number of publicly listed companies involved in the mining and exploration for gold, base metals, coal, uranium, oil and gas and in the bio tech sector.

Directors recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

Resolution 4 – Approval of 10% Placement Capacity – Shares

General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**). An approval under Listing Rule 7.1A remains valid until the earlier of:

- (a) the date falling 12 months after the date on which the approval is granted; and
- (b) the date shareholders approve a transaction under Listing Rule 11.1.2 (for a significant change to the nature or scale of the Company's activities) or 11.2 (for a disposal of the Company's main undertaking).

An **Eligible Entity** is one that, as at the date of the relevant annual general meeting:

- (c) is not included in the S&P/ASX 300 Index; and
- (d) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation as at 26 September 2018 of \$7,157,563.

If Shareholders approve Resolution 4, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 4 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: THD).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - b) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4;
 - d) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 4:

(a) **Minimum price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- e) the date on which the price at which the Equity Securities are to be issued is agreed; or
- f) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (a)(i) above, the date on which the Equity Securities are issued.

(e) **Date of issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- a) 12 months after the date of the Meeting; and
- b) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (for a significant change to the nature or scale of the Company's activities) or 11.2 (for the disposal of the Company's main undertaking), after which date, an approval under Listing Rule 7.1A ceases to be valid,

(10% Placement Capacity Period).

(f) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable 'A' in the formula set out above) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A.2)	Dilution				
	Number of Shares issued under 10% Placement Capacity	Dilutionary effect of issue of Shares under 10% Placement Capacity	Funds raised based on issue price of \$0.0015 (50% decrease in current issue price)	Funds raised based on issue price of \$0.003 (issue price based on current market price)	Funds raised based on issue price of \$0.0045 (50% increase in current issue price)
1,789,390,870 (Current)	178,939,087	10%	\$268,409	\$536,817	\$805,226
2,684,086,305 (50% increase)*	268,408,631	10%	\$402,613	\$805,226	\$1,207,839
3,578,781,741 (100% increase)*	357,878,174	10%	\$536,817	\$1,073,615	\$1,610,452

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 29 October 2018.
2. The issue price set out above \$0.017 is the closing price of the Shares on the ASX on at 29 October 2018.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- a) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- b) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(g) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- a) as cash consideration, in which case the Company intends to use funds raised for its ongoing expenditure requirements in respect of its existing assets and the acquisition of new assets and investments (including expenses associated with such an acquisition) and general working capital; or
- b) as non-cash consideration for the acquisition of new assets and investments which will complement the Company's existing projects and add value to the Company's Shareholders where the directors consider it appropriate to do so, in which case the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

(h) Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- a) the purpose of the issue;
- b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- c) the effect of the issue of the Equity Securities on the control of the Company;
- d) the Company's circumstances, including, but not limited to, its financial position and solvency;
- e) prevailing market conditions; and
- f) advice from corporate, financial and broking advisers (if applicable).

(i) Previous approval under ASX Listing Rule 7.1A

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A on 30 November 2017. In the 12 months preceding the date of the Annual General Meeting (being 28 November 2018), the Company issued a total of 639,776,210 Equity Securities, representing 56% of the total number of Equity Securities on issue at 30 November 2017. Details of the Equity Securities issued in the preceding 12-month period are set out in Annexure A.

(j) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- a) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- b) the information required by Listing Rule 3.10.5A for release to the market.

Voting exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

Directors recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

Resolution 5 – Disposal of main undertaking

Background

As announced to ASX on 25 September 2018, the Company has entered into a binding agreement to sell the Sweep Business (**Heads of Agreement**).

Since re-complying with ASX's admission requirements in June 2016, the Company's principal focus has been on the development of software designed to use messaging, geo-location and augmented reality to engage consumers and businesses.

Having initially focussed on development and commercialisation of its Thred technology platform, the Company changed its technology emphasis in September 2017 with the announcement of a new business plan focussing on the development and application of augmented reality and geolocation technologies, with the Sweep application being launched in November 2017. Having spent approximately \$1.5 million on development of the Sweep software by May 2018, it was determined, following internal review, that a completely new version of software was required, and work began on a new iteration of Sweep in mid-June 2018. To date, approximately \$400,000 has been spent on further Sweep development.

Given the ongoing financial commitment required for development of the Sweep Business, the Directors commissioned an external review by a corporate advisor to determine the ongoing viability of the Sweep Business and to seek external development funding. In late August 2018, the Company's corporate advisor presented a proposal involving a partial management buyout, having concluded that the most viable strategy was an effective spin-off of the Sweep Business to key executives, with sourcing of external funding being dependent on the participation of those executives in the buyout vehicle.

The Directors decided to de-risk the Company's exposure to the ongoing development expenditure requirements of the Sweep Business and entered into negotiations to dispose the Sweep Business to its subsidiary AR Technologies Pty Ltd (**ARtech**), with ARtech at the same time to issue shares to Project Savvy Pty Ltd (**Project Savvy**), a company formed by the Company's management team for the purpose of investing in the Sweep Business, to give Project Savvy an 80% holding in ARtech.

With no reliable valuation methodology available to value the Sweep Business, the Directors' desire to recover a significant proportion of the Sweep development expenditure was counterbalanced by Project Savvy's understandable reluctance to invest a substantial sum into an unproven and cash-hungry product. The consideration payable for the Sweep Business (being \$150,000 up front with \$400,000 to come in the event of successful commercialisation or capital raising activities) is a function of those realities.

Although not finalised as at the date of this Notice, Project Savvy's principal shareholder (with 66% of its issued capital) will be Robyn Foyster, a former Director and current executive chairman of ARtech. The other major shareholders will include corporate advisor Rob Antulov, Thred company secretary Damon Sweeny, and Celtic Capital Pty Ltd (a company associated with Jason Peterson, a director of Perth-based financial services firm CPS Capital Group). Other than Mr Peterson, who has a relevant interest in shares comprising 7.88% of the issued capital of the Company, none of the Project Savvy shareholders have a material interest in the Company's shares.

The Company will initially retain a 20% interest in ARtech, but will be subsequently diluted as ARtech raises additional capital to fund further development and commercialisation of the Sweep Business.

Requirement for Shareholder approval

The Directors consider that the sale of the Sweep Business constitutes a significant change in the scale of the Company's activities for the purposes of Listing Rule 11.1.

Listing Rule 11.2 provides that, where a significant change to the scale of an entity's activities involves the disposal of the entity's main undertaking, then the entity must obtain shareholder approval and comply with any requirements of ASX in relation to the notice of meeting. As the Sweep Business is the Company's main undertaking, shareholder approval is sought by way of Resolution 5.

Shareholders should be aware that following the proposed disposal of the Company's main undertaking, ASX may require the Company to seek shareholder approval pursuant to Listing Rule 11.1.2, and/or re-comply with Chapters 1 and 2 of the Listing Rules pursuant to Listing Rule 11.1.3, with respect to any future transaction the Company may enter into.

A disposal by a listed entity of its main undertaking can also raise issues under Listing Rule 12.1 and 12.2, which oblige a listed entity to satisfy ASX on an ongoing basis that the level of its operations is sufficient, and its financial condition adequate, to warrant its continued listing and continued quotation of its securities. ASX Guidance Note 12 states, the disposal by a listed entity of its main undertaking may be a precursor to the entity embarking on a new business venture, either immediately or once a suitable business has been identified and acquired. In the latter case, notwithstanding Listing Rule 12.3, ASX will, in the absence of any other reason to suspend the quotation of the entity's securities, generally continue the quotation of its securities for up to six months to allow it time to identify, and make an announcement of its intention to acquire, a suitable new business.

If an entity is not able to make an announcement of its intention to acquire a new business within six months of completing the disposal of its main undertaking, ASX will generally exercise its discretion under Listing Rule 12.3 to suspend the quotation of its securities at the end of that six month period. The suspension will continue until the entity makes an announcement acceptable to ASX about its future activities.

If the Company does propose to enter into a new transaction, it will consult with ASX.

Key terms of Transaction

The key terms for the sale of the Sweep Business to ARtech (**Proposed Transaction**) are set out below.

Consideration

ARtech will pay THD \$550,000 for the Sweep Business in three tranches (of \$150,000 on completion of the Proposed Transaction (**Completion**) and \$200,000 on each the 1st and 2nd anniversaries of Completion). ARtech will also reimburse THD for its costs of maintaining the Sweep Business for the period from 24 September 2018 to Completion.

Conditions precedent

Completion is conditional on the following:

- (a) **(shareholder approval)** the Company receiving the approval of shareholders for the Proposed Transaction to proceed;
- (b) **(ARtech funding)** ARtech having issued, or received firm commitments to subscribe for, securities to raise not less than \$300,000;
- (c) **(assignment of intellectual property)** the Company having agreed to assign the Sweep IP to ARtech;

- (d) **(vendor finance facility)** ARtech and the Company having executed documentation pursuant to which the Company will, on a secured basis, vendor finance the sale of the Sweep Business to ARtech;
- (e) **(employees)** ARtech having entered into employee agreements with the Company's employees pursuant to which ARtech will become responsible for, inter alia, the employee entitlements of those employees; and
- (f) **(incentive options)** ARtech having issued the Incentive Options to the Sweep Business' key management personnel.

Financial effect of the Transaction

The costs associated with developing the Sweep Business have historically been expensed - as a consequence, the Transaction will be no impact on the value of the Company's consolidated net assets or total equity interests.

The Sweep Business is yet to generate material revenues, so the Transaction will have no impact on the Company's revenue position. The Company will make considerable savings by selling the Sweep Business, which has consumed cash of approximately \$7.9 million since June 2016.

Changes to the Company's business model

Following Completion, the Company's principal assets will be its 20% interest in ARtech and cash of approximately \$2.8 million.

The Directors consider that the ARtech investment will not be significant enough to justify the Company's continuing to be listed indefinitely. Accordingly, the Directors will now actively seek investment opportunities with the expectation that it will be in a position to announce a significant transaction within the six-month time frame likely to be imposed by ASX in accordance with its usual practice under Listing Rule 12.

Intentions regarding proceeds of disposal

The proceeds of sale of the Sweep Business will be used for general working capital purposes until such time as the Company may require those funds for the acquisition or development of other assets.

Changes to senior management

There are no changes to THD senior management.

Timetable

The Heads of Agreement provides that Completion should occur not more than within 10 business days of satisfaction or waiver of the Conditions Precedent. Accordingly, the Directors expect that the Company will transfer the Sweep Business no later than 12 December 2018 (being 10 Business Days after the Meeting).

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

Glossary

In this document the following definitions apply:

\$	means Australian dollars.
Annual General Meeting or Meeting	means the annual general meeting convened by this Notice.
AWST	means Australian Western Standard Time.
ARtech	means AR Technologies Pty Ltd ACN 624 386 214.
ASX	means ASX Limited ACN 008 624 691 or, as the context requires, the Australian Securities Exchange operated by ASX Limited.
Board	means the current board of Directors.
Business Day	means a day (other than a Saturday or a Sunday) on which banks in Western Australia are open for business.
Closely Related Party Company or Thred	has the meaning given in section 9 of the Corporations Act. means Thred Limited ACN 124 541 466.
Completion	has the meaning given in Section 5 of the Explanatory Statement.
Constitution	means the Company's constitution.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Equity Securities	includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.
Explanatory Statement	means the explanatory statement accompanying this Notice.
Heads of Agreement	has the meaning given in Section 5 of the Explanatory Statement.
Key Management Personnel	has the meaning given in the Listing Rules.
Listing Rules	means the listing rules of ASX.
Notice or Notice of Meeting	means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.
Option	means an option to subscribe for a Share.
Ordinary Securities	has the meaning set out in the Listing Rules.
Project Savvy	means Project Savvy Pty Ltd ACN 628 979 144.
Proposed Transaction	has the meaning given in Section 5 of the Explanatory Statement
Proxy Form	means the proxy form accompanying this Notice.
Remuneration Report	the remuneration report contained in the Directors' report in the Company's annual financial report for the financial year ended 30 June 2018.
Resolutions	means the resolutions to be considered by Shareholders at the Meeting, as set out in this Notice of Meeting.
Rights Issue	means the pro rata entitlement offer undertaken by the Company in April 2018.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a registered holder of one or more Shares.
Sweep Business	means the application of existing and emerging technologies to create engagement and transfer of value between consumers and businesses.
Sweep IP	means the Company's registered and unregistered intellectual property in respect of the Sweep Business as at the date of Completion.

Annexure A – Details of Equity Security Issues

Date of issue	Number issued	Class/Type of equity security and Summary of terms	Names of persons who received securities or basis on which those persons was determined	Issue Price	Consideration	
24.11.2017	2,612,500	Fully paid ordinary shares	IR consultant	\$0.02	Non-cash consideration paid and current value of that non-cash consideration	Equity fee in consideration for services provided. Value at 26.09.2018 (\$0.004) : \$10,450
29.03.2018	30,000,000	Fully paid ordinary shares	Corporate advisor	\$0.008	Non-cash consideration paid and current value of that non-cash consideration	Mandate execution fee. Value at 26.09.2018 (\$0.004) : \$120,000
04.04.2018	10,700,000	Options exercisable at \$0.000 expiring 4 April 2023	Key Thred employees	NIL	Non-cash consideration paid and current value of that non-cash consideration	Issued pursuant to the Incentive Option Plan approved by shareholders on 10 April 2017, to Thred executives. Current value of non cash consideration is \$42,800
13.04.2018	10,700,000	Fully paid ordinary shares	Optionholders who exercised options	NIL	Non-cash consideration paid and current value of that non-cash consideration	Exercise of employee incentive options. Current value of non cash consideration is \$42,800
03.05.2018 & 22.05.2018	596,463,710	Fully paid ordinary shares	UNDERWRITTEN RIGHTS ISSUE : Subscribers to, underwriters of & clients of underwriters	\$0.004 Issued at no discount to the market price at date of issue	Total cash consideration	\$2,385,854
					Amount of cash consideration spent and description of what consideration was spent on	\$957,244 Development and marketing of the Sweep platform and associated corporate operational costs

YOUR VOTE IS IMPORTANT.

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 9am (AWST) 26 NOVEMBER 2018

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman 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 Chairman 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.

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.

Appointment of a Second Proxy

You are entitled to appoint up to two 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 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

You can tell your Proxy how to vote.

To direct your proxy how to vote, place a mark in 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 voting rights are to be voted on any item by inserting the percentage or number of securities 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 your vote on that item will be invalid.

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 must 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 must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting **9 am (AWST) on 28 November 2018**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged:

IN PERSON

c/o Blackwall Legal, Level 26, 140 St Georges Terrace, Perth WA 6000

or BY MAIL

PO Box 380, North Perth WA 6906

Attending the Meeting

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



**General Meeting
Proxy form**

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 on the form. Securityholders sponsored by a broker should advise your broker of any changes. Please note, you cannot change ownership of your securities using this form.

STEP 1 - Appointment of Proxy

I/We being a member/s of Thred Limited and entitled to attend and vote hereby appoint

the Chairman of the Meeting
(mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the Annual General Meeting of Thred Limited to be held At the offices of Blackwall Legal, Level 26, 140 St Georges Terrace, Perth WA 6000 on **28 November 2018 at 9:00 am (AWST)** 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. **The Chairman will vote all undirected proxies in favour of all Resolutions.**

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Joe Graziano	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Mr Solomon Majteles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Disposal of main undertaking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 - Please sign here

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date