



25 March 2022

Dear Shareholders

IMPACT OF COVID-19 RESTRICTIONS ON THE COMPANY'S GENERAL MEETING

The shareholder meeting will be **held virtually on Wednesday, 27 April 2022 at 10:00am (WST) (Meeting)**.

The Company is continuing to monitor the impact of the COVID-19 virus in Western Australia and following guidance from the Federal and State Governments.

Having considered the current circumstances, the Directors have made the decision to hold the Meeting by way of a live video conference, in accordance with ASIC Corporations (Virtual only Meetings) Instrument 2022/129.

In accordance with the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021*, the Company will not be sending hard copies of the Notice of Meeting to shareholders. The Notice of Meeting can be viewed and downloaded from the Company's share registry platform at www.advancedshare.com.au/investor-login.

If you have nominated an email address with the Company's Share Registry, Advanced Share Registry Services, and have elected to receive electronic communications you will receive an email to your nominated email address with a link to the electronic copy of the Meeting Materials. Alternatively, a complete copy of the important Meeting documents has been posted on the Company's ASX market announcements page.

Participation in the virtual meeting and electronic voting will be offered through www.advancedshare.com.au/virtual-meeting. Please refer to the Meeting ID and Shareholder ID on your proxy form to login to the website.

Shareholders will have a reasonable opportunity to ask questions during the Meeting by logging into the virtual Meeting portal and submitting questions online under the Q&A section.

All resolutions for the Meeting will be decided on a poll (based on votes submitted by proxy and by Shareholders participating in the online poll). Advanced Share Registry Services will be facilitating the voting. We strongly encourage shareholders to submit their proxies as early as possible. We recommend logging into the online platform, using the instructions provided, at least 15 minutes prior to the scheduled start time for the Meeting.

In order to receive electronic communications from the Company in the future, please update your Shareholder details online at www.advancedshare.com.au/investor-login.

If you are unable to access the Notice of Meeting online, please contact the Company Secretary, Elizabeth Lee on +61 8 9482 0500 or via email at liz888@westnet.com.au.

25 March 2022

The Australian government and the respective State Governments are implementing a wide range of measures to contain or delay the spread of COVID-19. If it becomes necessary or appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company will notify Shareholders accordingly via the Company's website at www.cil.com.au and the Company's ASX Announcement Platform at asx.com.au (ASX: C11).

This announcement is authorised for market release by the Board.

Sincerely,

A handwritten signature in black ink, appearing to read 'Elizabeth Lee', with a stylized flourish at the end.

Elizabeth Lee
Company Secretary

CREDIT INTELLIGENCE LIMITED

ACN 126 296 295

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00 am (WST)

DATE: Wednesday 27 April 2022

PLACE: Virtual format via Advanced Share Registry's online platform
www.advancedshare.com.au/virtual-meeting

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00 pm WST on 25 April 2022.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

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

"That, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

(a) every 20 Shares be consolidated into 1 Share; and

(b) every 20 Options be consolidated into 1 Option,

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

2. RESOLUTION 2 – ISSUE OF OPTIONS TO RELATED PARTY – MR JIMMIE WONG

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 4,840,000 Options (on a post Consolidation basis) to Mr Jimmie Wong (or their nominee) on the terms and conditions set out in the Explanatory Statement."

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

3. RESOLUTION 3 – ISSUE OF OPTIONS TO RELATED PARTY – MR MARK NG

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 400,000 Options (on a post Consolidation basis) to Mr Mark Ng (or their nominee) on the terms and conditions set out in the Explanatory Statement."

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

4. RESOLUTION 4 – ISSUE OF OPTIONS TO RELATED PARTY – MR KING WONG

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 400,000 Options (on a post Consolidation basis) to

Mr King Wong (or their nominee) on the terms and conditions set out in the Explanatory Statement.”

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

5. RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY – MR RUSSELL GOODMAN

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 80,000 Options (on a post-Consolidation basis) to Mr Russell Goodman (or their nominee) on the terms and conditions set out in the Explanatory Statement.”

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

6. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – MR MICHAEL PIXLEY

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 80,000 Options (on a post-Consolidation basis) to Mr Michael Pixley (or their nominee) on the terms and conditions set out in the Explanatory Statement.”

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

7. RESOLUTION 7 – ISSUE OF OPTIONS TO RELATED PARTY – MR VINCENT LAI

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 80,000 Options (on a post-Consolidation basis) to Mr Vincent Lai (or their nominee) on the terms and conditions set out in the Explanatory Statement.”

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

8. RESOLUTION 8 – ISSUE OF OPTIONS TO RELATED PARTY – MS EVA CHAN

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 400,000 Options (on a post-Consolidation basis) to

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

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

9. RESOLUTION 9 – ISSUE OF OPTIONS TO RELATED PARTY – MR HERBERT WONG

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 400,000 Options (on a post-Consolidation basis) to Mr Herbert Wong (or their nominee) on the terms and conditions set out in the Explanatory Statement."

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

10. RESOLUTION 10 – APPROVAL TO ISSUE OPTIONS TO UNRELATED EMPLOYEES

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 1,320,000 Options (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement."

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

11. RESOLUTION 11 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."

12. RESOLUTION 12 – INCREASE IN TOTAL AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

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

"That, for the purposes of clauses 15.7 and 15.8 of the Proposed Constitution, Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the total aggregate amount of fees payable to non-executive Directors from \$150,000 per annum to \$250,000 per annum in accordance with the terms and conditions set out in the Explanatory Statement."

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

Dated: 25 March 2022

By order of the Board

A handwritten signature in black ink, appearing to read 'Elizabeth Lee', with a stylized flourish at the end.

**Elizabeth Lee
Company Secretary**

Voting Prohibition Statements

Resolution 2 – Issue of Options to Related Party – Mr Jimmie Wong

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 2 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 2 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 2 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 3 – Issue of Options to Related Party – Mr Mark Ng

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 3 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 3 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 4 – Issue of
Options to Related Party
– Mr King Wong**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 4 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 5 – Issue of
Options to Related Party
– Mr Russell Goodman**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 5 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (a) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 6 – Issue of
Options to Related Party
– Mr Michael Pixley**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 6 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 7 – Issue of
Options to Related Party
– Mr Vincent Lai**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 7 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 8 – Issue of Options to Related Party – Ms Eva Chan

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 8 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 8 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 9 – Issue of Options to Related Party – Mr Herbert Wong

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 9 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 9 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 12 – Increase in Total Aggregate Remuneration for Non-Executive Directors

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and

	<p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
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Voting Exclusion Statements

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

Resolution 2 – Issue of Options to Related Party – Mr Jimmie Wong	Mr Jimmie Wong (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 3 – Issue of Options to Related Party – Mr Mark Ng	Mr Mark Ng (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 4 – Issue of Options to Related Party – Mr King Wong	Mr King Wong (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 5 – Issue of Options to Related Party – Mr Russell Goodman	Mr Russell Goodman (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 6 – Issue of Options to Related Party – Mr Michael Pixley	Mr Michael Pixley (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 7 – Issue of Options to Related Party – Mr Vincent Lai	Mr Vincent Lai (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 8 – Issue of Options to Related Party – Ms Eva Chan	Ms Eva Chan (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 9 – Issue of Options to Related Party – Mr Herbert Wong	Mr Herbert Wong (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 10 – Approval to issue Options	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

Resolution 12 – Increase in Total Aggregate Remuneration for Non-Executive Directors

A Director or an associate of that person or those persons.

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

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

Voting by proxy

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.

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) 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.

Shareholders and their proxies should be aware that:

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

Voting in person

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

You may still attend the meeting and vote by virtual means even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9482 0500.

EXPLANATORY STATEMENT

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

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

1.1 Background

Resolution 1 seeks Shareholder approval to consolidate the Company's issued capital on a 20 to 1 basis so that:

- (a) every 20 Shares be consolidated into 1 Share (subject to rounding); and
 - (b) every 20 Options be consolidated into 1 Option (subject to rounding),
- (the **Consolidation**).

1.2 Legal requirements

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

1.3 Fractional entitlements

Not all security holders will hold that number of Securities which can be evenly divided by 20. Fractional entitlements will be rounded up to the nearest whole number.

1.4 Taxation

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

1.5 Holding statements

From the date two Business Days after the Effective Date (as set out in the timetable in Section 1.7 below), all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

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

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

1.6 Effect on capital structure

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

Holder	Shares ¹	Options
Pre-Consolidation		
Existing Company Shareholders	1,602,723,518	-
Existing Company Optionholders	-	42,800,000 ²
Options to be issued pursuant to Resolutions 2 to 10		160,000,000 ^{2,3}
Sub-total	1,602,723,518	202,800,000
Post-Consolidation⁴		
Existing Company Shareholders	80,136,176	-
Existing Company Optionholders	-	2,140,000 ²
Options to be issued pursuant to Resolutions 2 to 10	-	8,000,000 ^{2,3}
Total⁵	80,136,176	10,140,000

Notes:

1. Fully paid ordinary shares in the capital of the Company.
2. The terms of these Options are set out in the tables below.
3. Refer to Sections 2 and 3 and Schedule 1 for further details.
4. On a 1:20 basis.
5. Assuming no other securities are issued, no Options are exercised, and subject to the passing of Resolutions 2 to 10.

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

Options – pre-Consolidation

Terms	Exercise Price	Number
The Options that are the subject of Resolutions 2-10 ¹	\$0.012	160,000,000
CI1AE: Option Expiring 31 October 2022	\$0.06	6,600,000
CI1AF: Option Expiring 23 July 2024	\$0.03	36,200,000
Total		202,800,000²

Notes:

1. The terms and conditions of which are set out in Schedule 1.
2. Subject to the passing of Resolutions 2–10 and assuming no Options are exercised.

Options – post-Consolidation

Terms	Exercise Price	Number
The Options that are the subject of Resolutions 2-10 ¹	\$0.24	8,000,000
CI1AE: Option Expiring 31 October 2022	\$1.20	330,000
CI1AF: Option Expiring 23 July 2024	\$0.60	1,810,000
Total		10,140,000²

Notes:

1. The terms and conditions of which are set out in Schedule 1.
2. Subject to the passing of Resolutions 2–10 and assuming no Options are exercised.

1.7 Indicative timetable*

If Resolution 1 is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 7) of the Listing Rules):

Action	Date
Company announces Consolidation.	Friday, 25 March 2022
Company sends out the Notice of Meeting	Friday, 25 March 2022
Shareholders pass Resolution 1 to approve the Consolidation.	Wednesday, 27 April 2022
Company announces Effective Date of Consolidation.	Thursday, 28 April 2022
Effective Date of Consolidation	Friday, 29 April 2022
Last day for pre-Consolidation trading.	Monday, 2 May 2022
Post-Consolidation trading commences on a deferred settlement basis.	Tuesday, 3 May 2022
Record Date.	Wednesday, 4 May 2022
Last day for the Company to register transfers on a pre-Consolidation basis.	Wednesday, 4 May 2022
First day for the Company to update its register and send holding statements to security holders reflecting the change in the number of Securities they hold.	Thursday, 5 May 2022
Last day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of Securities they hold and to notify ASX that this has occurred.	Wednesday, 11 May 2022
Deferred settlement trading ends at the close of trading	Wednesday, 11 May 2022
Commencement of normal trading	Thursday, 12 May 2022

2. RESOLUTIONS 2 TO 9 – ISSUE OF OPTIONS TO RELATED PARTIES

2.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to an aggregate of 6,680,000 Options (on a post-Consolidation basis) to Jimmie Wong, Mark Ng, King Wong, Russell Goodman, Michael Pixley, Vincent Lai, Eva Chan or Herbert Wong (or their nominee) (**Related Parties**) in the proportions set out in Section 2.5(b) and on the terms and conditions set out below.

Resolutions 2 to 9 seek Shareholder approval for the issue of the Options to the Related Parties.

2.2 Chapter 2E of the Corporations Act

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

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

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

The issue of Options to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue:

- (a) of being a Director; or
- (b) In the case of Ms Eva Chan and Mr Herbert Wong, being Mr Jimmie Wong's (a Director), wife and son respectively.

As the Options are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Options. Accordingly, Shareholder approval for the issue of Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

2.3 Listing Rule 10.11

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

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

unless it obtains the approval of its shareholders.

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

Resolutions 2 to 9 seek the required Shareholder approval for the issue of the Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

2.4 Technical information required by Listing Rule 14.1A

If Resolutions 2 to 9 are passed, the Company will be able to proceed with the issue of the Options to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 2 to 9 are not passed, the Company will not be able to proceed with the issue of the Options and the Company will not provide the Related Parties with a replacement non-cash incentive or cash payment.

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

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 2 to 9:

(a) the Options will be issued to the following persons:

- (i) Mr Jimmie Wong (or their nominee) pursuant to Resolution 2;
- (ii) Mr Mark Ng (or their nominee) pursuant to Resolution 3;
- (iii) Mr King Wong (or their nominee) pursuant to Resolution 4;
- (iv) Mr Russell Goodman (or their nominee) pursuant to Resolution 5;
- (v) Mr Michael Pixley (or their nominee) pursuant to Resolution 6;
- (vi) Mr Vincent Lai (or their nominee) pursuant to Resolution 7,

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

- (vii) Ms Eva Chan (or her nominee) pursuant to Resolution 8; and
- (viii) Mr Herbert Wong (or his nominee) pursuant to Resolution 9,

each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being Mr Jimmie Wong's wife and son respectively;

(b) the maximum number of Options (on a post-Consolidation basis) to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 6,680,000 comprising:

- (i) 4,840,000 Options (on a post-Consolidation basis) to Mr Jimmie Wong (or his nominee) pursuant to Resolution 2;
- (ii) 400,000 Options (on a post-Consolidation basis) to Mr Mark Ng (or his nominee) pursuant to Resolution 3;
- (iii) 400,000 Options (on a post-Consolidation basis) to Mr King Wong (or his nominee) pursuant to Resolution 4;
- (iv) 80,000 Options (on a post-Consolidation basis) to Mr Russell Goodman (or his nominee) pursuant to Resolution 5;
- (v) 80,000 Options (on a post-Consolidation basis) to Mr Michael Pixley (or his nominee) pursuant to Resolution 6;
- (vi) 80,000 Options (on a post-Consolidation basis) to Mr Vincent Lai (or his nominee) pursuant to Resolution 7;
- (vii) 400,000 Options (on a post-Consolidation basis) to Ms Eva Chan (or her nominee) pursuant to Resolution 8; and
- (viii) 400,000 Options (on a post-Consolidation basis) to Mr Herbert Wong (or his nominee) pursuant to Resolution 9;

- (c) the terms and conditions of the Options are set out in Schedule 1;
- (d) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (e) the issue price of the Options will be nil. The Company will not receive any other consideration in respect of the issue of the Options (other than in respect of funds received on exercise of the Options);
- (f) the purpose of the issue of the Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of:
 - (i) the recipients of Options in under Resolutions 2 to 7 in their roles as Directors;
 - (ii) Ms Eva Chan in her role as the Company's Hong Kong Debt Management Services Director; and
 - (iii) Mr Herbert Wong in his role as the Company's Regional Business Development Manager,

and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;

- (g) the Options are unquoted Options. The Company has agreed to issue the Options to the Related Parties subject to Shareholder for the following reasons:
 - (i) the Options are unquoted; therefore, the issue of the Options has no immediate dilutionary impact on Shareholders;
 - (ii) the deferred taxation benefit which is available to the Related Parties in respect of an issue of Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options on the terms proposed;
- (h) the number of Options to be issued to each of the Related Parties has been determined on a post-Consolidation basis upon consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and

- (iii) incentives to attract and retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed;

- (i) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Jimmie Wong	\$1,252,291	\$405,657 ¹
Mark Ng	\$129,421	\$63,104 ²
King Wong	\$203,765	\$155,697 ³
Russell Goodman	\$55,466	\$33,333 ⁴
Michael Pixley	\$55,466	\$48,000 ⁵
Vincent Lai	\$64,716	\$59,762 ⁶
Eva Chan	\$198,885	\$159,444 ⁷
Herbert Wong	\$172,635	\$149,160 ⁸

Notes:

1. Comprising Directors' fees/salary of \$399,435, a superannuation payment of \$6,222.
 2. Comprising Directors' fees/salary of \$63,104.
 3. Comprising Directors' fees/salary of \$149,475 and a superannuation payment of \$6,222.
 4. Comprising Directors' fees/salary of \$33,333.
 5. Comprising Directors' fees/salary of \$48,000.
 6. Comprising Directors' fees/salary of \$59,762.
 7. Comprising salary of \$157,284, and a superannuation payment of \$2,160.
 8. Comprising salary of \$146,049, and a superannuation payment of \$3,111.
- (j) the value of the Options and the pricing methodology is set out in Schedule 2;
- (k) the Options are not being issued under an agreement;
- (l) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice (i.e. on a pre-Consolidation basis) are set out below:

Related Party	Shares ¹	Options	Performance Rights
Jimmie Wong	284,182,372	15,000,000	-
Mark Ng	2,000,000	2,000,000	-
King Wong	24,142,628	2,000,000	-

Related Party	Shares ¹	Options	Performance Rights
Russell Goodman	2,000,000	1,000,000	-
Michael Pixley	10,000	1,000,000	-
Vincent Lai	2,544,643	1,000,000	-
Eva Chan	Nil	2,000,000	-
Herbert Wong	2,915,000	2,000,000	-

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: C11).

- (m) if the Options (on a post-Consolidation basis) issued to the Related Parties are exercised, a total of 6,680,000 Shares would be issued. This will increase the number of Shares on issue from 80,136,176 (being the total number of Shares on issue as at the date of this Notice on a post-Consolidation basis) to 86,816,176 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 7.69%, comprising 5.57% by Jimmie Wong, 0.46% by Mark Ng, 0.46% by King Wong, 0.09% by Russell Goodman, 0.09% by Michael Pixley, 0.09% by Vincent Lai, 0.46% by Eva Chan and 0.46% by Herbert Wong.

The market price for Shares during the term of the Options would normally determine whether the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company;

- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.014	18 and 23 February 2022
Lowest	\$0.009	8 and 16-18 March 2022
Last	\$0.0095	21 March 2022

- (o) each Director has a material personal interest in the outcome of Resolutions 2 to 9 on the basis that all of the Directors (or their nominees) are to be issued Options should Resolutions 2 to 9 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 2 to 9 of this Notice; and
- (p) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 2 to 9.

3. RESOLUTION 10 – APPROVAL TO ISSUE OPTIONS TO UNRELATED EMPLOYEES

3.1 General

The Company is proposing to issue an aggregate of 1,320,000 Options (on a post-Consolidation basis) in consideration for the services provided by the employees

on the same terms as the Options the subject of Resolutions 2 to 9 (**Employee Options**).

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

The proposed issue of the Employee Options does not fit within any of the exceptions set out in Listing Rule 7.2. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

3.2 Technical information required by Listing Rule 14.1A

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

If Resolution 10 is not passed, the issue of the Employee Options can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

Resolution 10 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Employee Options.

3.3 Technical information required by Listing Rule 7.1

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

- (a) the Employee Options will be issued to unrelated employees;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Employee Options (on a post-Consolidation basis) to be issued is 1,320,000. The terms and conditions of the Employee Options are set out in Schedule 1;
- (d) the Employee Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Employee Options will occur on the same date;

- (e) the Employee Options will be issued at a nil issue price, in consideration for services provided by the employees;
- (f) the purpose of the issue of the Employee Options is to incentivise the employees and align their goals with those of the Company;
- (g) the Employee Options are not being issued under an agreement; and
- (h) the Employee Options are not being issued under, or to fund, a reverse takeover.

4. RESOLUTION 11 – REPLACEMENT OF CONSTITUTION

4.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 11 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted on 26 November 2018.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions. The Proposed Constitution is broadly consistent with the provisions of the existing Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website <http://www.cil.com.au/> and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9482 0500) Shareholders are invited to contact the Company if they have any queries or concerns.

4.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Security holding (clause 3)

This Proposed Constitution now extends the minimum holding provisions to all securities as provided for under the Listing Rules. The clause previously only referred to shares.

Capital Reductions (clause 10.2)

The Proposed Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any Resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Use of technology (clause 14)

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Aggregate fees paid to Non-Executive Directors (clause 15.8)

The maximum aggregate amount of fees payable to the non-executive Directors is currently set at \$150,000.

Resolution 12 seeks Shareholder approval to increase the total aggregate amount of fees payable to non-executive Directors to \$250,000. Refer to Section 5 for further details.

Partial (proportional) takeover provisions (clause 37)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a

contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 11.

5. RESOLUTION 12 – INCREASE IN TOTAL AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

5.1 General

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Directors' fees include all fees payable by the entity or any of its child entities to a non-executive director for acting as a director of the entity or any of its child entities (including attending and participating in any board committee meetings), superannuation contributions for the benefit of a non-executive director and any fees which a non-executive director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine "special exertion" fees paid in accordance with an entity's constitution, or securities issued to a non-executive director under Listing Rules 10.11 or 10.14 with the approval of the holders of its ordinary securities.

Clauses 15.7 and 15.8 of the Proposed Constitution also provide that total aggregate remuneration payable to the non-executive Directors will not exceed the sum initially set by the Constitution and subsequently increased by ordinary resolution of Shareholders in a general meeting.

The maximum aggregate amount of fees payable to the non-executive Directors is currently set at \$150,000.

Resolution 12 seeks Shareholder approval for the purposes of clauses 15.7 and 15.8 of the Proposed Constitution and Listing Rule 10.17 to increase the total aggregate amount of fees payable to non-executive Directors to \$250,000.

The maximum aggregate amount of fees proposed to be paid to non-executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

5.2 Technical information required by Listing Rule 10.17

If Resolution 12 is passed, the maximum aggregate amount of fees payable to the non-executive Directors will increase by \$150,000 to \$250,000. Whilst it is not envisaged that the maximum amount sought will be utilised immediately, the increase to maximum aggregate amount of fees payable may enable the Company to:

- (a) fairly remunerate both existing and any new non-executive directors joining the Board;
- (b) remunerate its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and

- (c) have the ability to attract and retain non-executive directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

If Resolution 12 is not passed, the maximum aggregate amount of fees payable to non-executive Directors will remain at \$150,000. This may inhibit the ability of the Company to remunerate, attract and retain appropriately skilled non-executive directors.

In the past 3 years, the Company has issued an aggregate of 3,000,000 Options (on a pre-Consolidated basis) to non-executive Directors pursuant to Listing Rules 10.11 and 10.14.

These Securities were issued to the following non-executive Directors:

- 1.1.1 1,000,000 Options were issued to Russell Goodman;
- 1.1.2 1,000,000 Options were issued to Vincent Lai; and
- 1.1.3 1,000,000 Options were issued to Michael Grant Pixley.

5.3 Board Recommendation

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Credit Intelligence Limited (ACN 126 296 295).

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

Consolidation refers to the meaning given in Resolution 1, being the consolidation of the Company's issued capital on a 20 to 1 basis.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Listing Rules means the Listing Rules of ASX.

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

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

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

- (i) \$0.012 (on a pre-Consolidation basis); and
- (ii) \$0.24 (on a post-Consolidation basis),

(Exercise Price).

(c) **Expiry Date**

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

(d) **Exercise Period**

The Options are exercisable at any time:

- (i) after the date that is one year following its date of issue; and
- (ii) on or prior to the Expiry Date,

(Exercise Period).

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice,

lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Adjustment for bonus issues**

If the Company makes a bonus issue of Shares or other securities to at least all Shareholders registered in Australia (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares or other securities which must be issued on the exercise of an Option will be increased by the number of Shares or other securities which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

For the avoidance of doubt, if a bonus issue of Shares or other securities is also made to Shareholders registered outside of Australia, as well as all Shareholders registered in Australia, the provisions of this paragraph (l) will apply.

(m) **Transferability**

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

SCHEDULE 2 – VALUATION OF OPTIONS

The Options to be issued to the Related Parties pursuant to Resolutions 2 to 9 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Options (on a pre-Consolidation basis) were ascribed the following value:

Assumptions:	
Valuation date	28 February 2022
Market price of Shares	\$0.012
Exercise price	\$0.012
Expiry date (length of time from issue)	Two years
Risk free interest rate	2.75%
Volatility (discount)	90%
Indicative value per Option	\$0.00442
Total Value of Options	\$590,602
- Mr Jimmie Wong (Resolution 2)	\$427,942
- Mr Mark Ng (Resolution 3)	\$35,364
- Mr King Wong (Resolution 4)	\$35,364
- Mr Russell Goodman (Resolution 5)	\$7,068
- Mr Michael Pixley (Resolution 6)	\$7,068
- Mr Vincent Lai (Resolution 7)	\$7,068
- Ms Eva Can (Resolution 8)	\$35,364
- Mr Herbert Wong (Resolution 9)	\$35,364

Note: The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

Using the Black & Scholes option model and based on the assumptions set out below, the Options (on a post-Consolidation basis) were ascribed the following value:

Assumptions:	
Valuation date	28 February 2022
Market price of Shares	\$0.24
Exercise price	\$0.24
Expiry date (length of time from issue)	Two years
Risk free interest rate	2.75%
Volatility (discount)	90%
Indicative value per Option	\$0.0884

Assumptions:	
Total Value of Options	\$590,602
- Mr Jimmie Wong (Resolution 2)	\$427,942
- Mr Mark Ng (Resolution 3)	\$35,364
- Mr King Wong (Resolution 4)	\$35,364
- Mr Russell Goodman (Resolution 5)	\$7,068
- Mr Michael Pixley (Resolution 6)	\$7,068
- Mr Vincent Lai (Resolution 7)	\$7,068
- Ms Eva Can (Resolution 8)	\$35,364
- Mr Herbert Wong (Resolution 9)	\$35,364

Note: The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.