
VERIS LIMITED
ACN 122 958 178
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10am
DATE: Wednesday 21 April 2021
PLACE: Level 10, 3 Hasler Road
Osborne Park WA 6017

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 5pm (WST) on Monday 19 April 2021.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

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 7.4 and for all other purposes, Shareholders ratify the issue of 60,792,857 Placement Shares on the terms and conditions set out in the Explanatory Statement.”

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

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

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 7.4 and for all other purposes, Shareholders ratify the issue of 40,000,000 Placement Shares on the terms and conditions set out in the Explanatory Statement.”

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

3. RESOLUTION 3 – ISSUE OF SHARES TO RELATED PARTY – MR BRIAN ELTON

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

“That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,857,142 Placement Shares to Mr Brian Elton (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

4. RESOLUTION 4 – ISSUE OF SHARES TO RELATED PARTY – MR KARL PAGANIN

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

“That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,000,000 Placement Shares to Mr Karl Paganin (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

5. RESOLUTION 5 – ISSUE OF SHARES TO RELATED PARTY – MR THOMAS LAWRENCE

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

“That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 428,571 Placement Shares to Mr Thomas Lawrence (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

Dated: 16 March 2021

By order of the Board

Steven Harding
Company Secretary

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 1 – Ratification of prior issue of Shares – Listing Rule 7.1	A person who participated in the issue or is a counterparty to the agreement being approved (namely Placement recipients) or an associate of that person or those persons.
Resolution 2 – Ratification of prior issue of Shares – Listing Rule 7.1A	A person who participated in the issue or is a counterparty to the agreement being approved (namely Placement recipients) or an associate of that person or those persons.
Resolution 3 – Issue of Shares to Related Party	Brian Elton (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 Shares to Related Party	Karl Paganin (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 Shares to Related Party	Thomas Lawrence (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.

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.

If you sign the enclosed Proxy Form and no direction is given, the Chair will be appointed as your proxy. The Chair intends to vote undirected proxies on, and in favour of, all resolutions.

Voting in person

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

You may still attend the meeting and vote in person even if you have lodged appointed a proxy. If you have previously submitted a Proxy Form, your attendance will (unless you instruct the Company or Computershare otherwise or 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.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from Computershare will need to verify your identity. You can register from 9am on the day of the meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9317 0628.

1. BACKGROUND TO RESOLUTIONS

1.1 Background

As announced on 25 February 2021, the Company completed a placement to sophisticated and professional investors of 107,078,570 fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of \$0.07 per Share to raise approximately \$7,500,000 before costs (**Placement**). The Placement is being conducted as follows:

- (a) 100,792,857 Shares, which were issued on 4 March 2021, comprising:
 - (i) 60,792,857 Shares issued pursuant to the Company's existing placement capacity under Listing Rule 7.1 (being the Shares the subject of Resolution 1); and
 - (ii) 40,000,000 Shares issued pursuant to the Company's placement capacity under Listing Rule 7.1A (being the Shares the subject of Resolution 2); and
- (b) subject to obtaining Shareholder approval pursuant to Listing Rule 10.11 under Resolutions 3 to 5, Messrs Brian Elton, Karl Paganin and Thomas Lawrence are participating in the Placement by subscribing for an aggregate of 6,285,713 Shares to raise a further \$440,000.

Funds raised from the Placement will be used to provide a platform for further growth and value realisation for both Veris Australia Pty Ltd (ACN 615 735 727) and Aqura Technologies Pty Ltd (ACN 128 703 248), including investment in the latest equipment technology and the expansion of their "As-a-Service" models.

For further details of the Placement, please refer to the announcement dated 25 February 2021.

1.2 Lead Manager

The Company engaged the services of Wentworth Securities Pty Ltd (ACN 155 409 653) (**Wentworth Securities**) (AFSL 422477), to act as lead manager to the Placement. The Company and Wentworth Securities entered an agreement to set out the terms of Wentworth Securities' engagement (**Lead Manager Mandate**). Under the Lead Manager Mandate, the Company agreed to pay Wentworth Securities a management fee of 2.5% of the amount raised under the Placement (plus GST) and a placing fee of 3.5% of the amount raised under the Placement from those investors introduced by Wentworth Securities (plus GST).

The Lead Manager Mandate otherwise contains terms and conditions considered standard for an agreement of this kind.

2. RESOLUTIONS 1 AND 2 – RATIFICATION OF PRIOR ISSUE OF SHARES - LISTING RULES 7.1 AND 7.1A

2.1 General

The background to the Placement is set out above in Section 1.1.

On 4 March 2021, the Company issued 100,792,857 Shares at an issue price of \$0.07 per Placement Share to raise \$7,055,500 before costs (**Placement Shares**).

60,792,857 Placement Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 1) and 40,000,000 Placement Shares (being, the subject of Resolution 2) were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 21 October 2020.

2.2 Listing Rules 7.1 and 7.1A

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 securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 21 October 2020.

The issue of the Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Placement Shares.

2.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under 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 for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

2.4 Technical information required by Listing Rule 14.1A

If Resolutions 1 and 2 are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolutions 1 and 2 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

2.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) the Placement Shares were issued to professional and sophisticated investors who are clients of Wentworth Securities. The recipients were identified through a bookbuild process, which involved Wentworth Securities seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that its existing substantial shareholder, Sherkane Pty Ltd, was issued 21,428,571 Shares representing 5.28% of the Company's issued capital prior to the issue of the Placement Shares;
- (c) other than the parties identified above at Section 2.5(b), the Company confirms that none of the Placement recipients were:
 - (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;
- (d) 100,792,857 Placement Shares were issued on the following basis:
 - (i) 60,792,857 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
 - (ii) 40,000,000 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);
- (e) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Placement Shares were issued on 4 March 2021;
- (g) the issue price was \$0.07 per Placement Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (h) the purpose of the issue of the Placement Shares was to raise \$7,055,500, which will be used towards the items in Section 1.1 of the Explanatory Statement; and

- (i) the Placement Shares were not issued under an agreement.

3. RESOLUTIONS 3 TO 5 – ISSUE OF SHARES TO DIRECTORS

3.1 General

As detailed in Section 1.1, Directors Brian Elton, Karl Paganin and Thomas Lawrence wish to participate in the Placement on the same terms as unrelated participants in the Placement (**Participation**).

Accordingly, Resolutions 3, 4 and 5 respectively seek Shareholder approval for the issue of:

- (a) 2,857,142 Shares to Mr Brian Elton (or his nominee);
- (b) 3,000,000 Shares to Mr Karl Paganin (or his nominee); and
- (c) 428,571 Shares to Mr Thomas Lawrence (or his nominee),

(together, **Director Placement Shares**).

3.2 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 Participation will result in the issue of the Director Placement Shares which constitutes giving a financial benefit and Messrs Brian Elton, Karl Paganin and Thomas Lawrence are related parties of the Company by virtue of being Directors.

The Directors (other than Brian Elton who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 3 because the Director Placement Shares will be issued to Brian Elton (or his nominee) on the same terms as Placement Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms, an exception under section 210 of the Corporations Act.

The Directors (other than Karl Paganin who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 4 because the Director Placement Shares will be issued to Karl Paganin (or his nominee) on the same terms as Placement Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms, an exception under section 210 of the Corporations Act.

The Directors (other than Thomas Lawrence who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 5 because the Director Placement Shares will be issued to Thomas Lawrence (or his nominee) on the same terms as Placement Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms, an exception under section 210 of the Corporations Act.

3.3 Section 195(4) of the Corporations Act

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that each of the Directors comprising the Board have a material personal interest in the outcome of Resolutions 3, 4 and 5 as an issue of Shares is proposed for each Director. If each does have such an interest, then in accordance with section 195(4) a quorum could not be formed to consider the matters contemplated by Resolutions 3, 4 and 5 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for the purposes of section 195(4) of the Corporations Act for the issue of Shares proposed under Resolutions 3, 4 and 5 and in respect of the Board decision to apply the arm's length exception under section 210 of the Corporations Act to these issues.

3.4 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 the Director Placement Shares 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 3 to 5 seek Shareholder approval for the issue of the Director Placement Shares under and for the purposes of Listing Rule 10.11.

3.5 Technical information required by Listing Rule 14.1A

If Resolutions 3 to 5 are passed, the Company will be able to proceed with the issue of the Director Placement Shares under the Participation 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) and will raise additional funds (of approximately \$440,000) which will be used in the manner set out in Section 1.1 above. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement Shares in respect of the Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Director Placement Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 3 to 5 are not passed, the Company will not be able to proceed with the issue of the Director Placement Shares under the Participation and the corresponding \$440,000 from the Directors will not be raised as part of the Placement.

3.6 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 3 to 5:

- (a) the Director Placement Shares will be issued to Messrs Brian Elton, Karl Paganin and Thomas Lawrence (or their respective nominees) each of whom falls within the category set out in Listing Rule 10.11.1, as Mr Brian Elton, Mr Karl Paganin and Mr Thomas Lawrence are related parties of the Company by virtue of being Directors;
- (b) the maximum number of Director Placement Shares to be issued is 6,285,713 Placement Shares in the following proportions:
 - (i) 2,857,142 Placement Shares to Mr Brian Elton (or his nominee) (Resolution 3);
 - (ii) 3,000,000 Placement Shares to Mr Karl Paganin (or his nominee) (Resolution 4); and
 - (iii) 428,571 Placement Shares to Mr Thomas Lawrence (or his nominee) (Resolution 5);
- (c) the Director Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Director Placement Shares 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 anticipated the Shares will be issued on the same date;

- (e) the issue price of the Director Placement Shares will be \$0.07 per Share, being the same issue price as Placement Shares issued to other participants in the Placement. The Company will not receive any other consideration for the issue of the Director Placement Shares;
- (f) the purpose of the issue of Director Placement Shares is to raise a further \$440,000 before costs under the Placement (being \$200,000 from Mr Elton, \$210,000 from Mr Paganin and 30,000 from Mr Lawrence), which the Company intends to use in manner as set out in Section 1.1 of this Notice;
- (g) the Director Placement Shares to be issued are not intended to remunerate or incentivise the Directors;
- (h) the Director Placement Shares are not being issued under an agreement; and
- (i) a voting exclusion statement is included in Resolutions 3 to 5 of the Notice.

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.

Company means Veris Limited (ACN 141 175 493).

Constitution means the Company's constitution.

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

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.

Placement has the meaning given in Section 1.1.

Placement Shares has the meaning given in Section 1.1.

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.

Wentworth Securities means Wentworth Securities Pty Ltd (ACN 155 409 653) AFSL 422477.

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