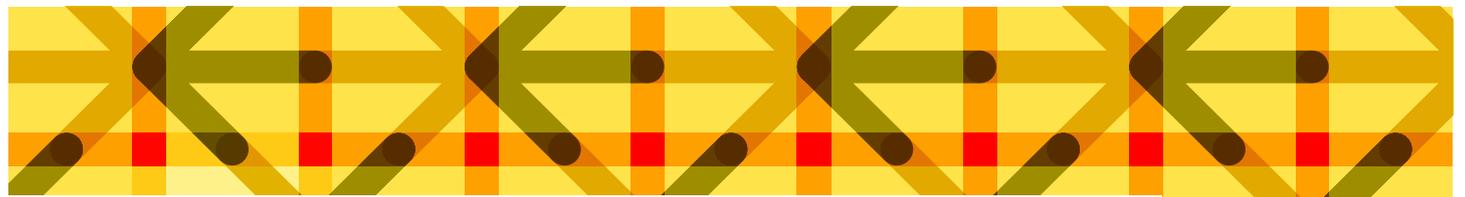
The background of the document is a repeating geometric pattern in shades of blue. The pattern consists of a grid of squares, with each square containing a stylized, dark blue 'X' or star-like shape formed by intersecting lines. The lines are of varying thickness, creating a sense of depth and texture. The overall effect is a modern, architectural aesthetic.

STIRLING PRODUCTS LIMITED

(To be renamed OrContra Limited)  
ACN 077 105 429

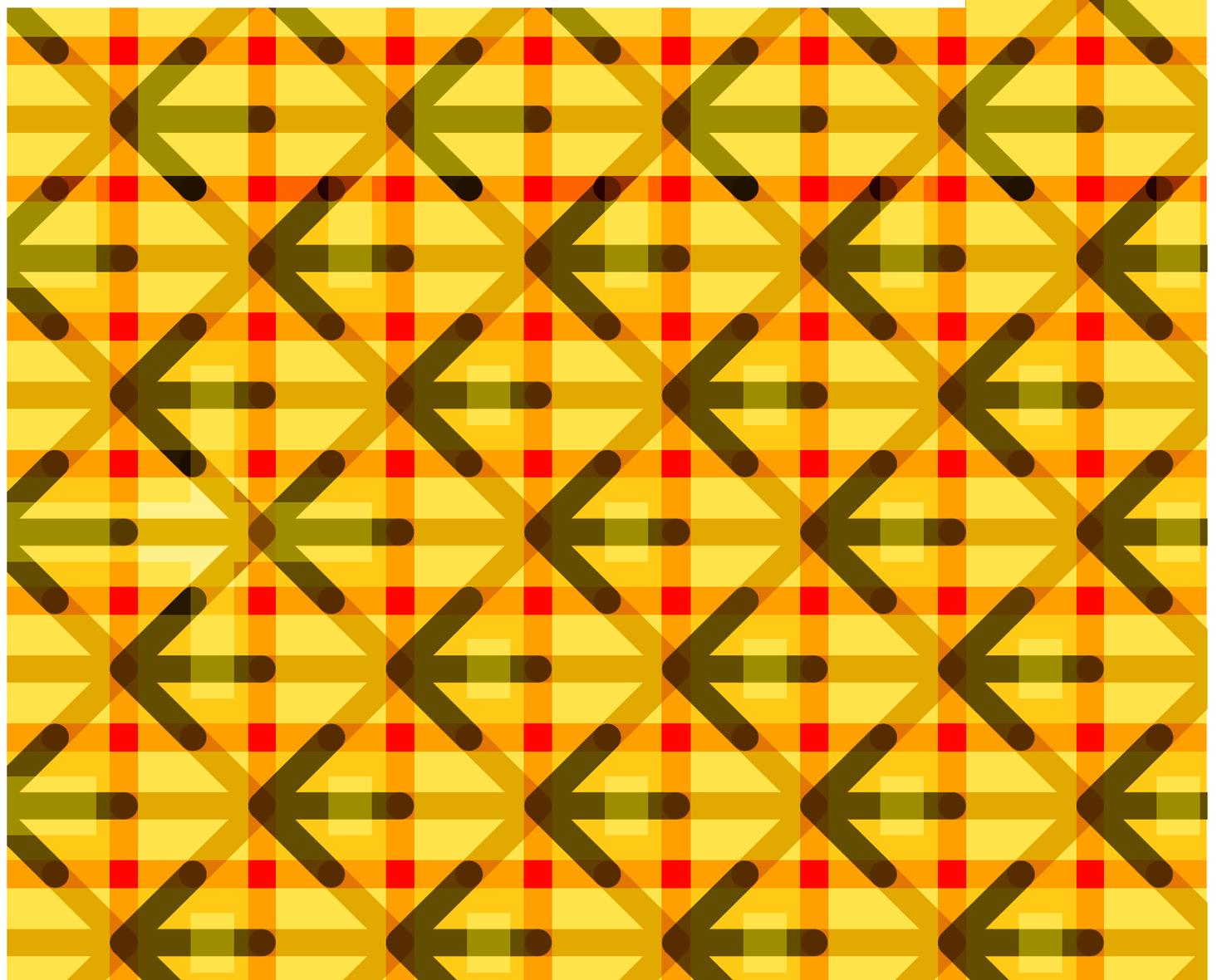
# Prospectus

- public offer of a minimum of 30,000,000 New Shares at an issue price of \$0.10 to raise a minimum of \$3,000,000 and up to 40,000,000 New Shares at an issue price of \$0.10 to raise up to \$4,000,000 before expenses (**Public Offer**); and
- offer of 80,000,000 Consideration Shares to the Vendors (**Vendor Offer**).



# Important information

This is an important document and should be read in its entirety. Carefully read this Prospectus in full and consult your licenced financial adviser, accountant, lawyer or other professional advisor if you are in any doubt as to what to do.



This Prospectus is an important document. You should read it carefully. It is important that you consider the risk factors (see Section 6) before deciding on your course of action as these could affect Stirling Products Limited's (**STI** or the **Company**) financial performance.

### Lodgement

This Prospectus is dated 23 December 2015 and a copy of this Prospectus was lodged with ASIC on that date.

### Application for listing

Within 7 days after the date of this Prospectus, the Company will lodge an application with the ASX for admission of the Company to the Official List of the ASX and Quotation of all Shares (including New Shares issued pursuant to this Prospectus) on the ASX.

Neither ASX nor ASIC takes any responsibility for the contents of this Prospectus. The fact that the ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Company or New Shares offered under this Prospectus.

### Expiry date

No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. New Shares offered pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

### Exposure Period

The Corporations Act prohibits the Company from processing the Applications received until after the Exposure Period. The Exposure Period is the 7 day period from the date of this Prospectus and may be extended by ASIC by up to a further 7 days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants. That examination may result in the identification of deficiencies in this Prospectus, in which case any Application received may need to be dealt with in accordance with section 724 of the Corporations Act.

### Re-Compliance Prospectus

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

The Offer under this Prospectus is conditional on:

- a. Shareholders having approved all Resolutions at the General Meeting to be held on 31 December 2015, including the significant change in the nature and scale of STI's activities that will result from the Acquisition;
- b. (the satisfaction or waiver of all of the conditions precedent to the Acquisition Agreement; and

- c. the Company's successful re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

The Company's securities were suspended from Quotation in July 2011 and will not be reinstated until satisfaction of the conditions to the Offer and ASX approving the Company's compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements of ASX for re-quotation on the ASX. The Company does not intend to issue any New Shares unless and until the ASX has confirmed that the Company will, upon issue of the New Shares, have re-complied with Chapters 1 and 2 of the Listing Rules and that the New Shares will be quoted on the ASX. If permission is not granted for the New Shares to be quoted within 3 months of the date of this Prospectus or such longer period permitted by the Corporations Act or with the consent of ASIC, all Application Payments received pursuant to the Prospectus will be refunded in full without interest within the time prescribed by the Corporations Act.

### Foreign jurisdictions – restrictions on distribution

The Offer is being made in Australia. This Prospectus does not constitute an offer in any place which, or to any person whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus in such jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the New Shares or the Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia.

The Shares (including the New Shares) have not been, and will not be, registered under the US Securities Act 1933 (**US Securities Act**) or any US State securities laws and may not be offered or sold in the United States of America, or to, or for the account or benefit of, "US Persons" (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. The Shares (including the New Shares) may only be resold or transferred in the United States of America, or to, or for the account or benefit of, US Persons if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no current intention to register any of the Shares (including the New Shares) in the United States of America.

## Representations

No person is authorised to give any information or make any representations in connection with the Offer other than as contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus is not, and may not be relied on as having been, authorised by the Company (or any of its officers).

## Forward looking statements

Certain statements in this Prospectus are about the future. There are risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, results, performance or achievements of the Company to be materially different from the future conduct results, performance or achievements expressed or implied by such statements or that could cause the future conduct to be materially different from historical conduct. Deviations as to future conduct, results, performance and achievements are both normal and to be expected.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company's Directors or any other person in connection with the Offer. You should rely only on information in this Prospectus. Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

This Prospectus contains forward looking statements which are statements that may be identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. The Company has no intention to update or revise forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, other than to the extent required by law. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors of the Company and management. Forward looking statements should therefore be read in conjunction with other information in this Prospectus.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements.

This Prospectus, including the industry overview in section 2, uses market data, industry forecasts and projections. The Company has obtained significant portions of this information from market research prepared by third parties. There is no assurance that any of the forecasts contained in the reports, surveys and research of such third parties that are referred to in this Prospectus will be achieved. The Company has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors in section 6.

Any statements of past performance should not be relied upon as being indicative of future performance of the Company.

## Disclaimer

This Prospectus contains general information only, and does not take into account the individual investment objectives, financial situation or particular needs of any person. Nothing in this Prospectus should be construed as a recommendation by the Company or any other person concerning an investment in the Company. You should read the entire Prospectus and, in particular, in considering the prospects for the Company, you should consider the risk factors that could affect the financial performance of the Company. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues), and you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser in relation to the Offer and the transactions contemplated in this Prospectus.

## Electronic Prospectus

This Prospectus may be viewed online at [www.stirlingproductsltd.com.au](http://www.stirlingproductsltd.com.au). The website and its contents do not form part of this Prospectus and are not to be interpreted as part of, nor incorporated into, this Prospectus. Persons who receive the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The Offer to which the electronic Prospectus relates is only available to persons receiving the electronic Prospectus in Australia. Persons having received a copy of this Prospectus in its electronic form in Australia may obtain a paper copy of the Prospectus (including any supplementary document and the Application Form) (free of charge) during the life of this Prospectus by contacting the Company.

## **Defined terms and Glossary**

Capitalised words and expressions used in this Prospectus are defined in the Glossary at Section 11.

## **Financial amounts**

Financial amounts in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

## **Photographs and diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

## **Privacy**

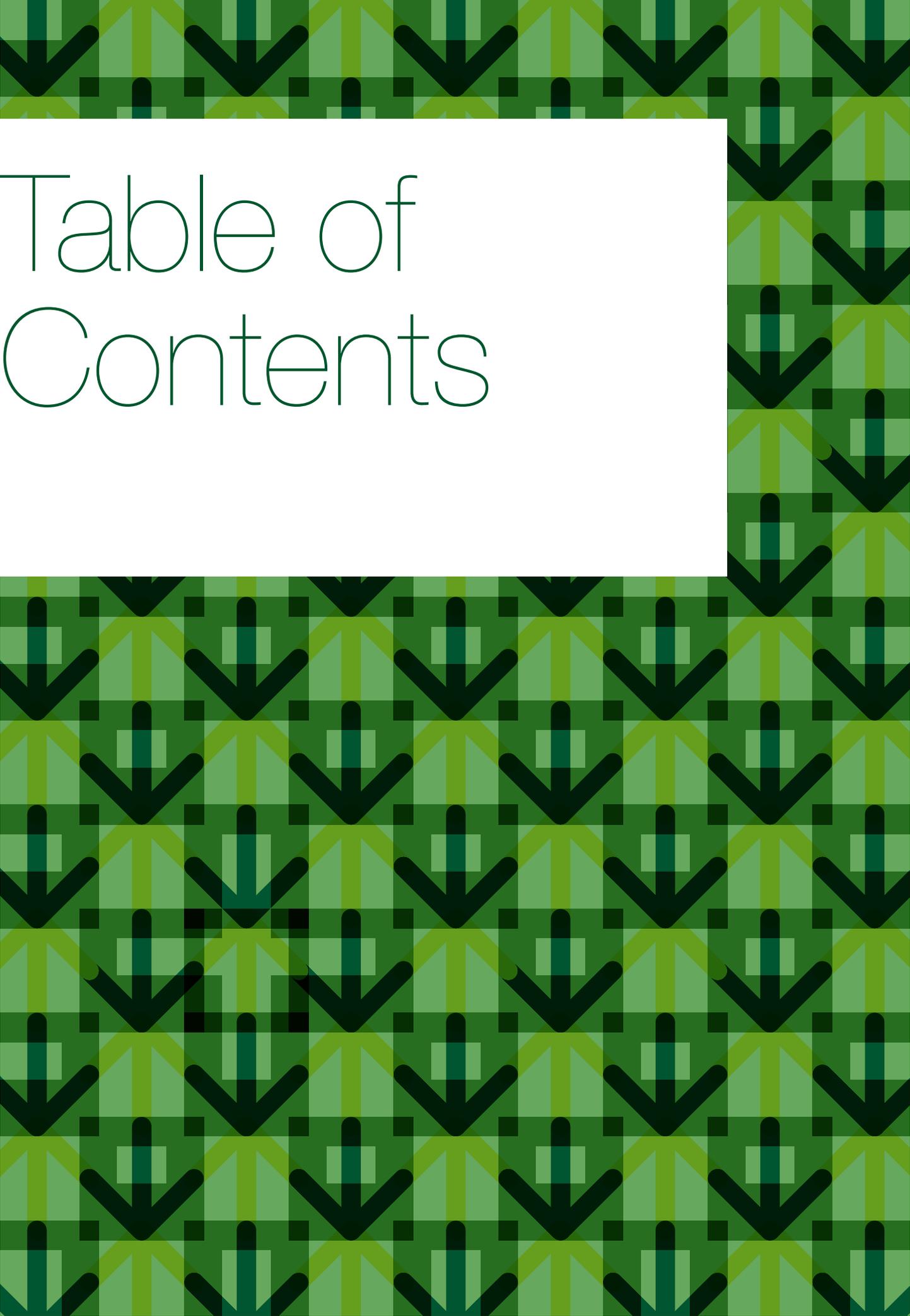
The Company collects information about each Applicant provided on an Application for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application, each Applicant agrees that the Company may use the information provided by that Applicant on that Application for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

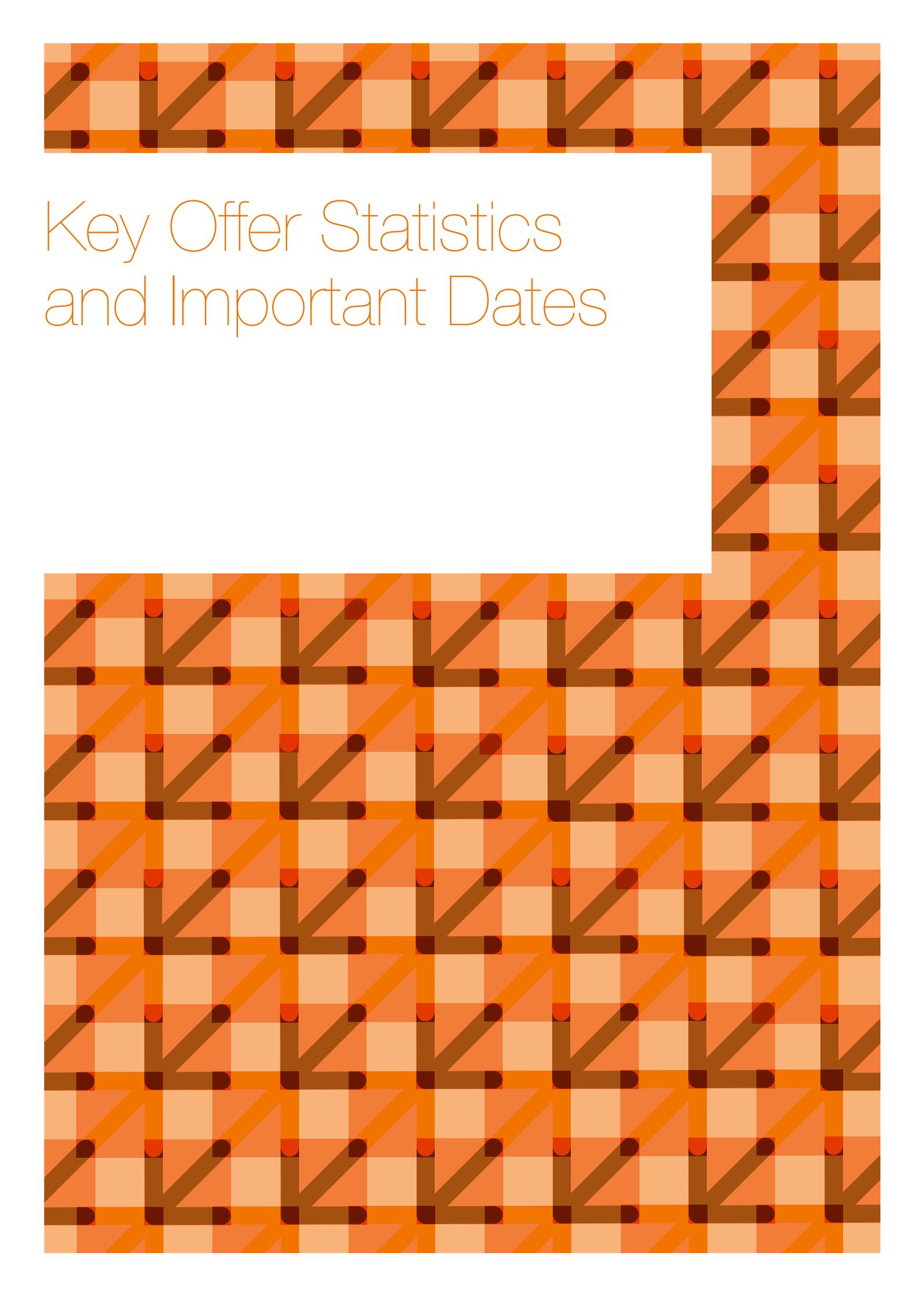
An Applicant has a right to gain access to the information that the Company and the Share Registry holds about that person subject to certain exemptions under law. Access requests must be made in writing to the Company.



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**NOTE:** Capitalised terms used in this Prospectus are defined in the Glossary (Section 11).



# Key Offer Statistics and Important Dates

Key Dates	Date
Lodgement of Prospectus with ASIC	23 December 2015
General Meeting	31 December 2015
Opening date of Offer	15 January 2016
Closing date of Offer	15 February 2016
Allotment and issue of New Shares	28 February 2016
Expected dispatch of Shareholder holding statements	28 February 2016
Shares expected to commence trading on ASX	28 February 2016

#### **Dates may change**

*The above dates are subject to change and are indicative only. The Company reserves the right to vary the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications, without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Applicants are encouraged to submit their Applications as early as possible after the Offer opens.*

#### **Key Offer Statistics**

##### **Issue of Consideration Shares (Vendor Offer)**

Number of existing Shares on issue as at the date of this Prospectus	25,000,000
Consideration Shares to be issued to the Vendors <sup>1</sup>	80,000,000
Deemed issue price per Consideration Share	\$0.10

##### **Public Offer**

Maximum number of New Shares to be issued under the Offer <sup>1</sup>	40,000,000
Public Offer Price for each Public Offer Share	\$0.10
Maximum total proceeds from the Offer before expenses <sup>2</sup>	\$4,000,000
Maximum total number of Shares on issue after completion of the Offer <sup>1,2,3</sup>	145,000,000

#### **NOTES:**

1. Subject to and upon Completion of the Proposed Transaction.
2. Assuming Public Offer is fully subscribed.
3. Assuming no Options are exercised.

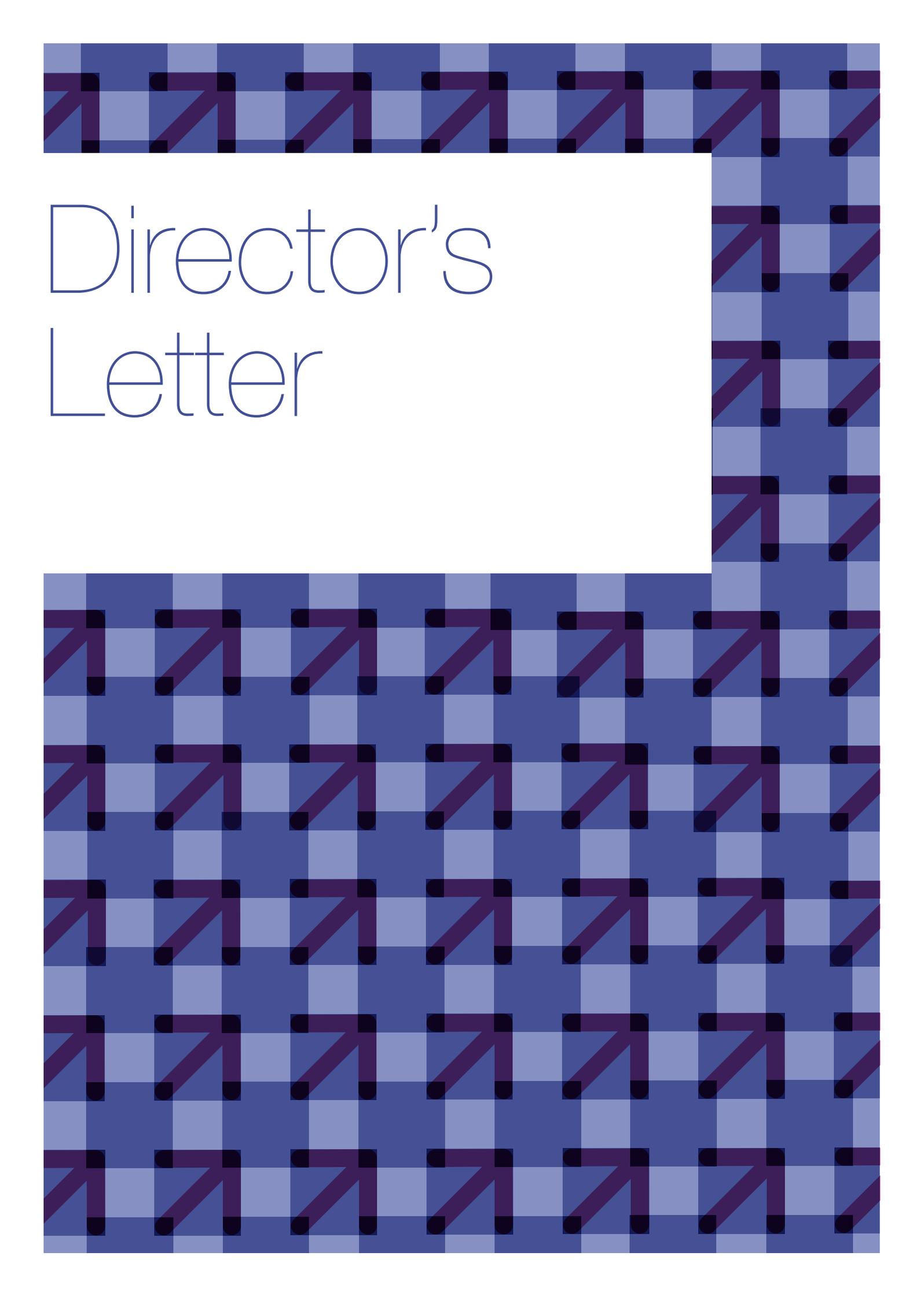
#### **How to Invest:**

Applications for New Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 8.10 and on the back of the Application Form.

#### **Questions:**

Please contact the Share Registry, Security Transfer Registrars Pty Ltd, on + 61 8 9315 2333 from 9.00am to 5.00pm (Perth time) Monday to Friday, if you have any questions about the Application Form.

If you are in any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.



# Director's Letter

23 December 2015

Dear Investor,

On behalf of my fellow Directors, I am pleased to confirm that the Board, subject to Shareholder approval for all Resolutions to be considered at the General Meeting, is implementing:

1. a public offer of new Shares (**New Shares**) to raise a minimum of \$3 million and up to \$4 million before expenses (**Public Offer**); and
2. an issue of Consideration Shares to the Vendors (**Vendor Offer**).

### Background

The Company's Shares are currently suspended from Quotation and have been suspended since July 2011. The Company was placed into voluntary administration in July 2011. Since that time, the Directors have been reviewing potential investment opportunities as a precursor to obtaining re-quotations of the Shares on the ASX.

In order to achieve this objective, the Directors of STI are delighted to advise they have executed a conditional agreement (**Acquisition Agreement**) to acquire all of the issued capital of Mx360 Group Pty Ltd (**Mx360**) (the **Proposed Transaction**).

Mx360 is a start-up technology development company with a specific focus on developing an internet based mobile trading platform for use globally. Mx360 currently operates in Australia as a mobile platform and application development company. It owns all of the rights, title and interest in a prototype trading platform which is anticipated to operate as an open marketplace that will allow users to search and browse opportunities to exchange services and goods with others directly and provide a means for users to exchange and trade directly with others on their own terms (**OrContra Platform**).

The funds raised through the Offer will be used to fund the ongoing operations, further growth and development of the Mx360 business and provide it with working capital, as well as assist with the expenses of the Offer. The implementation of the Offer will also enable the Company to increase its spread of Shareholders.

The Company's acquisition of Mx360 represents a significant change in the nature and scale of the Company's activities and therefore requires the approval of Shareholders which will be sought at a General Meeting of the Company scheduled to be held on 31 December 2015. The Company is also required to satisfy Chapters 1 and 2 of the ASX Listing Rules as if applying for admission to the Official List of the ASX.

### Offer is conditional

The Offer under this Prospectus is conditional on Shareholders approving all Resolutions at the General Meeting, the satisfaction or waiver of all of the conditions precedent to the Acquisition Agreement and the Company's successful re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

If these are not met, no funds will be raised pursuant to this Prospectus, no New Shares will be issued pursuant to the Offer and all Application Payments will be refunded to Applicants.

### Offer Details

The Offer will close at 5:00pm (Sydney time) on 15 February 2016, unless varied by the Board. The Company expects to issue and allot all New Shares on 28 February 2016.

This Prospectus contains detailed information about the Offer and the financial position, operations, management team and future plans of the Company. **Section 6 includes a description of the key risks associated with an investment in the Company and this should be read in detail.** I encourage you to read the Prospectus carefully and in its entirety before making your investment decision and if required consult with your stockbroker, solicitor, accountant or other independent professional adviser.

In addition, subject to Shareholders approving the Resolutions at the proposed General Meeting, the Vendors will together hold a large portion of the issued capital of the Company (approximately 59.26%, assuming only the minimum number of New Shares under the Offer is issued and that no Options are exercised) and will have significant influence overall on matters that require approval by Shareholders, including the election and removal of Directors and approval of significant transactions (unless prevented from voting under the Corporations Act or ASX Listing Rules). The ability of other Shareholders to influence corporate decisions of the Company will therefore be reduced.

If you have any queries in relation to this Prospectus, please contact the Company or consult your licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser.

On behalf of the Directors, I invite you to consider this opportunity to invest in the Company, and look forward to welcoming you as a Shareholder.

Yours sincerely



Peter Dykes  
Director

Stirling Products Limited

# 01

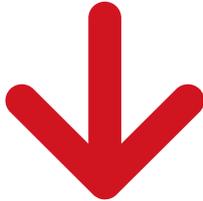
## Investment Overview

The information in this Section 1 is a summary only. It should be read in conjunction with the information set out in the remainder of this Prospectus.

## 1.1 Background

Topic	Summary	For more information, refer to:
Who is STI?	<p>STI is an Australian public company which commenced ASX Quotation on 24 July 1997. It was a healthcare and pharmaceutical company engaging in the manufacture of pharmaceuticals. Its Shares are currently suspended from Quotation by the ASX and have been since July 2011. The Company was placed into voluntary administration on 25 July 2011 and on 17 October 2011, a Deed of Company Arrangement was executed. The Deed of Company Arrangement concluded on 17 September 2015 and control was returned to the Directors of the Company on that date.</p>	Section 3.1.
Who is Mx360?	<p>Mx360 is a start-up technology development company with a specific focus on developing an internet based mobile trading platform for application globally.</p> <p>Mx360 owns all of the rights, title and interest in a prototype trading platform which is anticipated to operate as an open marketplace that will allow users to search and browse opportunities to exchange services and goods with others directly and provide a means for users to exchange and trade directly with others on their own terms (<b>OrContra Platform</b>).</p>	Section 3.2.
What is the Proposed Transaction?	<p>On 24 November 2015, STI executed a conditional agreement with each of the shareholders of Mx360 (each a <b>Vendor</b> and together, the <b>Vendors</b>) to acquire all of the issued shares in Mx360.</p> <p>Completion of the Proposed Transaction depends, amongst other things, on each of the following elements being completed:</p> <ul style="list-style-type: none"> <li>– STI raising a minimum of \$3,000,000 (before costs) under the Public Offer;</li> <li>– the transfer by the Vendors to the Company of all of the equity securities in the capital of Mx360 (Mx360 Shares);</li> <li>– in consideration for the transfer of the Mx360 Shares to STI, the Company issuing the Consideration Shares to the Vendors; and</li> <li>– ASX approval of the Quotation of the New Shares.</li> </ul> <p>Following completion of the Proposed Transaction, Mx360 will effectively be listed on the ASX.</p> <p>Further details of the conditions are set out in Section 9.4(c) of this Prospectus.</p> <p>The completion of the Offer is one of the conditions to completion of the Proposed Transaction.</p>	Section 9.4.
The Offer is Conditional	<p>The Offer is conditional upon a number of events occurring, including:</p> <ul style="list-style-type: none"> <li>– Shareholders approving the Resolutions at the General Meeting;</li> <li>– all of the conditions precedent in the Acquisition Agreement being satisfied or waived in accordance with the requirements set out in the Acquisition Agreement; and</li> <li>– ASX giving its conditional approval to re-admit the Shares to the Official List.</li> </ul>	Sections 8.3 and 9.4(c).

Topic	Summary	For more information, refer to:												
Does the nature and scale of activities change?	<p>As a result of the Proposed Transaction, the Company is required to obtain Shareholder approval for a change of nature and scale of its activities and to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List. This approval is being sought at the General Meeting under Resolution 1.</p> <p>This Prospectus is issued to assist the Company to comply with these requirements.</p>	Section 8.18.												
What is the purpose of the Public Offer?	<p>The Public Offer is being conducted to:</p> <ul style="list-style-type: none"> <li>– assist the Company in meeting the requirements of the ASX and to re-comply with Chapters 1 and 2 of the ASX Listing Rules;</li> <li>– provide the Company funding to support the ongoing operations, product and OrContra Platform development, marketing and future growth of Mx360's business;</li> <li>– fund its working capital requirements going forward; and</li> <li>– provide funding required for the costs of the Offer.</li> </ul>	Sections 8.2 and 8.5.												
What are the expected benefits of the Public Offer?	<p>The Public Offer is expected to generate funding for significant future opportunities for the development of Mx360, including:</p> <ul style="list-style-type: none"> <li>– advancement and development of the OrContra Platform;</li> <li>– expansion into domestic and global markets;</li> <li>– accelerated customer acquisition and user footprint; and</li> <li>– Some of these benefits may be generated quickly while others may be achieved over a longer time span.</li> </ul>	Section 8.7.												
What is the historical financial performance of Mx360?	<p>Like many early stage companies, Mx360 has incurred operating losses to date.</p> <p>As at 30 September 2015, Mx360 has incurred pro forma (including costs of the Offer) unaudited accumulated losses of \$38,634.</p>	Section 4.												
What is the consolidated pro forma financial position of the Company and Mx360 (unaudited)?	<p>As at 30 September 2015, on a pro forma basis, the financial position is:</p> <p>Assuming only the minimum number of New Shares is subscribed for under the Offer:</p> <table border="1" data-bbox="384 1615 1070 1749"> <tr> <td>Total Assets</td> <td>\$3,743,519</td> </tr> <tr> <td>Total Liabilities</td> <td>\$117,497</td> </tr> <tr> <td>Net Assets</td> <td>\$3,626,022</td> </tr> </table> <p>Assuming the maximum number of New Shares is subscribed for under the Offer:</p> <table border="1" data-bbox="384 1883 1070 2018"> <tr> <td>Total Assets</td> <td>\$4,683,519</td> </tr> <tr> <td>Total Liabilities</td> <td>\$117,497</td> </tr> <tr> <td>Net Assets</td> <td>\$4,566,022</td> </tr> </table>	Total Assets	\$3,743,519	Total Liabilities	\$117,497	Net Assets	\$3,626,022	Total Assets	\$4,683,519	Total Liabilities	\$117,497	Net Assets	\$4,566,022	Page 9, "Key Offer Statistics"
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Total Liabilities	\$117,497													
Net Assets	\$4,566,022													

Topic	Summary	For more information, refer to:
What will be the capital structure of the Company on re-Quotation of the Shares on the ASX?	<p>Following Completion of the Acquisition and completion of the Offer, the Company will have a maximum of 145,000,000 Shares on issue. This includes the Shares to be issued:</p> <ul style="list-style-type: none"> <li>– under the Public Offer; and</li> <li>– as Consideration Shares to the Vendors under the Acquisition Agreement.</li> </ul> <p>This does not include Shares which may be issued to holders of Options on exercise of their Options.</p>	Page 9, “Key Offer Statistics”
Corporate structure on Completion of the Acquisition	<div style="text-align: center;"> <p>Stirling Products Limited (to be renamed OrContra Limited)</p>  <p>100%</p> <p>Mx360 Group Pty Ltd</p> </div>	Section 3.1.

## 1.2 Key features of Mx360’s business model

Topic	Summary	For more information, refer to:
What is Mx360’s offering and what is the OrContra Platform?	<p>Mx360 is a start-up technology development company that has developed a prototype of an internet based mobile trading platform (being the OrContra Platform) which Mx360 intends to develop further and take to market by 1 July 2016.</p> <p>Mx360 intends for the OrContra Platform to operate as an open marketplace that will allow its users to search and browse opportunities to exchange and trade services and goods directly with other users, negotiate and conduct these exchanges and trades on the OrContra Platform on their own mutually agreed terms.</p>	Sections 3.2 and 3.3.
What is Mx360’s target market and industry?	Mx360 has identified its target market as smartphone users, those using e-commerce to conduct interpersonal trades and consumers of the Sharing Economy, which in short, are those consumers who participate in the sharing of the consumption of goods and services through activities such as renting, swapping or trading.	Sections 2.1, 2.2, 2.3 and 2.4.
What is Mx360’s key business strategies?	Mx360’s primary strategy to conduct detailed testing on the prototype of the OrContra Platform and further develop it into a product which can be taken to market. This is anticipated to occur by 1 July 2016. Mx360 then intends to focus on marketing of the OrContra Platform, primarily through Growth Hacking, to increase uptake and expand its user footprint.	Section 3.6 and 3.9.

Topic	Summary	For more information, refer to:
How does Mx360 expect to fund its operations?	Mx360 expects to fund its operations by utilising the capital raised under this Offer to fund the development of the OrContra Platform and fund its domestic and global expansion. The objective will be for the Company to become profitable in due course and fund itself out of profits generated from the business.	Section 1.8.
What is Mx360's revenue model?	<p data-bbox="384 566 1158 689">As Mx360 is in the development and testing phase of the OrContra Platform, it presently does not have any paying users and does not anticipate generating any revenue until after the launch of the OrContra Platform (anticipated to occur by 1 July 2016).</p> <p data-bbox="384 707 1182 927">After launch of the OrContra Platform, Mx360 intends to adopt a “Freemium” model, allowing users to conduct transactions through the OrContra Platform for free until the value of their transactions passes a threshold value. If a transaction passes this threshold value, users will be required to pay a transaction fee to complete the transaction (<b>Transaction Fee</b>). Mx360 anticipates that its revenue will be primarily generated from charging users the Transaction Fee.</p> <p data-bbox="384 945 1179 1070">However, Mx360 also intends to offer users a premium upgrade for the OrContra Platform in the form of a monthly or yearly subscription, which will provide paying users with additional features giving users access to the full suite of added value services.</p>	Section 3.7.

### 1.3 Key strengths

Topic	Summary	For more information, refer to:
What are the expected key strengths of the OrContra Platform?	<p data-bbox="384 1305 1193 1335">It is anticipated that the key strengths of the OrContra Platform will be:</p> <ul data-bbox="384 1352 1193 1966" style="list-style-type: none"> <li data-bbox="384 1352 1139 1411">– <b>Ease of access</b> – marketplace for individuals and companies to exchange value directly eg peer-to-peer;</li> <li data-bbox="384 1429 1193 1523">– <b>Easily deployed</b> – a simple and easy to use interface which does not require any modification to the existing device and can be used seamlessly with native web browsers;</li> <li data-bbox="384 1541 1193 1599">– <b>Engaging product</b> – engaging user experience that gives users a rapid way of identifying trading opportunities in their market place;</li> <li data-bbox="384 1617 1107 1711">– <b>Global exposure and opportunity</b> – Mx360 has been conceived, designed and developed with a view to be able to access global markets;</li> <li data-bbox="384 1729 1193 1854">– <b>Significant revenue growth potential</b> – initially service English speaking countries including, Australia, New Zealand, United Kingdom, the United States of America and Canada. Mx360 plans to roll out future versions for international markets;</li> <li data-bbox="384 1872 1177 1966">– <b>Strong business development team and industry experience</b> - Mx360 is recruiting a highly professional, market aware and dedicated management and development team;</li> </ul>	Section 3.8.

Topic	Summary	For more information, refer to:
What are the expected key strengths of the OrContra Platform? <i>continued</i>	<ul style="list-style-type: none"> <li>– <b>Flexible web based platform</b> – is able to be updated and any new upgrades or improvements will be seamlessly rolled out and made available to the entire user base simultaneously; and</li> <li>– <b>Flexible and scalable platform</b> – the application will be developed to be scalable and additional customers can be on-boarded to the platform at minimal additional marginal cost.</li> </ul>	Section 3.8.

## 1.4 Summary of key risks

There are a number of risks associated with an investment in the Company which may affect its financial performance, financial position, cash flows, distributions, growth prospects and share price. The following table is a summary of the specific key risks that the Company is exposed to. Further details about these and other general risks associated with an investment in the Company are set out in Section 6.

Risk	Summary	For more information, refer to:
Growth prospects in company expansion plans	Mx360 is an early stage start-up with a prototype platform and as such its future success and profitability is modeled on developing a product which can be taken to market, an accelerated growth and expansion plan to achieve the objective of transitioning about online (both domestically and globally). If it fails to develop the OrContra Platform and take it to market, execute any expansion plan and cannot attract users to the OrContra Platform, it will be unlikely to generate any revenue and its financial performance will be negatively affected.	Section 6.2(a).
Limited trading history	Mx360 has a limited trading history. Since its incorporation, Mx360's principal activities involved development of the OrContra Platform, market research and testing transactions. Like many companies Mx360 has been self-funded by its founders and seed investors since inception. No assurance can be given regarding the future commercial viability of Mx360 through the implementation of its business plan.	Section 6.2(b).
Liquidity and Realisation Risk	There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. With the Vendors retaining 59.26% of the Shares after completion of the Offer (assuming minimum subscription is achieved under the Offer, no Options are exercised and excluding any Shares acquired by the Vendors under the Offer), these Shares being subject to escrow and trading restrictions, there may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of the Shares. Further, there is a risk that once the Shares subject to escrow or trading restrictions are released from the restrictions attaching to them, there may be a significant sell-down by the holders of those Shares. In the context of the limited free float and potential volatility mentioned above, this may affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid to acquire their Shares.	Section 6.2(d).

Risk	Summary	For more information, refer to:
Competition	<p>The e-commerce and online exchange space is highly competitive. The new sharing economy, like the outsourcing and gig economy and services marketplace space, has been rapidly evolving with both new entrants and established marketplaces operating in specific areas of expertise, hire per hour services, and fixed price services - although none currently compete directly with the same model and strategy as Mx360.</p> <p>It is anticipated that Mx360 would face a degree of competition from such organisations, some of which may have greater financial, technical and marketing resources. Increased competition could result in margin reductions, under-utilisation of employees, impact operating margins and loss of market share.</p>	Section 6.2(e).
Reliance on Key Personnel	<p>It is anticipated that Mx360's OrContra Platform would operate in a very specific market segment, with significant scale in the size of its website operations. As a result, key executives and employees (such as Wes Culley, James McCarron and Grant Davidson) have very specific, and often rare, skillsets in areas of great importance to Mx360. Mx360 may not be able to attract and retain these key staff or be able to find effective replacements if needed in a timely manner. The loss of services of one or more of these people, or a delay in their replacement, may have an adverse effect on Mx360's business, operating results and financial condition.</p>	Section 6.2(c).
Sales and marketing success	<p>Following completion of the Offer, Mx360 intends to invest capital into greater domestic and international sales capacity and building a powerful technology platform. Accordingly, the commercial success of the OrContra Platform will be heavily contingent on the success of the sales and marketing campaigns by Mx360 and subsequent development of the goodwill in Mx360 brand. Mx360 may encounter difficulty commercializing its products, which would have an impact on Mx360's future sales and profitability.</p>	Section 6.2(f).
Tax treatment	<p>While Mx360 will not be party to any transactions that take place on the OrContra Platform, Contra Transactions may be controversial from a tax perspective and in some cases of Contra Transactions, the value of the goods and services may represent assessable income (see Australian Taxation Office Ruling No. 2668). The ultimate tax treatment of Contra Transactions from a user's perspective may result in the OrContra Platform being less desirable to perform interpersonal transactions, and further there may be additional record-keeping obligations imposed on Mx360.</p>	Section 6.2(g).
Attracting Traffic to Websites	<p>Mx360's revenues will depend upon attracting sufficient web traffic to the OrContra Platform. The level of web traffic to these websites directly influences the number of new users, the number of new services offered and other factors that affect the amount of fees able to be levied.</p>	Section 6.2(h).

Risk	Summary	For more information, refer to:
Search Engine Traffic	Search engines, such as Google, are expected to direct significant traffic to Mx360's websites and the OrContra Platform. Should these search engines make future changes to their algorithms and procedures that direct this traffic, Mx360 could experience reduced number in new users and interaction with existing users. A decline in traffic to Mx360's websites could lead to a decline in Mx360's ability to attract and retain users, which could in turn lead to a decline in services being provided. This could adversely affect Mx360's revenues and its ability to continue to grow.	Section 6.2(i).
Reliance of access to Internet	The OrContra Platform is dependent on the ability of its users to access the internet. Access is provided by various classes of entities in the broadband internet access marketplace. Should any of these entities disrupt, restrict or affect the cost of access to the OrContra Platform, usage of OrContra Platform maybe negatively impacted, which could adversely affect users experience with the OrContra Platform and any future products developed by Mx360.	Section 6.2(j).
Faults with the OrContra Platform	As the OrContra Platform is complex, it may contain errors or defects that users identified after they begin using it, which could harm the reputation of the OrContra Platform and Mx360's business. Internet-based services frequently can find undetected errors when they are first introduced or when new versions are enhancements or released. Any errors found in the OrContra Platform and products may impact Mx360 by reducing users, future sales and customers.	Section 6.2(k).
Risks Associated with User Generated Content	<p>Users of the services may generate content and accordingly Mx360's marketplace would have significant quantities of such content displayed throughout its websites. Mx360, by virtue of its association with user generated content, may be implicated in an objectionable or illegal activity that subsequently exposes it to a law enforcement activity, or a civil dispute, with consequent liabilities and possible disruption to Mx360's operations. These could adversely affect Mx360's revenues and assets.</p> <p>Additionally, reputational risk associated with offensive, objectionable or illegal activity arising from user generated content may lead to a decline in Mx360's ability to attract and retain users.</p>	Section 6.2(l).
Credit Card Fraud Risk	It is anticipated that Mx360 may be at risk of credit card fraud from its users. For example, users may deposit funds using a stolen credit card and then attempt to withdraw those funds. Although Mx360 would use third party anti-fraud strategies, it is not possible to eliminate all such fraud, particularly as perpetrators actively change methodologies to counter such strategies. Where a stolen credit card has been used, Mx360 may be liable for chargebacks and chargeback fees imposed by payment gateways. Further, if the number of chargebacks in a given period is considered excessively high, credit card companies may levy fines or even exclude Mx360 from participation in their networks.	Section 6.2(m).
User Fraud Risk	It is anticipated that a party would pay Mx360 upon match of a product or service. Either party may be at risk of fraud if the other party then fails to deliver the agreed product or service. This could lead to users becoming dissatisfied with Mx360's services and potentially to reputational damage, which could affect retention and acquisition of users.	Section 6.2(n).

Risk	Summary	For more information, refer to:
Marketplace Liquidity Risk	Mx360 must have a significant number of users who help facilitate the marketplace by actively posting and transacting offers. Events such as security breaches, failures in computer networks, natural disasters, military or political interventions and changes in the regulatory environment in countries where Mx360 may have a significant user base could lead to a decline in the number of active users. A decline in Mx360's ability to maintain, or grow, a sufficient active user base could lead to a reduction in the volume and timeliness of responses to requested services, which could adversely impact upon Mx360's level of service and revenue.	Section 6.2(o).
Disintermediation and Fee Avoidance	It is anticipated that Mx360 would make a significant proportion of its revenue from fees charged when users agree on the exchange of services at a specific price. Other than Freemium transactions, Mx360 will attempt to ensure that users pay fees on all services exchanged, and actively put in place policies to support this. However, should the parties involved attempt to artificially lower the amount paid for an exchange, or pursue follow on work and payments outside the OrContra Platform, Mx360 may not be paid fees on these exchanges. An artificial decline in the value of the goods and services exchanged, or a decline in the amount of follow on exchanges performed through Mx360's website would negatively impact Mx360's revenue.	Section 6.2(p).
Customer Service Risk	Users may need to engage with Mx360's customer service personnel in certain circumstances, such as if they have a question about the services, or if there is a dispute between users or between a user and Mx360. Poor customer service experiences may result if Mx360 loses key customer service personnel, fails to provide adequate training and resources for customer service personnel, or if the computer systems relied upon by customer service personnel are disrupted by technological failures or natural disasters. This could lead to adverse publicity, litigation, regulatory enquiries and declines in users continuing to use Mx360's services, all of which may negatively impact upon Mx360's revenues.	Section 6.2(q).
Special Reputational Risks	Mx360 operates in an online and dynamic environment. Negative publicity can spread quickly, whether true or false. Disgruntled users posting statements or negative comments about Mx360 in public forums may have a disproportionate effect on Mx360's reputation and its ability to earn revenues and profits. Additionally, complaints by such users can lead to additional regulatory scrutiny and a consequential increased compliance burden in responding to regulatory enquiries. This could negatively impact upon Mx360's profitability.	Section 6.2(r).
Seasonality	The online services market is somewhat seasonal in nature, which may result in fewer projects being posted around important or widely followed holiday seasons, such as summer holidays. This seasonality may result in lower use of the services in a particular quarter, which could lead to lower or fluctuating revenues.	Section 6.2(s).
Rate of Migration to Online Services	In recent years there has been strong growth in both the demand for outsourced services and in the supply of service providers to meet that demand. It is anticipated that this growth could drive the growth in online services marketplaces, including the OrContra Platform. If there was a decline in the demand for outsourced services or in the supply of service providers, this could adversely affect Mx360's business including revenue, profitability and ability to execute its growth strategies.	Section 6.2(t).

Risk	Summary	For more information, refer to:
Data Loss, Theft or Corruption	Hacking or exploitation of some unidentified vulnerability in its platform could lead to loss, theft or corruption of data. This could render the OrContra Platform unavailable for a period of time while data is restored. It could also lead to unauthorised disclosure of users' data, with associated reputational damage, claims by users and regulatory scrutiny and fines. Disruption to the platform and unauthorised disclosure of user data could negatively impact upon Mx360's revenues and profitability.	Section 6.2(u).
Hacker Attacks	Hackers could render the websites unavailable through a distributed denial of service attack or other disruptive attacks. Unavailability of the websites could lead to a loss of revenue whilst Mx360 is unable to provide its services.	Section 6.2(v).
Domain Name Risk	It is anticipated that Mx360 would provide its services through several websites, many of which are country and / or language-specific. Each of those websites would have different domain names which would be registered with a domain name registrar appropriate to that region. Each domain name registrar maintains separate regulatory regimes and enforce different requirements. Domain name registrants may change the requirements for continued registration or renewal at any time. Further, there may be regulatory or legislative changes in the countries where the domain name registrants are based which could affect Mx360's ability to maintain control of these domains. Should Mx360 lose control of any domain, it would lose all website traffic directed to that domain. This could lead to significant negative reduction in Mx360's revenue, even if it were ultimately able to re-direct users to other domains still in its control.	Section 6.3(t).
Payment Gateway Provider Disruption Risks	Two of the major ways in which users make payments are via credit card or through online payment processors such as PayPal. It is anticipated that Mx360 would not process credit card payments itself, but would use payment gateway providers (such as PayPal) which facilitate the acceptance of credit cards on its behalf. Should its Payment Gateway Providers suffer outages, or if they ceased to offer their services to Mx360, Mx360's ability to accept credit card payments (and therefore to provide some services or collect revenue) could be significantly affected.  Further, Mx360's Payment Gateway Providers could be the subject of security breaches that result in the loss, theft or corruption of data, including credit card and other personal information of Mx360 users. This could lead to reputational damage for Mx360. Inability to accept payment by credit card, even if for a short period of time, could negatively impact upon Mx360's revenues and its ability to grow the business.	Section 6.3(a).
Disruption to Banking Arrangements	It is anticipated that Mx360 would maintain accounts with banks and payment gateways providers in the jurisdictions in which it operates. Legislative or policy changes or increased regulatory scrutiny affecting those banks could cause the banks to impose requirements upon Mx360 that it cannot meet, or to cause the banks to withdraw their services from Mx360. This could lead to loss of revenue and, if the disruption was prolonged, reputational damage, which could in turn hinder Mx360's growth.	Section 6.3(b).

Risk	Summary	For more information, refer to:
Hosting Provider Disruption Risks	<p>It is anticipated that Mx360 would rely upon its primary hosting provider, to maintain continuous operation of its websites and databases. Should its hosting provider suffer outages, for example due to catastrophic destruction of infrastructure following a natural disaster, service to Mx360 websites may also be disrupted. If Amazon Web Services (AWS) ceased to offer its services to Mx360 and Mx360 was unable to obtain a replacement hosting provider quickly, this could also lead to disruption of service to Mx360 websites. Unavailability of the websites could lead to a loss of revenue while Mx360 is unable to provide its services. Further, particularly in the case of prolonged outages, such disruptions could have a material adverse impact upon Mx360's reputation. This could hinder Mx360's ability to retain existing users, increase their activity on its websites and to attract new users, potentially having a material adverse impact upon Mx360's growth.</p>	Section 6.3(c).
Disruption to Internet Services	<p>It is anticipated that Mx360's user community would be spread throughout the world and that Mx360 may have staff around the world. It has a third party developer which employs staff in a number of countries including, Australia, the United States and India. Disruption to Internet services in countries where Mx360's users or staff are based could have a material adverse effect on Mx360's ability to generate revenue while the disruptions remain in place.</p>	Section 6.3(d).
Risks Associated with the Regulatory Environment	<p>Presently, Mx360's operations are based in Australia and subject to Australian laws and regulations. However, Mx360 intends to expand its operations into other markets. Mx360 is presently an Australian company and subject to Australian regulation. Users, competitors, members of the general public or regulators could allege breaches of legislation or regulations, for example, if they considered an advertisement on the OrContra Platform to be misleading or deceptive. Such breaches of legislation or regulation could result in enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty, remedial action or litigation, which could potentially lead to Mx360 being required to pay compensation or a fine.</p> <p>Mx360's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon Mx360's profitability.</p> <p>This could lead to significant reputational damage to Mx360 and consequent impact upon its revenue.</p> <p>Mx360 intends to offer its services throughout the world, and has potential users of those services in most countries and jurisdictions of the world. Regulatory changes could see Mx360 required to hold a license in some of these jurisdictions, or otherwise comply with local regulations. This could preclude Mx360 from offering certain services to these jurisdictions until such a licence was obtained, or require Mx360 to comply with a range of regulatory environments.</p>	Section 6.3(e).

Risk	Summary	For more information, refer to:
Income tax	<p>Consideration received or receivable during a barter or contra transaction (either in terms of cash, goods or services) may represent assessable income for the purposes of income tax under the tax laws of the jurisdiction in which the goods or services are received. Depending on the tax treatment of conducting transactions of the OrContra Platform, users may not find the OrContra Platform an attractive option, which could deter or exclude users.</p>	Section 6.4(a).
Global Nature	<p>It is anticipated that Mx360 would have users in, and would provide services to people in, almost every jurisdiction of the world.</p> <p>Mx360's operations may be adversely affected by the risks associated with operating in such jurisdictions (including changes to the regulatory regimes which may be hard to predict), which may impact on its ability to grow the business in overseas markets.</p> <p>More generally, Mx360 will have to adapt to local business and contract customs in jurisdictions, where it currently operates and where it plans to operate.</p>	Section 6.4(b).
Need to Attract and Retain Skilled Staff	<p>Mx360's future success will in part depend on its ability to hire and train suitable staff. Competition for such personnel is intense and there can be no assurance that Mx360 will be successful in attracting and retaining such personnel.</p> <p>A failure to do so may have an adverse effect on the operations and profitability of Mx360's business.</p>	Section 6.4(c).
Management of Future Growth	<p>Mx360 may experience a period of rapid growth and increase in the number of its employees and officers and the scope of its supporting infrastructure. This growth is likely to result in new and increased responsibilities for management and would place a significant strain on Mx360's management. Mx360 will be required to continue to implement and improve its systems in a timely manner in order to accommodate the increased number of transactions and customers and the increased size of its operation. A failure to do so may adversely affect Mx360's revenue and profitability.</p>	Section 6.4(d).
Illegal activities conducted on the platform	<p>Mx360 is susceptible to potentially illegal or improper uses, including, fraudulent and illicit sales, money laundering, bank fraud, and online securities fraud. Users could request reimbursement, or stop using the OrContra Platform, if they are affected by illegal activities or buyer fraud. Further, Mx360 may, by reason of its publication of the want or need, be implicated in objectionable or illegal activity which exposes it to law enforcement investigation or action, or a civil dispute. Any such occurrence may cause Mx360 to suffer financial loss and may lead to Mx360's reputation suffering amongst users, contributors and its partners.</p> <p>In addition, Mx360 may be subject to anti-money laundering laws and regulations that prohibit, among other things, its involvement in transferring the proceeds of criminal activities. Because of different laws and regulations in each jurisdiction in which Mx360 is proposing to operate, as it rolls-out and adapts the OrContra Platform in other countries, additional verification and reporting requirements could apply. These regulations could impose significant costs on Mx360.</p>	Section 6.4(e).

## 1.5 Directors and key employees

Topic	Summary	For more information, refer to:
Who will be the Directors and senior management of the Company after Completion of the Acquisition?	<p>The Directors and senior management of the Company after Completion will be:</p> <ul style="list-style-type: none"> <li>– James McCarron (Executive Director);</li> <li>– Wesley Culley (Executive Director);</li> <li>– Peter Dykes (Non-executive Director);</li> <li>– Grant Davidson (Non-executive Director); and</li> <li>– Elizabeth Hunt (Company Secretary).</li> </ul>	Sections 7.1 and 7.2.

## 1.6 Interests and benefits of Directors

Topic	Summary	For more information, refer to:																																								
What are the Director shareholdings?	<p>The current Directors hold direct or indirect interest in the following approximated shareholdings at the date of this Prospectus:</p> <table border="1"> <thead> <tr> <th>Director (including associates)</th> <th>Shares</th> <th>% Shareholding</th> </tr> </thead> <tbody> <tr> <td>Peter Dykes</td> <td>2,000,000</td> <td>8.0%</td> </tr> <tr> <td>Timothy Shaw</td> <td>2,000,000</td> <td>8.0%</td> </tr> <tr> <td>Peter Alan Torney</td> <td>1,200,000</td> <td>4.8%</td> </tr> </tbody> </table> <p>The Directors are expected to hold a direct or indirect interest in the following approximate shareholdings on the re-quotation of the Shares:<sup>1,2</sup></p> <table border="1"> <thead> <tr> <th>Director (including associates)</th> <th>Shares</th> <th>% Shareholding (min sub)</th> <th>% Shareholding (max sub)</th> </tr> </thead> <tbody> <tr> <td>Peter Dykes</td> <td>2,000,000</td> <td>1.48%</td> <td>1.38%</td> </tr> <tr> <td>Timothy Shaw</td> <td>2,000,000</td> <td>1.48%</td> <td>1.38%</td> </tr> <tr> <td>Peter Alan Torney</td> <td>1,200,000</td> <td>0.89%</td> <td>0.83%</td> </tr> <tr> <td>Grant Davidson</td> <td>3,000,000</td> <td>2.22%</td> <td>2.07%</td> </tr> <tr> <td>Wesley Culley</td> <td>26,990,000</td> <td>19.99%</td> <td>18.61%</td> </tr> <tr> <td>James McCarron</td> <td>26,990,000</td> <td>19.99%</td> <td>18.61%</td> </tr> </tbody> </table> <p>1. This assumes that the Directors do not apply for any New Shares under the Offer.</p> <p>2. This assumes that no Options are exercised.</p>	Director (including associates)	Shares	% Shareholding	Peter Dykes	2,000,000	8.0%	Timothy Shaw	2,000,000	8.0%	Peter Alan Torney	1,200,000	4.8%	Director (including associates)	Shares	% Shareholding (min sub)	% Shareholding (max sub)	Peter Dykes	2,000,000	1.48%	1.38%	Timothy Shaw	2,000,000	1.48%	1.38%	Peter Alan Torney	1,200,000	0.89%	0.83%	Grant Davidson	3,000,000	2.22%	2.07%	Wesley Culley	26,990,000	19.99%	18.61%	James McCarron	26,990,000	19.99%	18.61%	Section 7.3(a).
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Topic	Summary	For more information, refer to:										
Will the Proposed Directors receive any remuneration, and share options as part of this transaction?	<p>The remuneration of the Proposed Directors (whether directly or through their nominees) will receive as part of this transaction are set out in the table below:</p> <table border="1" data-bbox="384 506 1214 707"> <thead> <tr> <th data-bbox="384 506 759 535">Director (including associates)</th> <th data-bbox="791 506 1102 535">Remuneration per annum</th> </tr> </thead> <tbody> <tr> <td data-bbox="384 546 523 575">Peter Dykes</td> <td data-bbox="791 546 1134 575">\$50,000 (inc. superannuation)</td> </tr> <tr> <td data-bbox="384 586 564 616">Grant Davidson</td> <td data-bbox="791 586 1134 616">\$50,000 (inc. superannuation)</td> </tr> <tr> <td data-bbox="384 627 544 656">Wesley Culley</td> <td data-bbox="791 627 1158 656">\$150,000 (plus superannuation)</td> </tr> <tr> <td data-bbox="384 667 584 696">James McCarron</td> <td data-bbox="791 667 1158 696">\$150,000 (plus superannuation)</td> </tr> </tbody> </table> <p>There is no current intention to issue share options to the Proposed Directors.</p>	Director (including associates)	Remuneration per annum	Peter Dykes	\$50,000 (inc. superannuation)	Grant Davidson	\$50,000 (inc. superannuation)	Wesley Culley	\$150,000 (plus superannuation)	James McCarron	\$150,000 (plus superannuation)	Section 7.3(b).
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Grant Davidson	\$50,000 (inc. superannuation)											
Wesley Culley	\$150,000 (plus superannuation)											
James McCarron	\$150,000 (plus superannuation)											
Have there been any related party transactions prior to the Offer?	<p>Mx360 and Wes Culley and James McCarron entered into a deed of assignment of intellectual property on 24 November 2015 (<b>IP Transfer Deed</b>), where for nil consideration, each of Messrs Culley, and McCarron (being the initial developers of the OrContra Platform) assigned all intellectual property rights in the OrContra Platform to Mx360.</p> <p>Other than the IP Transfer Deed, Acquisition Agreement, the employment agreements and deeds of indemnity between the Company, and the Directors, there are no other related party agreements.</p>	Sections 9.4(c) and 9.11.										
What escrow arrangements will be in place as at completion of the Offer?	Certain Directors, Shareholders, and Promoters will be escrowed for period of up to 24 months from the date of re-quotation on ASX.	Section 9.7.										
What Corporate Governance Policies does the Company have in place?	A summary of the Corporate Governance policies adopted by the Company are set out in section 7.4	Section 7.4.										

## 1.7 Summary of the Offer and the proposed use of funds raised

Topic	Summary	For more information, refer to:
Who is issuing this Prospectus?	Stirling Products Limited (ACN 077 105 429) (to be renamed, subject to Shareholder approval of all Resolutions at the General Meeting, OrContra Limited).	Section 3.1.
What is the Offer?	<p>The Offer for the purposes of this Prospectus comprises the proposed issues of New Shares by the Company:</p> <ul style="list-style-type: none"> <li>– a public offer of a minimum of 30,000,000 New Shares at an issue price of \$0.10 to raise a minimum of \$3,000,000 before costs and up to 40,000,000 New Shares at an issue price of \$0.10 to raise up to \$4,000,000 before costs; and</li> <li>– the issue of 80,000,000 Consideration Shares to the Vendors at a deemed issue price of \$0.10.</li> </ul>	Section 8.2.
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Public Offer, the Company will have sufficient working capital to carry out its stated objectives.	Section 1.8.
What rights and liabilities attach to the Shares being offered?	All New Shares issued under the Offer will rank equally in all respects with existing Shares on issue. A summary of the rights attaching to New Shares is set out in section 9.3.	Section 9.3.
Will the Shares be quoted on the ASX?	The Company will apply to the ASX no later than 7 days from the date of this Prospectus for official quotation of all Shares on the ASX under the ticker “OCO”.	Section 8.3.
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules	<p>At the General Meeting of the Company, the Shareholders will be asked to approve the change in the nature and scale of its activities to include the Mx360 business.</p> <p>In accordance with the requirements of the ASX in relation to this change in activity, the Company must re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List. This Prospectus is issued to, among other things, assist the Company to re-comply with these requirements.</p> <p>Trading in the Company’s Shares has been suspended from Quotation and will not be reinstated until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules.</p> <p>There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on ASX and the Proposed Transaction may not be completed.</p> <p>If the Acquisition is not completed, the Company:</p> <ul style="list-style-type: none"> <li>– will not proceed with the Offer; and</li> <li>– will repay Application Payments received from Applicants under the Offer.</li> </ul> <p>New Shares will not be able to be traded on ASX until such time as ASX’s requirements for re-quotation can be met, if at all.</p> <p>The Company will apply to ASX within 7 days after the date of this Prospectus for Quotation of the New Shares offered under this Prospectus.</p>	Section 8.18.

Topic	Summary	For more information, refer to:
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules <i>continued</i>	If ASX does not grant permission for Quotation of the New Shares within three months after the date of the Prospectus, or such longer period as is permitted by the Corporations Act, none of the New Shares offered under this Prospectus will be allotted or issued. In that circumstance, all Application Payments will be dealt with in accordance with the Corporations Act.	Section 8.18.
Is the Offer underwritten?	No, the Offer will not be underwritten.	Section 8.8.
What is the allocation policy applicable to the Offer?	The Company has absolute discretion regarding the allocation of New Shares and may reject an Application, or allocate fewer New Shares than applied for, in its absolute discretion.	Section 8.12.
What is the Minimum Application under the Offer?	Applications must be for a minimum of 20,000 New Shares (\$2,000), and thereafter in multiples of 2,000 New Shares (\$200).	Section 8.10.
When will I know if my application has been successful?	A holding statement confirming your allocation under the Offer will be sent to you if your Application is successful.	Section 8.10.
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisitions of Shares under the Offer.	Section 8.13.
What are the tax implications of investing in the Shares?	The tax consequences of any investment in Shares will depend on your personal circumstances. Prospective investors should obtain their own tax advice before deciding to invest.	Section 9.16.
What is the Company's dividend policy?	The policy of the Company will be to invest all cash flow into the business in order to maximise its growth. Accordingly, no dividends will be payable for at least a period of 2 years following the Company's listing on the ASX. At that point, the Board will review the policy and announce to the market the result of the review.	Section 9.8.
How do I apply for New Shares?	<p>If you wish to apply for New Shares under the Offer, please complete the Application Form in accordance with the instructions set out on that form.</p> <p>All Application Forms must be accompanied by payment in full of the Public Offer Price of \$0.10 per New Share applied for.</p> <p>Applications must be for a minimum of 20,000 New Shares (\$2,000), and thereafter in multiples of 2,000 New Shares (\$200).</p> <p>Application Payment must be made by cheque, bank draft or money order, unless otherwise determined by the Board. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Stirling Products Limited" and crossed "Not Negotiable".</p> <p>Applicants must not forward cash. Receipts for Application Payments will not be issued.</p>	Section 8.10.

Topic	Summary	For more information, refer to:
How do I apply for New Shares? <i>continued</i>	<p>All Applications (including Application Payments) must be mailed to:</p> <p><b>Stirling Products Limited</b>  <b>C/- Security Transfer Registrars Pty Ltd</b>  <b>PO Box 535</b>  <b>APPLECROSS WA 6953</b></p> <p>Or delivered to:</p> <p><b>Stirling Products Limited</b>  <b>C/- Security Transfer Registrars Pty Ltd</b>  <b>770 Canning Highway</b>  <b>APPLECROSS WA 6953</b></p> <p>by 5.00pm (Sydney time) on 15 February 2016. The Company reserves the right to vary the Closing Date, subject to the Corporations Act and the ASX Listing Rules.</p>	Section 8.10.
Can the Offer be withdrawn?	<p>The Company reserves the right not to proceed with the Offer at any time before the issue and transfer of Shares to successful Applicants.</p> <p>If the Offer does not proceed, Application monies will be refunded. No interest will be paid on any Application monies refunded as a result of the withdrawal of the Offer.</p>	Section 8.19.
Where can I find more information?	<p>Questions relating to Applications for Shares can be directed to the Share Registry, Security Transfer Registrars Pty Ltd on +61 8 9315 2333.</p>	

**You should read this Prospectus carefully and in its entirety, including Section 6, before deciding whether to apply for New Shares. If you are in doubt as to the course you should follow, you should consult your licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser.**

### 1.8 Proposed use of funds raised under the Offer

Use of proceeds	Estimated spend (assuming minimum subscription)	% of funds raised (assuming minimum subscription)	Estimated spend (assuming maximum subscription)	% of funds raised (assuming maximum subscription)
Product Development	\$650,000	21.66%	\$650,000	16.25%
Platform Development	\$500,000	16.67%	\$500,000	12.50%
Branding and Design	\$175,000	5.83%	\$175,000	4.38%
Marketing and launch	\$525,000	17.50%	\$875,000	21.87%
Advertising and Promotion	\$450,000	15.00%	\$800,000	20.00%
Working Capital	\$260,000	8.67%	\$500,000	12.50%
Expenses of the Offer	\$440,000	14.67%	\$500,000	12.50%
<b>Total</b>	<b>\$3,000,000</b>	<b>100%</b>	<b>\$4,000,000</b>	<b>100%</b>

The above table is a statement of current intentions as at the date of this Prospectus. Applicants should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of sales success, operational and development activities, regulatory developments, and market and general economic conditions.

In light of this, the Board reserves its right to alter the way the funds are applied.

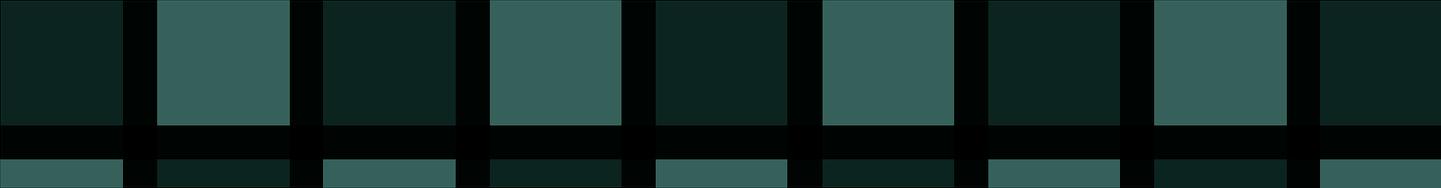
The Board is satisfied that upon completion of the Offer, the Company will have sufficient working capital to meet its stated objectives.

The use of further equity funding or share placements will be considered by the Board where it is appropriate to accelerate a specific project, transaction or expansion.

It is possible that future acquisitions that may be contemplated may exceed the current projected financial resources of the Company and it is expected that these acquisitions would be funded by project finance and / or equity issues (subject to required shareholder approvals).

## 1.9 Additional Information

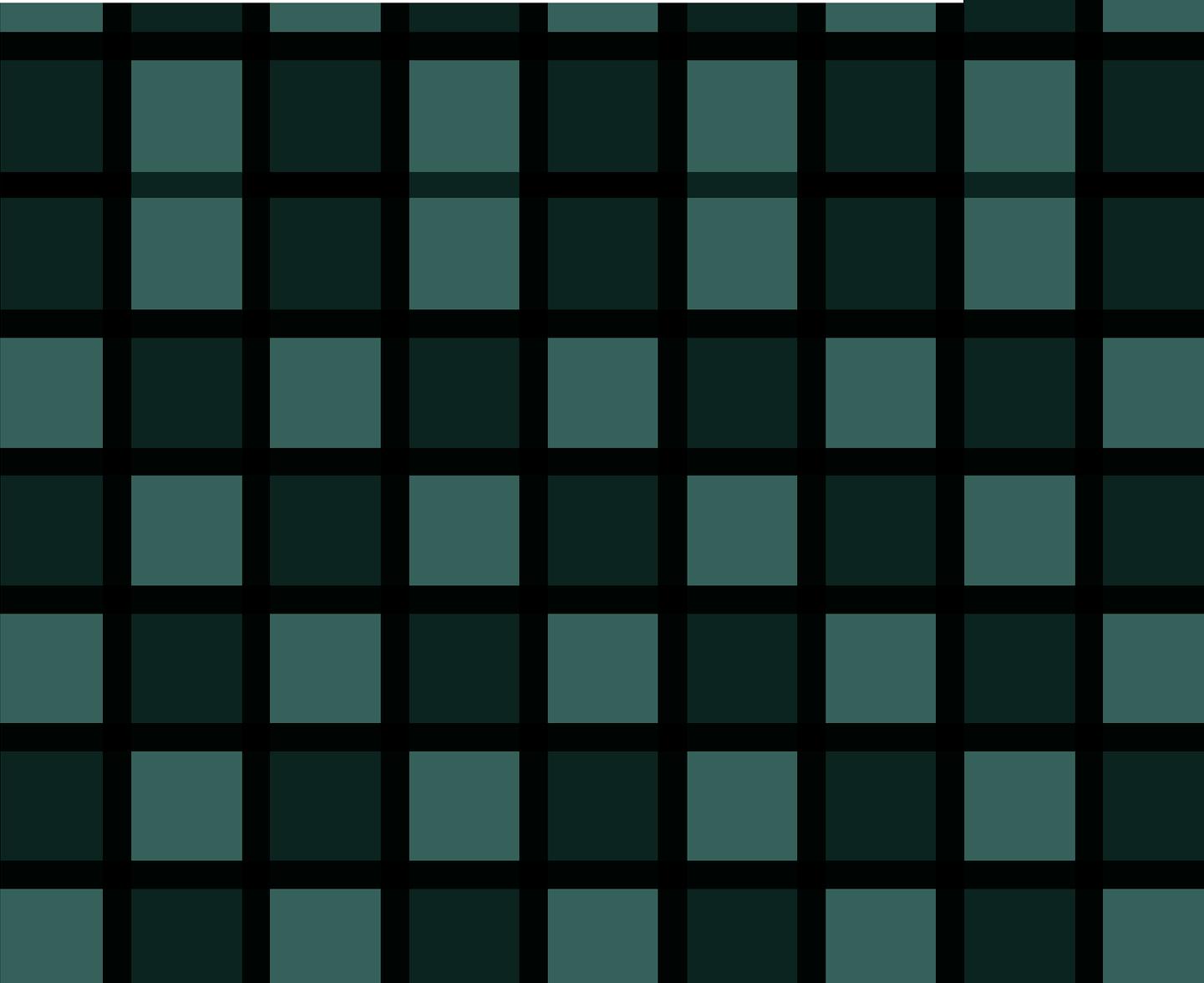
Topic	Summary	For more information, refer to:															
Who will be the major Shareholders on Completion of the Acquisition?	<p>The Company expects that the major Shareholders (being those Shareholders who will hold 5% or more of the total issued capital of the Company) will own the following approximate Shareholding on Completion of the Acquisition:<sup>1,2,3</sup></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Shareholder Name</th> <th style="text-align: left;">Number of Shares</th> <th style="text-align: left;">Approximate Shareholding</th> </tr> </thead> <tbody> <tr> <td>Wes Culley</td> <td>26,990,000</td> <td>18.61%</td> </tr> <tr> <td>James McCarron</td> <td>26,990,000</td> <td>18.61%</td> </tr> <tr> <td>Matthew Arnold Mitchell</td> <td>11,510,000</td> <td>7.94%</td> </tr> <tr> <td>Mugdock Investments Pty Ltd</td> <td>11,510,000</td> <td>7.94%</td> </tr> </tbody> </table>	Shareholder Name	Number of Shares	Approximate Shareholding	Wes Culley	26,990,000	18.61%	James McCarron	26,990,000	18.61%	Matthew Arnold Mitchell	11,510,000	7.94%	Mugdock Investments Pty Ltd	11,510,000	7.94%	Section 9.5.
Shareholder Name	Number of Shares	Approximate Shareholding															
Wes Culley	26,990,000	18.61%															
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Mugdock Investments Pty Ltd	11,510,000	7.94%															
	<ol style="list-style-type: none"> <li>1. <i>This assumes that the Shareholders do not apply for any New Shares under the Public Offer.</i></li> <li>2. <i>This assumes that the Options are not exercised.</i></li> <li>3. <i>This assumes maximum number of New Shares under the Public Offer is issued.</i></li> </ol>																



# 02

## Industry Overview

This Section 2 provides background information on the sectors in which the Company operates.



## 2.1 Sharing Economy

The “Sharing Economy” as an umbrella concept can be described as the peer-to-peer-based activity of obtaining, giving, or sharing the access to goods and services, coordinated through community-based online services and encompasses the notion of “collaborative consumption” which refers to sharing the consumption of goods and services through activities such as renting, swapping or trading (Sharing Economy).

The Sharing Economy effectively enables individuals or groups to offer to others their underused physical assets or time and skill as a service in exchange for access to goods or services or money, and by doing so, connects spare capacity with demand. For example, a car owner may allow someone to rent out their vehicle while they are not using it, or a house owner may rent out their house while on vacation.

Around the world, attitudes towards consumption have shifted towards this collaborative consumption phenomenon. Pricewaterhouse Coopers LLP recently conducted a survey<sup>1</sup> which found that 44% of consumers in the United States of America are familiar with the Sharing Economy and 19% of the total population of the United States of America have engaged in a Sharing Economy transaction. Of those who have tried the Sharing Economy as a consumer, 72% considered they could see themselves being a consumer in the Sharing Economy in the next two years.

The robust appetite for the Sharing Economy has seen a large scale of disruption to existing, established economy sectors. For example, Airbnb, averages 425,000 guests per night, totaling more than 155 million guest stays annually, which is nearly 22% more than Hilton Worldwide (which served 127 million guests in 2014). This is an example of the traditional B&B & hostel rental sector being in part, displaced by the new Sharing Economy sector, the peer-to-peer accommodation sector.

It is estimated that currently, the main Sharing Economy sectors generate \$15 billion in global revenues and it is estimated that by 2025, those same Sharing Economy sectors could potentially generate \$335 billion.

This presents a large opportunity for the OrContra Platform which intends to leverage off the shift towards various Sharing Economy sectors by facilitating the ease of Collaborative Consumption by enabling users to create transactions, swaps and exchanges based upon mutual agreement of value.

## 2.2 Effect of smartphones and internet

There are a number of factors that have been attributed to the growth of the Sharing Economy. Such factors include growing consumer awareness, proliferation of collaborative web communities as well as social commerce/sharing and developments in information and communications technology.

With the rise of social media, mobile analytics, cloud computing, and development of smartphone technology, smartphones provide ease of access to information on demand in a more simple and engaging way (such as through clicking icons or swiping handsets). These particularly have aided with driving the change towards Sharing Economies by facilitating the ease of accessing services and products which Share Economy businesses such as Uber™, Groupon™, Tinder™ and Airbnb™ have leveraged to expand their user footprint and growth.

The core of these Sharing Economy businesses host digital platforms that enable users a seamless, precise, real-time measurement of spare capacity and provide users with the ability to dynamically connect that capacity with those who need it (i.e. the demand).

With approximately 2.6 billion smartphone users in the world currently and with growth of developing countries fuelling uptake, it is forecasted that there will be in excess of approximately 6.1 billion smartphone users by 2020.

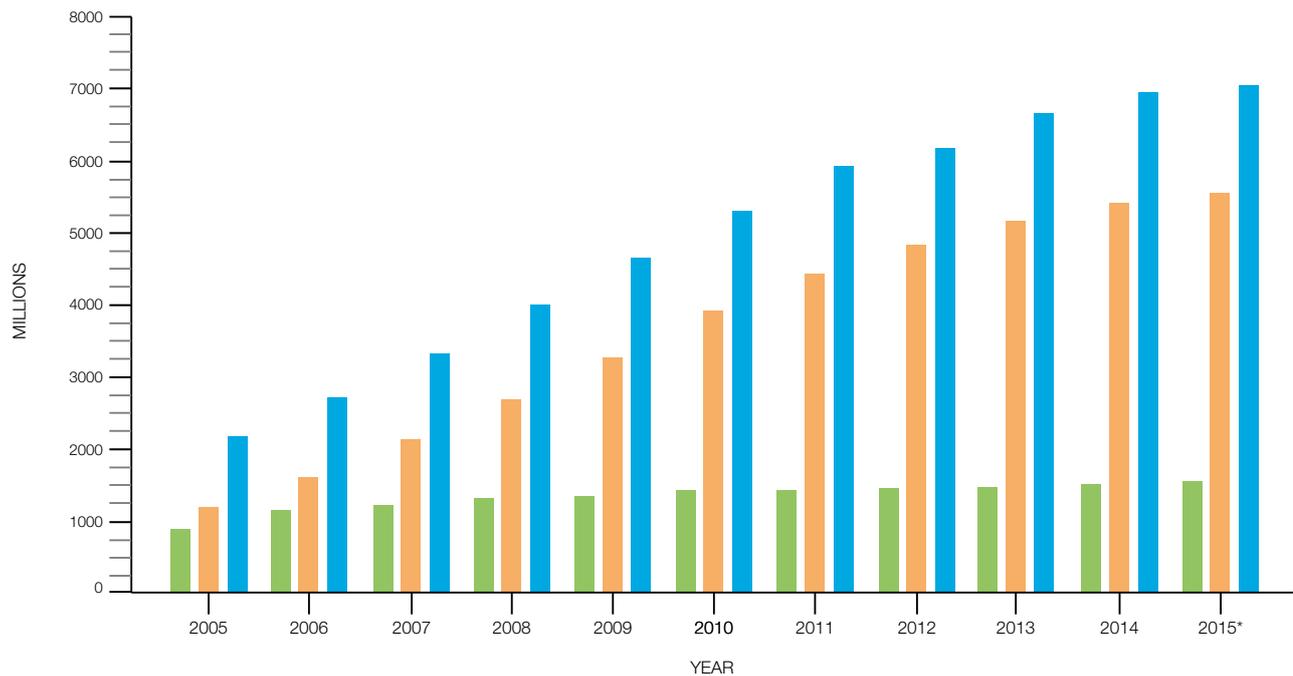
Further, over the past decade, there has been a sustained growth in number of individuals using the internet and, particularly those subscribing for mobile-cellular subscriptions.

*Please see the graphs on the following page.*

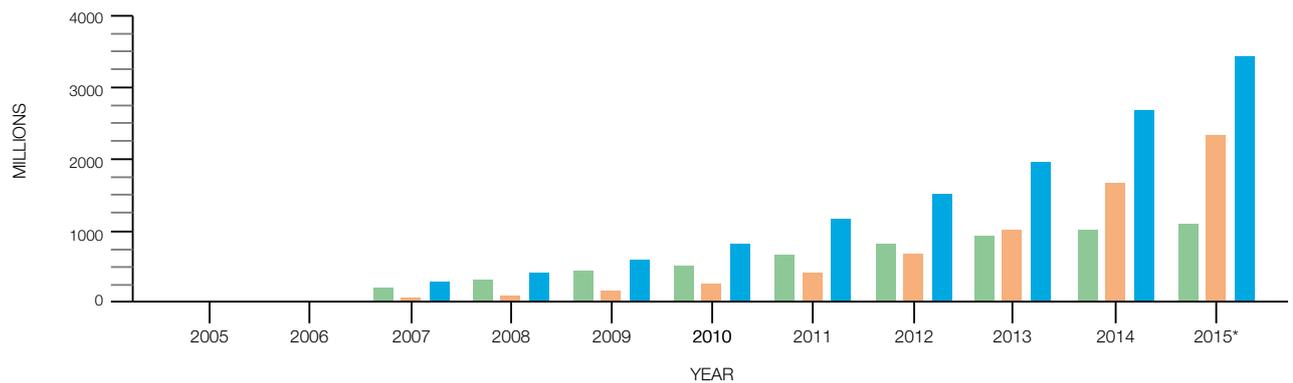
## Key ICT indicators for developed and developing countries and the world (totals and penetration rates)

### Mobile-cellular telephone subscriptions

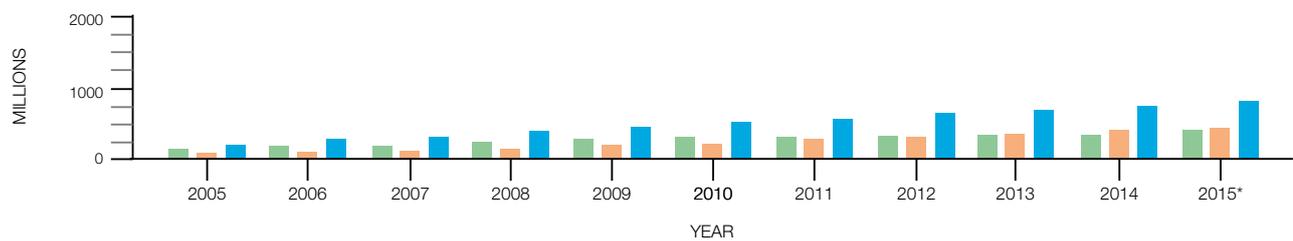
Developed Developing World



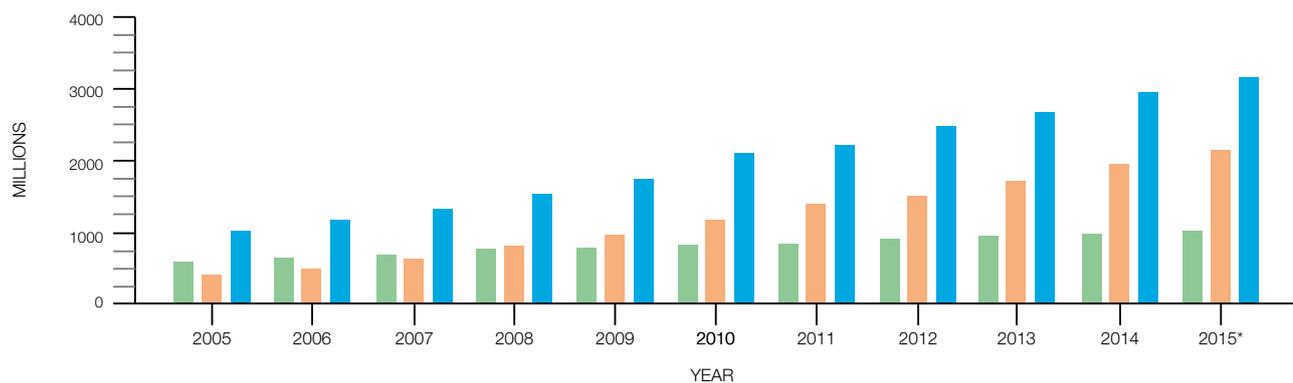
### Active mobile-broadband subscriptions



### Fixed-broadband subscriptions



### Individuals using the Internet



### 2.3 Mobile transaction platforms

With such large volumes of, and growth in, smartphone users around the world and the potential scale of Sharing Economies, there is a unique opportunity for uptake of a mobile based transaction platform which offers alternatives to existing offerings.

The concept of bartering, swapping and trading goods and services (whether via the internet or otherwise) is not a new concept and humans have been engaging in this practice for a long time. There are a number of websites that enable users to barter for goods and services such as Neighborgoods, Swap Ace and Freecycle. However, Mx360 considers that such services do not offer a simple, dynamic and user friendly interface (and therefore an enriched user experience), have limited or niche products that users may exchange and small user bases. Further, such services, being web-based, lack the scalability and potential to expand user footprint that comes with mobile platforms.

However, there are a number of successful sharing services native to mobile devices which implement the concept of exchanging products or services, however, these operate specifically in deep markets like house-sharing, accommodation (examples of such services include Airbnb™ and CouchSurfing) or automotive and transportation (examples of such services include Uber and RelayRides). The common theme and limitation with these services is that they each rely on providers having a physical asset (i.e. an apartment/house in the context of Airbnb™ or a car in the context of Uber) or time or skill (in the context of Airtasker) and users receiving access to those goods or services by paying money.

With changing economic factors around the globe and people having limited disposable cash and financial resources, many have unmet needs that they could otherwise be willing to trade for using their time, expertise or goods as the currency for exchange (as opposed to money). This will enable them to obtain a counterparty's time, expertise, goods or services as they want or require and fulfill the counterparty's demand by providing in exchange, their own time, expertise, goods or services that the counterparty would like or requires, therefore enabling the participants to place a value on their time, expertise, goods or services and by negotiating this exchange, avoid the need for payment of money to the counterparty (such a transaction, being a **Contra Transaction**).

Mx360 considers that there is a strong potential market for a mobile based platform that could facilitate such Contra Transactions and Mx360 intends for the OrContra Platform to pioneer this concept.

### 2.4 Competitive Landscape

As Mx360 is seeking to develop a cashless exchange mobile platform, there are a number of potential competitors to it. The largest general competitor is the status quo – whereby consumers continue to use existing means of bartering through personal interactions (whether internet based or not) or by using existing means of accessing the time, expertise, goods or services they desire or need.

Mx360 also has point product competitors in the form of “Bartering & Swapping Websites” (**Barter Sites**). Existing Barter Sites may limit the extent of user uptake to the OrContra Platform once taken to market. However, many of these Barter Sites are niche based such as Swapstyle, which enables the barter and swap of clothes, or designed to service a particular category of trade, such as SharedEarth which connects landowners with growers and do not facilitate exchanges across the various classes of space capacity such as time, expertise or skills, goods or services.

Because of the rapid development of mobile technology, most of the existing Barter Sites which enable Contra Transactions are not mobile native or mobile friendly and may not have the same traction and scalability of the OrContra Platform once taken to market. However, if these Barter Sites expand the reach of their website-based marketplaces by developing a mobile platform such Barter Sites would directly compete with the OrContra Platform.

Mx360 also identifies e-commerce businesses as indirect competitors of Mx360, given e-commerce is the dominant model for interpersonal trade. OrContra is seeking to disrupt the e-commerce market by creating an alternative for interpersonal trade. If consumers continue to use or prefer e-commerce over OrContra's offering, this will limit the number of users Mx360 can attract to the OrContra Platform.

### 2.5 Barriers to entry

Like all software businesses in the Sharing Economy space, there is a risk that another company may try and emulate the intended functionality of the OrContra Platform. Should a competitor attempt to do this, they would face a number of obstacles which Mx360 has identified as barriers to entry:

- a. **Design experience** – the design of user interfaces is critical to the success of mobile applications (**Apps**). Poorly designed Apps which provide a poor user experience can heavily detriment would-be entrants as users can be dissuaded from accessing a site or an App that has a poor user experience. Good user design experience and design is an expensive element and many entrants may not have the ability to retain such experience – it is for this reason Grant Davidson has been recruited by Mx360 for his extensive user design experience for leading global brands.

- b. **Creating Scale** – without scale and volume no entrant can attract new users. Traditional marketing channels often mean a high cost per acquisition and low life-time value due to high saturation. In an age of social users, the right growth strategy with the right product-market fit will lead to large scale through viral loops. Very few startups are able to harness the end goal of growth hacking - which is to build a self perpetuating marketing machine that can grow by itself. Growth hacking is a process and growth strategies cannot be easily copied and pasted from App to App or platform to platform. It requires creativity, strategy and the ability to negotiate deals with major affiliates like that which Mx360 proposes to do.
- c. **Product Differentiation** – As an incumbent company in its space, Mx360 will have some traction in the form of brand identification and customer loyalties. This forces new entrants to spend heavily to overcome these loyalties. Competitors may bring a different product to market, but its benefits must be clearly communicated to the target customer. Competitors must find an effective positioning, which often requires marketing resources beyond their means.
- d. **Cost disadvantages independent of scale** – Mx360 may have cost advantages that cannot be replicated by a potential entrant. Factors include the learning or experience curve, proprietary product technology, access to API's (application programming interfaces) and SDK's (software development kit), favourable locations and government subsidies.
- e. **Capital Requirements** – There are financial resources required for infrastructure, machinery, R&D and advertising. However, competitors may get around capital requirements by outsourcing parts of the operation to companies that can leverage existing investments.
- f. **Access to Distribution Channels** – This can be a barrier if logical distribution channels have been locked up by other incumbents.
- g. **Government Policy** – Governments can limit or prevent entry to industries with various controls (for example, licensing requirements, limits to access to key markets e.g. Uber and illegal ride-sharing laws in Victoria).

## 2.6 Regulatory Framework

Mx360 is expected to operate in a large number of jurisdictions throughout the world and is subject to local laws and practices in each of those jurisdictions. Generally speaking, these are general commercial laws and practices (such as competition and trade practices regulations).

From a tax regulation perspective, while Mx360 will not be party to any transactions that take place on the OrContra Platform, Contra Transactions may represent assessable income in certain instances (see Australian Taxation Office Ruling No. 2668). This may result in Mx360 being required to comply with record-keeping obligations imposed on Mx360 by the Australian Taxation Office.

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# 03

Business  
Overview



### 3.1 STI

Stirling Products Limited is an Australian public company listed on the Official List of the ASX (ASX:STI). It was a healthcare and pharmaceutical company engaging in the manufacture of pharmaceuticals. The Company's Shares are currently suspended from Quotation on the ASX and have been suspended since 5 July 2011.

The Company was placed into voluntary administration on 25 July 2011 and a Deed of Company Arrangement was executed on 27 October 2011. The Deed of Company Arrangement concluded on 17 September 2015 and control was returned to the Directors of the Company on that date. A Notice of Effectuation was lodged with ASIC by the Deed Administrators on 17 September 2015. Since that time, the Directors have been reviewing potential investment opportunities as a pre-cursor to attaining re-quotation of the Shares on the ASX.

Currently, the Company has 25,000,000 Shares on issue. There are also 210,488 Options on issue in the Company, each with an expiry date of 31 December 2015.

On 24 November 2015, the Company entered into the Acquisition Agreement with the Vendors of Mx360 to acquire all of the issued capital of Mx360, and thereby incorporating Mx360 as a wholly owned subsidiary of the Company.

### 3.2 Mx360

Mx360 is a private company incorporated in Australia in June 2015.

Mx360 is an early stage start-up technology development company with a specific focus on developing an internet based mobile trading platform for application globally. Mx360 owns all of the rights, title and interest in a prototype trading platform which is anticipated to operate as an open marketplace that will allow users to search and browse opportunities to exchange services and goods with others directly and provide a means for users to exchange and trade directly with others on their own terms (**OrContra Platform**).

Since its incorporation, Mx360 activities have principally involved development, market research and testing transactions. Like many start-up companies, Mx360 has been funded by seed investors since inception.

### 3.3 Mx360's vision

Mx360 intends to provide a solution to the dilemma of how to better conduct a form of transacting that human beings have traditionally engaged in, known now as contra or barter. The problem is that in the digital space, which is dominated by e-commerce, access to banking, cash and credit and online payment gateways is required to conduct transactions.

In reality, the heavy focus on e-commerce and using cash and credit as a medium of exchange, limits e-commerce users' ability to trade with each other. Mx360's own research indicates that many people, given the opportunity, would willingly exchange their skills, time and unused goods with

others if they had a simple and easy way of doing so. It is this notion that forms the rationale behind the OrContra Platform.

"Contra" based transactions are typically cashless and do not generally require a person to have access to substantial funds to proceed with the transaction.

With the advent of smartphone technology, Mx360 considers that the opportunity to transparently trade with each other directly on a contra basis can be facilitated on a mobile device using the native smartphone software. It is intended that if such trades were conducted through the OrContra Platform, this would enable users to find other willing parties, record transactions, search geographically and verify reputation. All of these are essential elements in cashless contra based transactions.

Up until now, the technologies and software services to access the barter marketplace have limitations and are primitive (see section 2.4 for more information in this regard). With the arrival of new technologies like blockchain, search and matching algorithms, geo-location services and identity verification tools, Mx360 is in a position to utilise these tools and digitise and centralise what is a very significant and largely dispersed marketplace and to make this space accessible, visible and tradable in real time to anyone with a smartphone - all without the need to have access to cash or credit.

The attraction to pursuing these type of transactions is obvious - the exchange or swap of time, services, goods or skills directly for those of others without consuming cash resources.

Cashless transactions rely in part, on trust, but also transparency. This is why the rapid development of smartphone technology and its rapid proliferation globally is a key to unlocking this marketplace.

### 3.4 The development of the OrContra Platform

The OrContra Platform concept arose after Mx360 observed the rapid user uptake of smartphones and applications and realized there is a growing and unique market opportunity for the OrContra Platform within the sharing economy.

With the arrival of 4G Smartphones, and higher access speeds, faster processing chips and software integration, many of the upfront development costs associated with developing a Minimum Viable Product (**MVP**) could be minimized by using the native applications within smartphones (such as mapping geolocation). In June 2015, Mx360 was formed for the purpose of developing the MVP version of the OrContra Application, and as at the date of this Prospectus the prototype of the OrContra Platform is at the design and build and beta testing phase of development.

As at the date of this Prospectus, Mx360 has tested the prototype OrContra Platform in offline testing and focus groups.

### 3.5 OrContra Platform - Product Overview

Unlike traditional e-commerce which is typically based on buying goods or services for cash or credit, it is anticipated that the OrContra Platform will provide a way to create transactions, swaps and exchanges based upon mutual agreement of value, creating a digital market-place to allow users to trade directly for things they want.

As an example, it is intended that a user can propose a mutual beneficial exchange based on the value of their goods or services and request a suitable exchange with a like minded party for that party's goods or services. Based on the match, the parties could then agree on the requirements, milestones, commitment and the delivery.

The OrContra Platform is being developed as a smartphone specific application which will provide users with a central platform for the purpose of conducting Contra Transactions. It is anticipated that the OrContra Platform will be distributed globally with functionality to make both local and global exchanges and traders depending on the user's preference. It is intended that the OrContra Platform be designed as a simple to use digital market-place that will allow users to trade and exchange products or services with others seamlessly.

### 3.6 Mx360 objectives

Mx360's short term objective is to:

- a. Further develop the prototype version of the OrContra Platform;
- b. conduct detailed testing of the platform until it has demonstrable user growth and satisfied key performance indicators;
- c. after such development and testing has been completed, mass launch a full version of the product as an open marketplace using a centralised hub by 1 July 2016; and
- d. scale the OrContra Platform to market.

Mx360 intends for the OrContra Platform to initially service English speaking countries including, Australia, New Zealand, United Kingdom, the United States of America and Canada. Mx360's longer term objectives after launch include:

- e. extending the OrContra Platform's user footprint globally and creating a global exchange platform;
- f. ensuring the OrContra Platform conveys quality, surety and trust to users;
- g. providing users with an alternative way of transacting without cash and credit for the goods and services they want;
- h. providing consumers with an overwhelmingly easy to use smartphone platform that encourages loyalty, credibility and repetitive transaction amongst users; and
- i. disrupting e-commerce as the dominant model for interpersonal trade.

Following launch of the OrContra Platform, Mx360 intends to invest capital into greater domestic and international sales capacities and building on the OrContra Platform.

### 3.7 Revenue generation and pricing model

As Mx360 is in the development and testing phase of the OrContra Platform, it presently does not have any paying users and does not anticipate generating any revenue until after the launch of the OrContra Platform (anticipated to occur by around 1 July 2016).

After the launch of the OrContra Platform, like many start-up mobile technology development companies, Mx360 intends to adopt a "Freemium" model to grow its core user base.

Under this model, Mx360 will allow users to conduct transactions through the OrContra Platform for free until the value of transaction passes a threshold value. If a transaction passes this threshold value, users will be required to pay a transaction fee to complete the transaction (**Transaction Fee**). It is anticipated that the Transaction Fee will be a percentage of the transaction value which as at the date of this Prospectus has not been finalised.

Mx360 anticipates that its revenue will be primarily generated from charging users the Transaction Fee.

However, Mx360 also intends to offer users a premium upgrade in the form of a monthly or yearly subscription, which will provide paying users with additional features giving users access to the full suite of added value services. It is anticipated that such added value services will likely include:

- priority listings which are displayed at the top of the search results page promoted with bigger images and "featured" in a targeted local area;
- listings can include a video to generate more views;
- functionality to extend the reach of a listing outside key listing area; and
- priority alerts of potential matches and immediate alert and push notification.

### 3.8 Key strengths

It is anticipated that the key strengths of the OrContra Platform would be:

- a. **Ease of access** — marketplace for individuals and companies to exchange value directly i.e. "peer-to-peer".
- b. **Easily deployed** — a simple and easy to use interface which does not require any modification to the existing device and can be used seamlessly with native mobile web browser.
- c. **Engaging product** — engaging user experience that gives users a rapid way of identifying trading opportunities in their market place.
- d. **Global exposure and opportunity** — Mx360 has been conceived, designed and developed with a view to be able to access global markets.

- e. **Significant revenue growth potential** — initially service English speaking countries including, Australia, New Zealand, the United States of America and Canada. Mx360 plans to roll out future versions for international markets.
- f. **Strong business development team and industry experience** — Mx360 is recruiting a highly professional, market aware and dedicated management and development team.
- g. **Flexible web and mobile based platform** — is able to be updated and any new upgrades or improvements will be seamlessly rolled out and made available to the entire user base simultaneously.
- h. **Flexible and scalable platform** — the OrContra Platform will be developed to be scalable and additional customers can be on-boarded to the platform at minimal additional marginal cost.

### 3.9 Growth strategy

The primary growth strategy of Mx360 is by way of developing its OrContra Platform, testing it and attracting users to the OrContra Platform, by employing a marketing strategy which will be focused on “growth hacking”.

Growth hacking is a marketing technique which uses creativity, analytical thinking, and social metrics to sell products and gain exposure. Mx360 will look to partner and use platforms and networks that provide one to many relationships and implement smart ways to harness them quickly. Traditional brand marketing techniques do not scale in the digital space because traditional marketing methods involves absolute, linear growth and not relative, exponential growth. Growth hacking provides Mx360 with the ability to grow exponentially without a corresponding exponential increase in cost base and reduced reliance on traditional advertising spend.

One growth hacking strategy Mx360 proposes is to use a distribution firehose. A distribution firehose exploits the distribution and syndication of an existing channel to grow Mx360's user base. Google and Facebook are the biggest most obvious distribution firehoses and their need to update their platforms and release new apps regularly provides a means to use their firehose to grow Mx360's business exponentially. However, with the profusion of platforms and marketplace appetite there are plenty of distribution firehoses that are available for us to tap into Twitter™ (followers & search), Reddit™ (readers), Amazon™ (buyers), Kickstarter™ (financiers), YouTube™ (watchers), affiliates (Networkers) and freelancers (workers).

### 3.10 Mx360 business investment highlights

Mx360 is developing the OrContra Platform which will contain proprietary algorithm that facilitates and simplifies transactions with or without a payment gateway.

The investment highlights of the Mx360 Acquisition are as follows:

- a. the OrContra Platform is proposed to allow users to trade goods and services with or without a payment gateway;
- b. as far as the directors are aware, there is no direct comparable competition to Mx360's proposed mobile business model and strategy;
- c. the OrContra Platform proposes to digitalise the missing cashless way of transacting i.e. contra or barter;
- d. the OrContra Platform would provide another channel to move products and services; and
- e. the OrContra Platform would solve a major dilemma of businesses and individuals – being the use of cash resources to obtain a good or service.

### 3.11 Intentions of the Directors

Following completion of the Offer, the Directors of the Company intend to manage the business and assets of the Company with a view to increasing value to Shareholders over the long term, but do not presently intend to seek the injection of further capital into the business in the short term.

Any future decisions in respect of the Company will be made based on all material information available and relevant circumstances at the relevant time. Accordingly, if the current circumstances change or new information becomes available, the Directors' intentions could also change.



# 04

## Financial Information

### STIRLING PRODUCTS LIMITED

(To be renamed OrContra Limited)

This section contains historical financial information and pro forma financial information for Stirling Products Limited as at 30 September 2015. The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the accounting policies adopted by Stirling Products Limited as detailed in Note 1. The pro forma financial information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out in Note 2 as if those adjustments had occurred as at 30 September 2015.

The financial information contained in this section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations.

#### **The historical financial information comprises:**

- The statement of financial position as at 30 September 2015; and
- The notes to the historical financial information.

#### **The pro forma financial information comprises:**

- The unaudited pro forma statement of financial position as at 30 September 2015, prepared on the basis that the pro forma adjustments detailed in Note 2 had occurred as at 30 September 2015; and
- The notes to the pro forma financial information.

Collectively referred to as the *Financial Information*.

	Notes	Reviewed Stirling Products Ltd 30 September 2015 \$	Reviewed Mx360 Group Pty Ltd 30 September 2015 \$	Adjustments \$	Reviewed Pro-forma post transactions 30 September 2015 \$
<b>Current Assets</b>					
Cash & Cash equivalents	3	1,576	2	3,714,412	3,715,990
Trade & Other Receivables		23,666	3,863	-	27,529
<b>Total current assets</b>		25,242	3,865	3,714,412	3,743,519
<b>TOTAL ASSETS</b>		25,242	3,865	3,714,412	3,743,519
<b>Current liabilities</b>					
Trade & Other Payables		30,000	42,497	-	72,497
Loans and borrowings		45,000	-	-	45,000
Other liabilities	4	160,000		(160,000)	-
<b>Total current liabilities</b>		235,000	42,497	(160,000)	117,497
<b>TOTAL LIABILITIES</b>		235,000	42,497	(160,000)	117,497
<b>NET ASSETS</b>		(209,758)	(38,632)	3,874,412	3,626,022
<b>EQUITY</b>					
Issued Capital	5	43,191,871	2	(37,553,487)	5,638,386
Accumulated losses	6	(43,401,629)	(38,634)	41,427,899	(2,012,364)
<b>TOTAL EQUITY</b>		(209,758)	(38,632)	3,874,412	3,626,022

## Summary of significant accounting policies

### (a) Basis of Accounting

The historical financial information has been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis, are based on historical cost and except where stated do not take into account changing money values or current valuations of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the Statement of Financial Position requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Statement of Financial Position are disclosed where appropriate.

The pro forma Statement of Financial Position as at 30 September 2015 represents the reviewed financial position and adjusted for the transactions discussed in Note 2 to this report. The Statement of Financial Position should be read in conjunction with the notes set out in this report.

### (b) Maintenance of Accounting Records

Stirling Products Limited's securities were suspended from official quotation on the Australian Securities Exchange (ASX) and placed into voluntary administration on 25 July 2011 and a Deed of Company Arrangement was entered into. Since the company was placed into voluntary administration the Directors and management of the Company has changed. The current directors have been able to locate certain records prior to the effectuation of the Deed of Company Arrangement, being 17 September 2015 however the directors have been unable to ascertain and satisfy themselves as to the completeness and accuracy of the accounting and statutory records.

### (c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### (d) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(e) Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(f) Payables**

Liabilities for trade creditors and other amounts are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the entity. The amounts are unsecured and are usually paid within 30 days.

**(g) Issued Capital**

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables in the statement of financial position are shown inclusive of GST.

**Note 2 - Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information**

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of Stirling Products Limited as at 30 September 2015 to reflect the financial effects of the following subsequent events which have occurred in the period since 30 September 2015:

- a. Stirling Products Limited's issue of 7,291,915 shares to raise \$364,596 (of which \$160,000 had been received as at 30 September 2015) pursuant to a placement on 21 October 2015
- b. Stirling Products Limited's issue of 7,428,648 shares to raise \$371,432 pursuant to a placement on 18 December 2015

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

- i. The issue of 7,988 Mx360 Group Pty Ltd shares to raise \$578,384
- ii. The issue of 80,000,000 consideration shares in consideration for the acquisition of 100% of Mx360 Group Pty Ltd;
- iii. The issue of 30,000,000 shares to raise \$3,000,000 before costs (Minimum Subscription).
- iv. Payment of costs in associated with the above offer of \$440,000

**Note 3 - Cash & Cash equivalents (Minimum Subscription)**

	<b>Stirling Products Limited</b>	<b>Reviewed</b>
	<i>Reviewed</i>	<i>Pro Forma</i>
	<i>30 September 2015</i>	<b>30 September 2015</b>
	\$	\$
<b>Cash and cash equivalents</b>	1,576	3,715,990
<b>Stirling Products cash and cash equivalents as at 30 September 2015</b>		1,576
<b>Stirling Products Limited's issue of 7,291,915 shares pursuant to a placement on 21 October 2015 (less funds received as at 30 September 2015)</b>		<b>204,596</b>
<b>Stirling Products Limited's issue of 7,428,648 shares pursuant to a placement on 18 December 2015</b>		371,432
<b>Mx360 Group capital raising</b>		578,384
<b>Cash acquired – Mx360 Group</b>		2
<b>Funds raised from Prospectus</b>		3,000,000
<b>Expenses of the issue</b>		(440,000)
<b>Closing balance</b>		<b>3,715,990</b>

**Note:**

The effect of over subscriptions has not been accounted for. In the event that oversubscriptions occur the Company's total raising would fall between the Minimum Subscription of \$3,000,000 and the Maximum Subscription of \$4,000,000, the pro-forma cash balance and issued capital would be increased to the extent of the Maximum Subscription (adjusted for any increase in issue costs arising from the Maximum subscription to an amount of \$500,000).

**Note 4 - Other Liabilities**

	Stirling Products Limited Reviewed 30 September 2015	Reviewed Pro Forma 30 September 2015
	\$	\$
Application funds received pre-issue of shares	<b>160,000</b>	-
Stirling Products Ltd issued capital as at 30 September 2015		<b>160,000</b>
Stirling Products Limited's issue of 7,291,915 shares pursuant to a placement on 21 October 2015 (refer notes 3 and 5)		(160,000)
<b>Total other liabilities</b>		-

**Note 5 - Issued Capital**

	Stirling Products Limited Reviewed 30 September 2015	Reviewed Pro Forma 30 September 2015
	\$	\$
	<b>43,191,871</b>	5,638,386
<b>Issued capital</b>		
Stirling Products Ltd issued capital as at 30 September 2015		43,191,871
Stirling Products Limited's issue of 7,291,915 shares pursuant to a placement on 21 October 2015		364,596
Stirling Products Limited's issue of 7,428,648 shares pursuant to a placement on 18 December 2015		371,432
Issued capital immediately prior to acquisition		43,927,899
Elimination of Stirling Products Ltd on consolidation		(43,927,899)
Mx360 Group Pty Ltd issued capital as at 30 September 2015		2
The issue of 7,988 Mx360 Group Pty Ltd shares		578,384
Adjustments arising from the acquisition of Mx360		
Consideration for the acquisition (Note 1)		2,500,000
Shares issued pursuant to capital raising		3,000,000
Share issue costs		(440,000)
<b>Total Issued Capital</b>		<b>5,638,386</b>

**Note 5 - Issued Capital (continued)**

	Stirling Products Limited Reviewed 30 September 2015 No. of Shares	Reviewed Pro Forma 30 September 2015 No. of Shares
<b>Issued capital</b>	<b>10,279,437</b>	135,000,000
Stirling Products issued capital as at 30 September 2015		10,279,437
21/10/2015 Placement		7,291,915
21/12/2015 Placement		7,428,648
Number of shares immediately prior to acquisition		25,000,000
Consideration shares issued		80,000,000
Shares issued pursuant to prospectus public offer (Minimum)		30,000,000
		135,000,000

**Consideration of the acquisition.**

In accordance with reverse asset acquisition accounting principles the consideration is deemed to have been incurred by Mx360 in the form of equity instruments issued to Stirling Products shareholders. The acquisition date fair value of this consideration has been determined with reference to the fair value of the issued shares of Stirling Products immediately prior to the acquisition and has been determined to be \$2,500,000 based on 25,000,000 shares based on a value of \$0.10 per share, being the issue price under the Prospectus.

At the actual acquisition date the fair value will be required to be determined again, therefore the fair value and consideration could be materially different which will impact the excess deemed consideration on acquisition. As a result, transaction costs of \$1,973,730 have been determined being the difference between the consideration and the fair value of net assets of Stirling Products Limited for the purposes of preparation of the pro forma financial information.

The pro-forma transactions have been based on the assumption Stirling Products Limited secures the Minimum Subscription of \$3 million. The pro-forma cash balance and issued capital would be increased to the extent of the Maximum Subscription (\$4,000,000) (adjusted for any increase in issue costs arising from the Maximum subscription to an amount of \$500,000).

**Note 6 - Accumulated Losses**

	Stirling Products Limited Reviewed 30 September 2015	Reviewed Pro Forma 30 September 2015
	\$	\$
	(43,401,629)	(2,012,364)
<b>Accumulated losses</b>		
Stirling Products accumulated losses as at 30 September 2015		(43,401,629)
Adjustments arising from the acquisition of Mx360		
Elimination of Stirling Products' accumulated losses on consolidation		43,401,629
Recognition of Mx360 accumulated losses at 30 September 2015		(38,634)
Excess deemed consideration on acquisition - transaction cost		(1,973,730)
		<b>(2,012,364)</b>

**Note 7 - Related Parties**

Refer to Section 1.5 and 1.6 of the Prospectus for details of related party transactions and shareholdings.

**Note 8 - Commitments and Contingent Liabilities**

At the date of the report no other material commitments or contingent liabilities exist that we are aware of, other than those disclosed in this Prospectus.

**Note 9 - Subsequent Events**

Subsequent to 30 September 2015 the following events have occurred which have been reflected in the pro-forma adjustments:

- a. Stirling Products Limited's issue of 7,291,915 shares to raise \$364,596 (of which \$160,000 had been received as at 30 September 2015) pursuant to a placement on 21 October 2015;
- b. Stirling Products Limited's issue of 7,428,648 shares to raise \$371,432 pursuant to a placement on 18 December 2015

Other than disclosed above there have been no material events subsequent to balance date that we are aware of, other than those disclosed in this Prospectus.

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# 05

Independent  
Limited Assurance  
Report

23 December 2015



**PRIVATE & CONFIDENTIAL**

The Directors  
Stirling Products Limited  
Level 11  
216 St Georges Tce  
PERTH WA 6000

**Bentleys Audit & Corporate  
(WA) Pty Ltd**  
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T +61 8 9226 4500  
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Dear Board of Directors

**Independent Limited Assurance Report on Stirling Products Limited  
Historical and Pro forma Financial Information**

We have been engaged by Stirling Products Limited (“Stirling Products Limited” or “the Company”) to report on the historical financial information and pro forma historical financial information of Stirling Products Limited as at 30 September 2015 for inclusion in the public document (“the document”) dated on or about 23 December 2015 for the issue of a minimum of 30,000,000 shares (maximum 40,000,000 at an issue price of \$0.10 to raise a minimum of \$3,000,000 (maximum \$4,000,000) and offer of 80,000,000 Consideration Shares to the Vendor for the acquisition of Mx360 Group Pty Ltd (“Mx360”). Expressions and terms defined in the document have the same meaning in this report.

**Scope**

**Historical Financial Information**

You have requested Bentleys to review the historical financial information being the statement of financial position as at 30 September 2015 of Stirling Products Limited (the responsible party) included in the public document. Hereafter referred to as “the historical financial information.”

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company’s adopted accounting policies. The historical financial information has been extracted from the financial information of Stirling Products Limited as at 30 September 2015 which has been reviewed by Bentleys in accordance with Australian Auditing Standards. The historical financial information is presented in the public document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.



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-  Accountants
-  Auditors
-  Advisors

### **Pro Forma historical financial information**

You have requested Bentleys to review the pro forma historical Statement of Financial Position as at 30 September 2015 referred to as “the pro forma historical financial information.”

The pro forma historical financial information has been derived from the historical financial information of Stirling Products Limited, after adjusting for the effects of pro forma adjustments described in section 4 of the public document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 4 of the public document, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company’s actual or prospective financial position.

### **Directors’ responsibility**

The directors of Stirling Products Limited are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

### **Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

### **Basis for Qualified Conclusions**

As disclosed in note 1(b) of the financial information, Stirling Products Limited’s securities were suspended from official quotation on the Australian Securities Exchange (ASX) and placed into voluntary administration on 25 July 2011 and a Deed of Company Arrangement was entered into. A notice of effectuation was lodged with ASIC by the Deed Administrators on 17 September 2015.

As stated in note 1(b) of the financial information, the accounting and statutory records from 25 July 2011 to 17 September 2015, when the Deed of Company Arrangement was effectuated were not adequate to permit the application of necessary review procedures. As the accounting and statutory records are not adequate to obtain sufficient appropriate evidence regarding amounts and disclosures in the financial information with respect to opening balances and the effect this has on the equity balances of Stirling Products Limited we are unable to obtain all the information and explanations we required in order to form a conclusion on the equity balances including issued capital, accumulated losses and reserves as at 30 September 2015 for Stirling Products Limited.

### **Qualified Conclusions**

#### **Historical financial information**

Based on our review, which is not an audit, with the exception for the possible effects of the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the historical financial information, as described in section 4 of the public document, and comprising the Statement of Financial Position as at 30 September 2015 is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4 of the document.

#### **Pro Forma historical financial information**

Based on our review, which is not an audit, with the exception for the possible effects of the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the pro forma historical financial information comprising the Statement of Financial Position as at 30 September 2015 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 4 of the document.

### **Restriction on Use**

Without further modifying our conclusions, we draw attention to section 4 of the public document, which describes the purpose of the financial information, being for inclusion in the public document. As a result, the financial information may not be suitable for use for another purpose.

### **Consent**

Bentleys has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

### **Liability**

The Liability of Bentleys Audit & Corporate (WA) Pty Ltd is limited to the inclusion of this report in the public document. Bentleys Audit & Corporate (WA) Pty Ltd makes no representation regarding, and takes no responsibility for any other statements, or material in, or omissions from the public document.

**Declaration of Interest**

Bentleys Audit & Corporate (WA) Pty Ltd does not have any interest in the outcome of this transaction or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Bentleys Audit & Corporate (WA) Pty Ltd will receive normal professional fees for the preparation of the report.

Yours faithfully



**DOUG BELL CA**  
**Director**

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# 06

## Risk Factors

There are general risks with any investment in the stock market and an investment in the Company carries a number of risk factors. In addition, there are a number of specific risks concerning the Company which investors should be aware of.

The following is not an exhaustive summary but identifies the areas the Board regards as the major risks specific to an investment in the Company. You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Prospectus. You should also seek your own professional advice in relation to the risks associated with an investment in the Company and should make your own assessment as to investing in the Company.

## 6.1 Risks relating to the change in nature and scale of activities

### a. Re-quotation of STI Shares on the ASX

As the Company has no recent involvement in providing online technology products and solutions, the Proposed Transaction constitutes a significant change in the nature and scale of the Company's activities and, in accordance with Listing Rule 11.1.3, the Company needs to comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the ASX. There is a risk that the Company may not be able to meet the requirements of ASX for re-quotation of its Shares on ASX. Should this occur, the STI Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all.

### b. Conditions Precedent

The Mx360 Acquisition is subject to a number of conditions precedents as summarised above in section 9.4(c) of this Notice of Meeting. If these conditions are not satisfied or waived by the relevant due date, the Mx360 Acquisition may not proceed, in which case the Company will need to evaluate whether it can continue as a going concern.

## 6.2 Mx360 specific risk factors

### a. Growth prospects in company expansion plans

Mx360 is an early stage start-up with a prototype platform and as such its future success and profitability is modeled on developing a product which can be taken to market, an accelerated growth and expansion plan to achieve the objective of transitioning about online (both domestically and globally). If it fails to develop the OrContra Platform and take it to market, execute any expansion plan and cannot attract users to the OrContra Platform, it will be unlikely to generate any revenue or otherwise, its financial performance will be negatively affected.

### b. Limited trading history

Mx360 is an early stage start-up company with limited trading history. Since its incorporation, Mx360 activities of principally involved development of the OrContra Platform, market research testing transactions. Like many companies Mx360 has been self-funded by the seed investors since inception. No assurance can be given regarding the future commercial viability of Mx360 through the implementation of its business plan.

### c. Reliance on Key Personnel

It is anticipated that Mx360's OrContra Platform would operate in a very specific market segment, with significant scale in the size of its website operations, and with a considerable focus on website data analytics, a new and rapidly evolving area of expertise. As a result, key executives and employees have very specific, and often rare, skillsets in areas of great importance to Mx360. Mx360 may not be able to attract and retain these key staff or be able to find effective replacements if needed in a timely manner. The loss of services of one or more of these people, or a delay in their replacement, may have an adverse effect on Mx360's business, operating results and financial condition.

### d. Liquidity and Realisation Risk

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. With the Vendors retaining 59.26% of the Shares after completion of the Offer (excluding any Shares acquired by the Directors under the Offer), these Shares being subject to escrow and trading restrictions, there may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of the Shares. Further, there is a risk that once the Shares subject to escrow or trading restrictions are released from the restrictions attaching to them, there may be a significant sell-down by the holders of those Shares. In the context of the limited free float and potential volatility mentioned above, this may affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid to acquire their Shares.

### e. Competition

The e-commerce and online exchange space is highly competitive. The new sharing economy, like the outsourcing and gig economy and services marketplace space has been rapidly evolving, with both new entrants and established marketplaces operating in specific areas of expertise (for example, graphic design), hire per hour services, and fixed price services - although none directly with the same model as Mx360.

It is anticipated that Mx360 would face competition from such organisations, some of which may have greater financial, technical and marketing resources. Increased competition could result in margin reductions, under-utilisation of employees, impact operating margins and loss of market share.

Any of these occurrences could adversely affect Mx360's business, operating results and financial condition.

### f. Sales and marketing success

Following completion of the Offer, Mx360 intends to invest capital into greater domestic and international sales capacity and building a powerful technology

platform. Selling and marketing of the OrContra Platform will be vital to sustained presence and success in English speaking countries including Australia, New Zealand, the United States of America and Canada. Accordingly, the commercial success of the OrContra Platform will be heavily contingent on the success of the sales and marketing campaigns by Mx360 and subsequent development of the goodwill in Mx360 brand. By its nature, there is no guarantee that Mx360 sales and marketing campaign will be successful. In the event that it is not, in Mx360 may encounter difficulty commercializing its products, which would have an impact on Mx360's future sales and profitability.

g. **Tax treatment**

While Mx360 will not be party to any transactions that take place on the OrContra Platform, Contra Transactions may be controversial from a tax perspective and in some cases of Contra Transactions, the value of the goods and services may represent assessable income (see Australian Taxation Office Ruling No. 2668). The ultimate tax treatment of Contra Transactions from a user's perspective may result in the OrContra Platform being less desirable to perform interpersonal transactions, and further there may be additional record-keeping obligations imposed on Mx360.

h. **Attracting Traffic to Websites**

Mx360's revenues will depend upon attracting sufficient web traffic to its proposed website and the OrContra Platform. The level of web traffic to these websites directly influences the number of new users, the number of new services offered and other factors that affect the amount of fees able to be levied. Various factors can affect the web traffic arriving at Mx360's websites including:

- i. **marketing and promotions** - if Mx360's marketing and promotion efforts are not effective there may consequently be a lack of web traffic.
- ii. **brand damage** - should Mx360 suffer from reputational damage, user volume and web traffic could be affected.

i. **Search Engine Traffic**

Search engines, such as Google, are expected to direct significant traffic to Mx360's websites and the OrContra Platform. Should these search engines make future changes to their algorithms and procedures that direct this traffic, Mx360 could experience reduced number in new users and interaction with existing users. For example, Google regularly updates the algorithms that determine the ranking of results it returns for any given search term. Mx360 will attempt to follow Google's guidelines and online best practice to maintain the flow of traffic to its websites, but such changes could adversely affect its traffic. A decline in traffic to Mx360's websites could lead to a decline in Mx360's ability to attract and

retain users, which could in turn lead to a decline in services being provided. This could adversely affect Mx360's revenues and its ability to continue to grow.

j. **Reliance of access to Internet**

The OrContra Platform is dependent on the ability of its users to access the internet. Access is provided by various classes of entities in broadband internet access marketplace. Should any of these entities disrupt, restrict or affect the cost of access to the OrContra Platform, usage of OrContra Platform maybe negatively impacted, which could adversely affect users experience with the OrContra Platform and any future products developed by Mx360.

k. **Faults with the OrContra Platform**

As the OrContra Platform is complex, it may contain errors or defects that users identified after they begin using it, which could harm the reputation of the OrContra Platform and Mx360's business. Internet-based services frequently can find undetected errors when they are first introduced or when new versions are enhancements or released. Any errors found in the OrContra Platform and products may impact Mx360 and could impact, users, future sales and customers.

l. **Risks Associated with User Generated Content**

Users of the services may generate content and accordingly Mx360's marketplace would have significant quantities of such content displayed on its platform. Mx360 would not be able to monitor all the user generated content, and would not attempt to do so. Mx360 would have reporting mechanisms in place for reporting objectionable material from external parties and from users, which it attempts to promptly deal with as appropriate. Mx360, by virtue of its association with user generated content, may be implicated in an objectionable or illegal activity that subsequently exposes it to a law enforcement activity, or a civil dispute, with consequent liabilities and possible disruption to Mx360's operations. This could adversely affect Mx360's revenues and assets.

Additionally, reputational risk associated with offensive, objectionable or illegal activity arising from user generated content may lead to a decline in Mx360's ability to attract and retain users. Such a decline could also negatively impact upon Mx360's revenues.

m. **Credit Card Fraud Risk**

It is anticipated that Mx360 may be at risk of credit card fraud from its users. For example, users may deposit funds using a stolen credit card and then try to withdraw those funds. Although Mx360 would use third party anti-fraud strategies, it is not possible to eliminate all such fraud, particularly as perpetrators actively change methodologies to counter such strategies. Where a stolen credit card has been used, Mx360 may be liable for chargebacks and chargeback fees imposed by payment gateways. Further, if the number of

chargebacks in a given period is considered excessively high, credit card companies may levy fines or even exclude Mx360 from participation in their networks.

n. **User Fraud Risk**

It is anticipated that a party would pay Mx360 upon match of a product or service. Either party may be at risk of fraud if the other party then fails to deliver the agreed product or service. This could lead to users becoming dissatisfied with Mx360's services and potentially to reputational damage, which could affect retention and acquisition of users. If Mx360 is unable to retain and acquire sufficient levels of new users, this could impact negatively on its ability to execute its growth strategies.

o. **Marketplace Liquidity Risk**

Mx360 must have a significant number of users who help facilitate the marketplace by actively posting and transacting offers. Events such as security breaches, failures in computer networks, natural disasters, military or political interventions and changes in the regulatory environment in countries where Mx360 may have a significant user base could lead to a decline in the number of active users. A decline in Mx360's ability to maintain, or grow, a sufficient active user base could lead to a reduction in the volume and timeliness of responses to requested services, which could adversely impact upon Mx360's level of service and revenue.

p. **Disintermediation and Fee Avoidance**

It is anticipated that Mx360 would make a significant proportion of its revenue from fees charged when users agree on the exchange of services at a specific price. Other than Freemium transactions, Mx360 will attempt to ensure that users pay fees on all services exchanged, and actively put in place policies to support this. However, should the parties involved attempt to artificially lower the amount paid for an exchange, or pursue follow on work and payments off the site Mx360 may not be paid fees on these exchanges. An artificial decline in the value of the goods and services exchanged, or a decline in the amount of follow on exchanges done through Mx360's website would negatively impact Mx360's revenues.

q. **Customer Service Risk**

Users may need to engage with Mx360's customer service personnel in certain circumstances, such as if they have a question about the services, or if there is a dispute between users or between a user and Mx360. The Mx360 needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer service requests. Poor customer service experiences may result if Mx360 loses key customer service personnel, fails to provide adequate training and resources for customer service personnel, or if the computer systems relied upon by customer service personnel are disrupted by technological failures

or natural disasters. For example, a major portion of Mx360's tech development team are located in India, which is subject to different environmental and infrastructure conditions. This could lead to adverse publicity, litigation, regulatory enquiries and declines in users continuing to use Mx360's services, all of which may negatively impact upon Mx360's revenues.

r. **Special Reputational Risks**

Mx360 operates in an online and fast-changing environment. Negative publicity can spread quickly, whether true or false. Disgruntled users posting negative comments about Mx360 in public forums may have a disproportionate effect on Mx360's reputation and its ability to earn revenues and profits. Additionally, complaints by such users can lead to additional regulatory scrutiny and a consequential increased compliance burden in responding to regulatory enquiries. This could negatively impact upon Mx360's profitability.

s. **Seasonality**

The online services market is somewhat seasonal in nature, which may result in say fewer projects being posted around important or widely followed holiday seasons, such as the Northern Hemisphere summer holidays. This seasonality may result in lower use of the services in a particular quarter, which could lead to lower revenues.

t. **Rate of Migration to Online Services**

In recent years there has been strong growth in both the demand for outsourced services and in the supply of service providers to meet that demand. It is anticipated that this growth could drive the growth in online services marketplaces. It is anticipated that this growth could drive the growth of Mx360. If there was a decline in the demand for outsourced services or in the supply of service providers, this could adversely affect Mx360's business including revenue, profitability and ability to execute its growth strategies. Mx360 endeavours to keep abreast with changes in types of traffic and patterns of online adoption.

For example, if there is an increase in mobile usage of the Internet or significant uptake of a new Internet browser, the company would need to ensure that its websites continue to be accessible and easy to use on mobile devices or on that browser. If Mx360 fails to meet these changing demands, this could lead to a decline in user numbers and a consequent decline in revenue. This could adversely affect the growth of Mx360.

u. **Data Loss, Theft or Corruption**

Hacking or exploitation of some unidentified vulnerability in its platform could lead to loss, theft or corruption of data. This could render the OrContra Platform unavailable for a period of time while data is restored. It could also lead to unauthorised disclosure of users' data, with associated reputational damage, claims

by users and regulatory scrutiny and fines. Although Mx360 would have strategies and protections in place to try to minimise security breaches and to protect data, these strategies might not be successful. In that event, disruption to the platform and unauthorised disclosure of user data could negatively impact upon Mx360's revenues and profitability.

v. **Hacker Attacks**

Mx360 would rely upon the availability of its websites to provide services to users and to attract new users. Hackers could render the websites unavailable through a distributed denial of service attack or other disruptive attacks. Although Mx360 has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the websites could lead to a loss of revenue whilst Mx360 is unable to provide its services. Further, it could hinder Mx360's ability to retain existing users, increase their activity on its websites and to attract new users, potentially having a material adverse impact upon Mx360's growth.

w. **Domain Name Risk**

It is anticipated that Mx360 would provide its services through several websites, many of which are country and / or language-specific. Each of those websites would have different domain names which would be registered with a domain name registrar appropriate to that region. Each domain name registrar maintains separate regulatory regimes and enforce different requirements. For example, the Canadian Internet Registration Authority requires registrants to be Canadian-based, which would require the establishment of a Canadian subsidiary. Domain name registrants may change the requirements for continued registration or renewal at any time. Further, there may be regulatory or legislative changes in the countries where the domain name registrants are based which could affect Mx360's ability to maintain control of these domains. Should Mx360 lose control of any domain, it would lose all website traffic directed to that domain. This could lead to significant negative reduction in Mx360's revenue, even if it were ultimately able to re-direct users to other domains still in its control.

### 6.3 Risks Associated with Providers

a. **Payment Gateway Provider Disruption Risks**

Two of the major ways in which users deposit funds are via credit card or through online payment processors such as PayPal. It is anticipated that Mx360 would not process credit card payments itself, but would use payment gateway providers which facilitate the acceptance of credit cards on its behalf. Should its payment gateway providers suffer outages, or if they ceased to offer their services to Mx360, Mx360's ability to accept credit card payments (and therefore to provide some services) could be significantly affected.

Further, Mx360's payment gateway providers (such as PayPal) could be the subject of security breaches that result in the loss, theft or corruption of data, including credit card and other personal information of Mx360 users. This could lead to reputational damage for Mx360. Inability to accept payment by credit card, even if for a short period of time, could negatively impact upon Mx360's revenues and its ability to grow the business.

b. **Disruption to Banking Arrangements**

It is anticipated that Mx360 would maintain accounts with banks and Payment Gateways in the jurisdictions in which it operates. Legislative or policy changes or increased regulatory scrutiny affecting those banks could cause the banks to impose requirements upon Mx360 that it cannot meet, or to cause the banks to withdraw their services from Mx360. Disruption to Mx360's banking arrangements, and delays in making alternative arrangements, could have a material adverse impact upon its ability to maintain continuity of service. This could lead to loss of revenue and, if the disruption was prolonged, reputational damage, which could in turn hinder Mx360's growth.

c. **Hosting Provider Disruption Risks**

It is anticipated that Mx360 would rely upon its primary hosting provider, to maintain continuous operation of its websites and databases. Should its hosting provider suffer outages, for example due to catastrophic destruction of infrastructure following a natural disaster, service to Mx360 websites may also be disrupted. If AWS ceased to offer its services to Mx360 and Mx360 was unable to obtain a replacement hosting provider quickly, this could also lead to disruption of service to Mx360 websites. Unavailability of the websites could lead to a loss of revenue while Mx360 is unable to provide its services. Further, particularly in the case of prolonged outages, such disruptions could have a material adverse impact upon Mx360's reputation. This could hinder Mx360's ability to retain existing users, increase their activity on its websites and to attract new users, potentially having a material adverse impact upon Mx360's growth.

d. **Disruption to Internet Services**

It is anticipated that Mx360's user community would be spread throughout the world. It has a third party developer which employs staff in a number of countries. It currently has staff in three countries, Australia, The United States and India. Disruption to Internet services in countries where Mx360's users or staff are based, for example as a result of technical outages or catastrophic destruction of infrastructure following natural disasters, could significantly impact upon use of Mx360's websites and business continuity. This could have a material adverse effect on Mx360's ability to generate revenue while the disruptions remain in place. Further, if the disruptions affected regions with a significant user

population, such as India, and if the disruptions were prolonged, they could have a material adverse effect on Mx360's ability to continue to grow its business.

**e. Risks Associated with the Regulatory Environment**

Presently, Mx360's operations are based in Australia and subject to Australian laws and regulations. For example, Mx360 is required to comply with the Corporations Act 2001 and the Competition and Consumer Act 2010. However, the company intends to expand its operations into other markets. Users, competitors, members of the general public or regulators could allege breaches of this legislation, for example, if they considered an advertisement to be misleading or deceptive. This could result in remedial action or litigation, which could potentially lead to Mx360 being required to pay compensation or a fine. Mx360's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon Mx360's profitability.

In addition, if regulators took the view that Mx360 had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant reputational damage to Mx360 and consequent impact upon its revenue.

Mx360 intends to offer its services throughout the world, and has users of those services in most countries and jurisdictions of the world. Regulatory changes could see Mx360 required to hold a license in some of these jurisdictions, or otherwise comply with local regulations. This could preclude Mx360 from offering certain services to these jurisdictions until such a licence was obtained, or require Mx360 to comply with a range of regulatory environments.

Any such increase in the costs and resources associated with regulatory compliance in these jurisdictions could impact upon Mx360's profitability.

## 6.4 Other Risks

**a. Income tax**

Consideration received or receivable during a barter or contra transaction (either in terms of cash, goods or services) may represent assessable income for the purposes of income tax under the tax laws of the jurisdiction in which the goods or services are received.

**b. Global Nature**

It is anticipated that Mx360 would have users in, and would provide services to people in, almost every jurisdiction of the world. The Mx360 therefore facilitates employment, and service provision, while

also providing its own services into each of these jurisdictions. This broadens the scope of most general risks to Mx360, as changes in regulation and legislation can affect Mx360 in ways that are hard to predict.

In some jurisdictions, government policies and procedures regulating online marketplaces may still be in their infancy, potentially resulting in local laws and practices that are time consuming and resource-intensive to comply with, or which are unclear. Required approvals may be difficult to obtain. Some of the jurisdictions in which Mx360 may operate in the future may experience sudden civil unrest or major political change.

Mx360's operations may be adversely affected by the risks associated with operating in such jurisdictions, which may impact on its ability to grow the business in overseas markets.

More generally, Mx360 will have to adapt to local business and contract customs in jurisdictions, where it currently operates and where it plans to operate.

**c. Need to Attract and Retain Skilled Staff**

The Mx360's future success will in part depend on its ability to hire and train suitable staff. Competition for such personnel is intense and there can be no assurance that Mx360 will be successful in attracting and retaining such personnel.

A failure to do so may have an adverse effect on the operations and profitability of Mx360's business.

**d. Management of Future Growth**

The Mx360 may experience a period of rapid growth and increase in the number of its employees and officers and the scope of its supporting infrastructure. This growth is likely to result in new and increased responsibilities for management and would place a significant strain on Mx360's management. The Mx360 will be required to continue to implement and improve its systems in a timely manner in order to accommodate the increased number of transactions and customers and the increased size of its operation. A failure to do so may adversely affect Mx360's revenue and profitability.

**e. Illegal activities conducted on the platform**

Mx360 is susceptible to potentially illegal or improper uses, including, fraudulent and illicit sales, money laundering, bank fraud, and online securities fraud. In addition, Mx360's service could be subject to unauthorized credit card use, identity theft, break-ins to withdraw account balances and it may be required to reimburse customers for any funds stolen as a result of such breaches. Users could request reimbursement, or stop using the OrContra Platform, if they are affected by illegal activities or buyer fraud. Further, Mx360 may, by reason of its publication of the want or need, be implicated in objectionable or illegal activity which exposes it to law enforcement investigation or action, or a civil dispute. Any such occurrence may

cause Mx360 to suffer financial loss and may lead to Mx360's reputation suffering amongst users, contributors and its partners.

In addition, Mx360 may be subject to anti-money laundering laws and regulations that prohibit, among other things, its involvement in transferring the proceeds of criminal activities. Because of different laws and regulations in each jurisdiction in which Mx360 is proposing to operate, as it rolls-out and adapts the OrContra Platform in other countries, additional verification and reporting requirements could apply. These regulations could impose significant costs on Mx360. These requirements, as well as any additional restrictions for example imposed by credit card associations, could raise our Mx360's costs significantly and reduce the attractiveness of Mx360. Failure to comply with money laundering laws could result in significant criminal and civil lawsuits, penalties, and forfeiture of significant assets.

## 6.5 General risk factors

### a. General equity market risks

There can be no certainty that following listing, an active market in the Shares will develop. In addition, Shares may trade on the ASX at a discount or premium to the Public Offer Price. The price at which Shares trade on the ASX may be affected by a number of factors, including the financial and operating performance of the Company and external factors over which the Company and its Directors have no control.

These external factors include actual, expected and perceived general economic conditions, changes in government policy or regulation, significant events such as natural disasters or acts of terrorism, investor attitudes, changes in taxation, movements in interest rates, movements in stock markets, and general conditions in the markets in which the Company will operate.

In addition, investors should consider the historical volatility of Australian and overseas share markets.

### b. Economic conditions

The performance of the Company is likely to be affected by changes in economic conditions. Profitability of the business may be affected by some of the matters listed below. The Directors make no forecast in regard to:

- i. the future demand for the Company's products and services;
- ii. general financial issues which may affect policies, exchange rates, inflation and interest rates;
- iii. deterioration in economic conditions, possibly leading to reductions in business spending and other potential revenues which could be expected to have a corresponding adverse impact on the Company's operating and financial performance;

- iv. the strength of the equity and share markets in Australia and throughout the world;
- v. financial failure or default by any entity with which a member of the Company is or may become involved in a contractual relationship; and
- vi. industrial disputes in Australia and overseas.

### c. Geo-political factors

The Company may be affected by the impact that geo-political factors have on the world or Australian economy or on financial markets and investments generally or specifically. This may include international wars, terrorist type activities and governmental responses to such activities.

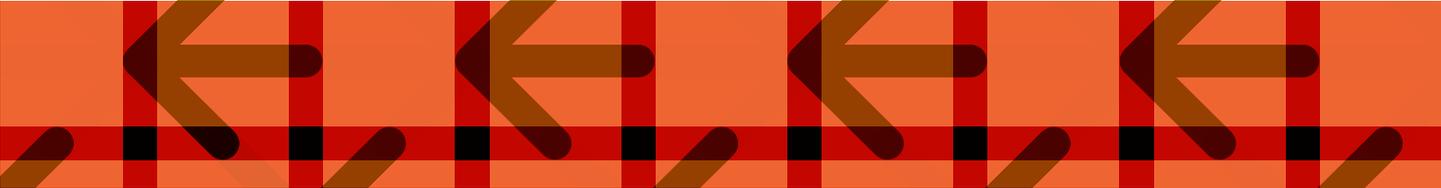
### d. Currency fluctuations

The Company has plans to operate in multiple international jurisdictions which means the Company will operate and be affected by multiple currencies and their future currency fluctuations. Accordingly, this may affect future profitability of Mx360.

### e. Government policies & legislation

The Company may be affected by changes to government policies and legislation, including those relating to domestic and international taxation regimes, grants for research and development, policies regarding technology companies and international incentive programs.

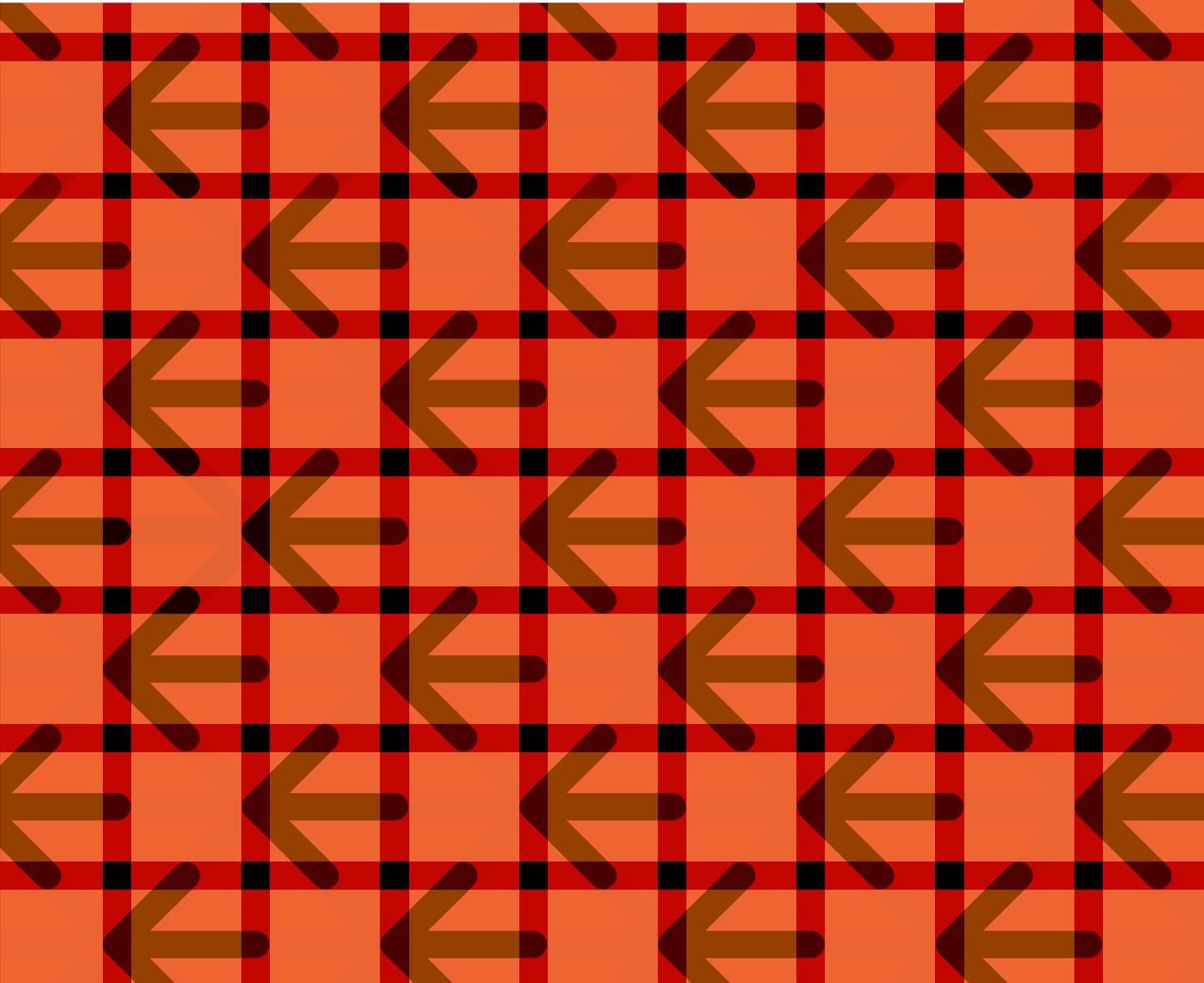
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# 07

## Board, Senior Management and Corporate Governance

**This Section 7 sets out the details of the composition of the Board and senior management of the Company.**



## 7.1 Board members

The Board of Directors of the Company will comprise the following Directors:

### a. Peter Dykes – Non-executive Director

Peter Dykes has over 20 years' experience in advising and building ASX-listed companies.

He started his career with KPMG in the Taxation Division, later establishing KPMG's Technology Advisory practice in Sydney. There he advised large public and private companies on funding via private equity, government grants and tax incentive programs for research and development. Peter went on to establish a boutique technology advisory practice, advising many of Australia's largest ASX-listed and foreign corporates – including BHP, Telstra, Boral, General Motors Holden and Ford.

He progressed to executive and board roles with a number of early-stage ASX-listed technology companies, having principally invested in each of these to develop, commercialise and successfully exit.

Peter is currently Executive Chairman for ASX listed diversified investment company Chapmans Limited (ASX:CHP) and formerly non-executive director for Exalt Resources Limited (ASX code: ERD). He holds a Bachelor of Business (Accounting) from Victoria University (RMIT) and is a Fellow of the Tax Institute of Australia.

### b. Grant Davidson – Non-executive Director

Grant Davidson is the founder and managing director of Davidson, a leading, award winning design and branding company.

Grant Davidson is a graduate from Swinburne International School of Design and was an Art Director at Ogilvy & Mather.

Over the past 20 years Grant has built a multi-award winning branding business, attracting some of the best talent from around the country and across the globe with an impressive client list including many market leaders and 20 of the world's top 100 brands.

He has attended Harvard Business School on two occasions studying Sustainable Business through its lifecycle.

Grant has also lectured at RMIT, Swinburne University, Victoria University and the Australian Federation of Advertising as well as numerous guest speaker engagements.

Grant is the Vice President of the Melbourne Advertising and Design Club in 2003 and Co-Vice President of the Australian Graphic Design Association (Victorian Chapter).

In 2006 Grant was awarded an Honorary Life Membership for his industry involvement.

In 2009, Grant was invited to join the Advisory Board for the Department of Innovation's, Design Victoria Programme.

Grant is also the Chair of the Course Advisory Board for Swinburne International School of Design.

### c. James McCarron – Executive Director

James McCarron graduated from Chisolm (now known as Monash University) with a degree in marketing. He is a founder and a substantial shareholder of Mx360. He has been involved with digital marketing and strategy for over 2 decades. James has significant experience in the digital solution space having worked on multiple leading web projects, apps and Software as a Service ("SaaS") platforms. James has a background in strategic marketing and marketing management, he is passionate advocate of new ideas and technology as he is an early adopter.

Recognising that disruption and transformation of the digital space is still in its infancy he has joined leading thought leaders like Peter Diamandis's exclusive A360 community.

### d. Wesley Culley – Executive Director

Wes Culley has 20 years' experience in international trade, business development and investment. Wes has a passion for digital and has been working with a leading software company in delivering SaaS solutions for SME's, Big brands and Government Departments.

Wes has significant international business development experience in setting up distribution channels and launching products in the United States, Canada and Japan.

As an avid investor Wes has participated in many capital raisings and been instrumental in the reconstruction of a number of small cap ASX listed stocks including Capital Mining and Tempo Australia Limited.

## 7.2 Company secretary

Ms Elizabeth Hunt is the current secretary of the Company and will remain as secretary of the Company following completion of the Offer.

Elizabeth is Managing Director of Mining Corporate, which provides outsourced company secretarial and accounting services to the Company. Elizabeth has over fifteen years' corporate and accounting experience with a particular interest in governance. Elizabeth's knowledge includes IPO management, governance and risk, company secretarial matters, ASX listing requirements, ASIC and other statutory reporting requirements and financial accounting and reporting. Elizabeth holds a Science degree in Sustainable Development and has completed a Master of Accounting, the Governance Institute of Australia Certificate in Governance and Risk Management and is a Graduate of the Australian Institute of Company Directors. Elizabeth is Company Secretary of a number of ASX listed companies.

## 7.3 Directors' Interests

Except as set out below or elsewhere in this Prospectus, no Director (whether individually or in consequence of that persons association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with the Company's formation.

In addition, except as set out below or elsewhere in this Prospectus, no benefits of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or the promotion of the Company.

### a. Interest in securities

Director/Proposed Director (including associates)	STI Shares as at the date of this Prospectus	Options as at the date of this Prospectus	STI Shares after Completion <sup>1</sup>	Options after Completion
Peter Dykes	2,000,000	—	2,000,000	—
Timothy Shaw	2,000,000	—	2,000,000	—
Peter Alan Torney	1,200,000	—	1,200,000	—
Grant Davidson	—	—	3,000,000	—
Wesley Culley	—	—	26,990,000	—
James McCarron	—	—	26,990,000	—

1. This assumes the Directors will not participate in the Offer

The Directors (and their associates) are entitled to apply for New Shares in the Offer. The Directors reserve their rights as at the date of this Prospectus as to whether they will participate in the Offer. Nothing in this Prospectus will be taken to preclude Directors, officers, employees or advisers of the Company, from applying for New Shares on the same terms and conditions as offered pursuant to this Prospectus.

## b. Remuneration

Non-executive Directors' fees are determined within an aggregate non-executive Directors' fee pool limit. As approved at the general meeting of the Company in November 2004 for the 04/05 financial year, and in respect of each financial year thereafter and until otherwise determined by a resolution of Shareholders, the maximum aggregate remuneration payable by the Company to all non-executive Directors of the Company for their services as Directors including their services on a Board committee or sub-committee and including superannuation is limited to \$200,000 per annum (in total).

The total remuneration packages inclusive of superannuation benefits for the proposed non-executive Directors on Completion are as follows:

**Peter Dykes:** \$50,000 (including Superannuation)

**Grant Davidson:** \$50,000 (including Superannuation)

The total fixed remuneration packages for other executives of the Company are as follows:

**Wesley Culley:** \$150,000 (plus Superannuation)

**James McCarron:** \$150,000 (plus Superannuation)

In addition, each of the Directors will be eligible for discretionary at risk incentives in circumstances where pre-determined performance targets are exceeded. The quantum of these incentives is determined annually in conjunction with annual performance and remuneration reviews. Please see sections 9.11 for further information on the Key Employment Agreements for Wesley Culley and James McCarron.

## c. Indemnification and Directors & Officers Insurance

The Company has entered into a Deed of Access, Indemnity and Insurance with each of the Proposed Directors. Under the terms of these deeds, the Company indemnifies each Proposed Director to the extent permitted by the Corporations Act against any liability as a result of the Proposed Director acting as a director of the Company. The Company is required under the deeds to maintain insurance policies for the benefit of the relevant Proposed Director for the term of appointment and for a period of 7 years after retirement, termination or resignation. Such policies must be for an amount and on terms and conditions as are appropriate and available in the market for a reasonably prudent company in the Company's circumstances. The deeds also provide for the Proposed Director to have a right of access to Board papers and minutes.

The Company will pay a premium to insure Directors and certain officers of the Company and controlled entities for the policy which is expected to cover liabilities including costs and expenses that may be incurred in defending civil or criminal proceedings that

may be brought against the officers in their capacity as officers of the Company or controlled entities.

The Company has not otherwise indemnified or agreed to indemnify an officer of the Company or of any related body corporate against a liability incurred by such officer.

## 7.4 Corporate Governance

The Board is responsible for the corporate governance of the Company. The Board believes that effective corporate governance will improve the Company's performance and create value among its stakeholders.

All ASX listed entities are required to disclose in their annual reports the extent of their compliance with the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council (**ASX CG Principles**).

As at the date of its ASX-listing, the Company will have complied in most respects with the ASX CG Principles as far as practicable, as set out below. Full details of the Company's corporate governance framework will be included in the Company's first annual report following listing on the ASX.

## ASX CG Principles

## Compliance by the Company

### *Principle 1 – Lay solid foundations for management and oversight*

*A listed entity should establish and disclose the respective roles and responsibilities of board and management and how their performance is monitored and evaluated.*

#### **Recommendation 1.1**

A listed entity should disclose the respective roles and responsibilities of its board and management, and those matters expressly reserved to the board and those delegated to management.

The Company has adopted a formal charter (**Board Charter**) clearly setting out the respective roles and responsibilities of the Board and management. The key responsibilities of the Board include:

- providing leadership and setting the strategic objectives of the Company ;
- appointing the chairperson (and potentially any deputy chairperson);
- appointing and when necessary replacing the chief executive officer (“CEO”);
- approving the appointment and when necessary replacement of other senior executives of the Company;
- overseeing management’s implementation of the Company’s strategic objectives and its performance generally;
- through the chairperson, overseeing the role of the company secretary;
- approving operating budgets and major capital expenditure;
- overseeing the integrity of the Company’s accounting and corporate reporting systems, including the external audit;
- overseeing the Company’s process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company’s securities;
- ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
- approving the Company’s remuneration framework; and
- monitoring the effectiveness of the Company’s governance practices.

#### **Recommendation 1.2**

A listed entity should:

- undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and
- provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Board currently undertakes appropriate checks before appointing or nominating board candidates.

The Company will establish a Nomination and Remuneration Committee to identify and make recommendations to the Board for the appointment of new Board candidates, having regard to their skills, experience and expertise.

In doing so, the Board requires this committee to undertake appropriate checks on potential Board candidates.

## ASX CG Principles

### Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

## Compliance by the Company

All directors (and proposed directors) and senior executives have entered into written appointment agreements with the Company.

Specifically:

- the non-executive directors have each executed a letter of appointment setting out the terms and conditions of their appointment; and
- the executive director and senior executives of the Company have entered into employment contracts, setting out the terms and conditions of their employment.

### Recommendation 1.4

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary is accountable directly to the Board, through the chairperson, on all matters to do with the proper functioning of the Board.

The Board Charter sets out the Company Secretary's responsibilities.

Under the Board Charter, the Company Secretary is responsible for:

- advising the Board and its committees on governance matters;
- monitoring the Board and committee policy and procedures are followed;
- coordinating the timely completion and dispatch of Board and committee papers;
- ensuring the business at Board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of Directors and the Company Secretary.

## ASX CG Principles

### Recommendation 1.5

A listed entity should:

- have a diversity policy which includes requirements for the board or a relevant committee of the board for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
- disclose that policy or a summary of it; and
- disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the
- entity's diversity policy and its progress towards
- achieving them, and either:
  - i. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
  - ii. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

### Recommendation 1.6

A listed entity should:

- have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

### Recommendation 1.7

A listed entity should:

- have and disclose a process for periodically evaluating the performance of its senior executives; and
- disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

## Compliance by the Company

The Company will implement a diversity policy (**Diversity Policy**).

The Diversity Policy entrusts the Board with the responsibility for designing and overseeing the Diversity Policy.

Under the Diversity Policy, the Board is:

- required to develop initiatives that will promote and achieve diversity goals;
- responsible for reviewing the Diversity Policy and will assess the status of diversity within the Company and the effectiveness of this policy in achieving the measurable objectives which have been set to achieve diversity; and
- responsible for assessing the effectiveness of the Company's diversity objectives each year.

Under the Board Charter, each Director's performance will be assessed when standing for re-election. Before each annual general meeting, the Chairperson of the Board assesses the performance of any Director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the Director (in the absence of the Director involved). The Board (excluding the Chairperson), will conduct the review of the Chairperson.

Under the Board Charter, senior executives' performance will be considered by the independent Directors in a meeting separate to the Board meetings. The Chairperson is responsible for ensuring independent Director meetings take place on a regular basis.

## ASX CG Principles

## Compliance by the Company

**Principle 2 – Structure the board to add value**

*A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.*

**Recommendation 2.1**

The board of a listed entity should:

- have a nomination committee which:
  - i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director; and disclose
  - iii. the charter of the committee;
  - iv. the members of the committee; and
  - v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board will adopt a dedicated Nomination and Remuneration Committee, which will have authority and power to exercise the roles and responsibilities granted to it under a nomination and remuneration committee charter (**Nomination and Remuneration Committee Charter**), and any other resolutions of the Board from time to time. The Committee is to be comprised of 3 directors, 2 of which are independent directors and one of whom will act as chairperson.

The Proposed Nomination and Remuneration Committee Charter is available on the Company's website.

**Recommendation 2.2**

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Board will not seek to adopt a board skills matrix in the near future. However, the Company will seek to have directors with an appropriate range of skills, experience and expertise and an understanding of and competence to deal with current and emerging issues of the business. In addition, the Company's succession plans are designed to maintain an appropriate balance of skills, experience and expertise on the Board.

**Recommendation 2.3**

A listed entity should disclose:

- the names of the directors considered by the board to be independent directors;
- if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- the length of service of each director.

Out of the proposed Board members, Peter Dykes and Grant Davidson are each considered to be independent Directors.

The Board will regularly assess the independence of each Director in light of the interests disclosed by them. That assessment will be made at least annually at, or around the time, that the Board considers candidates for election to the Board, and each independent Director is required to provide the Board with all relevant information for this purpose.

If the Board determines that a Director's independent status has changed, that determination will be disclosed to the market in a timely fashion.

**Recommendation 2.4**

A majority of the board of a listed entity should be independent directors.

The Board will consist of 2 Executive and 2 Non Executive Directors. The Board intends to recruit an additional person in due course and at such a time where another Director appointment is required and viable for the Company. Such a person will be appointed so that the majority is independent directors.

## ASX CG Principles

### Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

### Recommendation 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

### *Principle 3 – Act ethically and responsibly*

*A listed entity should act ethically and responsibly.*

### Recommendation 3.1

A listed entity should:

- have a code of conduct for its directors, senior executives and employees; and
- disclose that code or a summary of it.

## Compliance by the Company

The proposed Chairperson of the Board will be Peter Dykes, who is an independent, non-executive director. It is proposed that Wes Culley will act chief executive officer.

Under the Board Charter, the Directors are expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.

The Company Secretary will help to organise and facilitate the induction and professional development of Directors.

The Board has adopted a code of conduct (**Code of Conduct**) which sets out the values, commitments, ethical standards and policies of the Company and outlines the standards of conduct expected of the Company's business and people, taking into account the Company's legal and other obligations to its stakeholders.

The Code of Conduct will apply to all Directors, as well as all officers, employees, contractors, consultants, other persons that act on behalf of the Company, and associates of the Company.

The Code of Conduct is available on the Company's website.

## ASX CG Principles

## Compliance by the Company

### *Principle 4 – Safeguard integrity in corporate reporting*

*A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.*

#### **Recommendation 4.1**

The board of a listed entity should:

have an audit committee which:

- has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
- is chaired by an independent director, who is not the chair of the board,
- and disclose:
  - the charter of the committee;
  - the relevant qualifications and experience of the members of the committee; and
  - in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Board is committed to following Recommendation 4.1 and will establish an Audit and Risk Committee. This Committee is responsible for, amongst other things, appointing the Company's external auditors and overseeing the integrity of the Company's financial reporting systems and financial statements.

The Company has also adopted an Audit and Risk Committee Charter which is available on the Company's website.

The Company intends to disclose, at the relevant time, the number of times the Audit and Risk Committee met, and the attendance at those meetings, at the end of each relevant reporting period.

#### **Recommendation 4.2**

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board will implement a process to receive written assurances from its CEO and Chief Financial Officer that the declarations that will be provided under section 295A of the Corporations Act 2001 (Cth) are founded on a system of risk management and internal control and that the system is operating in all material respects in relation to financial reporting risks.

The Board will seek these assurances prior to approving the annual financial statements for all half year and full year results that follow.

#### **Recommendation 4.3**

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The Company will adopt a formal Disclosure and Communication Policy, where there is an express requirement that the external auditor will attend the AGM and be available to answer questions about the conduct of the audit and the preparation and content of the auditor's report.

## ASX CG Principles

## Compliance by the Company

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### *Principle 5 – make timely and balanced disclosure*

*A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.*

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#### **Recommendation 5.1**

A listed entity should:

- have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
- disclose that policy or a summary of it.

The Board will adopt a Disclosure and Communication Policy, which sets out the Company's commitment to the objective of promoting investor confidence and the rights of shareholders by:

complying with the continuous disclosure obligations imposed by law; ensuring that company announcements are presented in a factual, clear and balanced way; ensuring that all shareholders have equal and timely access to material information concerning the Company; and communicating effectively with shareholders and making it easy for them to participate in general meetings.

The Disclosure and Communication Policy is available on the Company's website.

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### *Principle 6 – Respect the rights of security holders*

*A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.*

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#### **Recommendation 6.1**

A listed entity should provide information about itself and its governance to investors via its website.

The Company recognises the rights of its shareholders and other interested stakeholders to have easy access to balanced, understandable and timely information concerning the operations of the group. The Chief Executive Officer and the Company Secretary will be primarily responsible for ensuring communications with shareholders are delivered in accordance with this strategy and with its current market disclosure policy.

The Company will strive to communicate with shareholders and other stakeholders in a regular manner as outlined in Principle 5 of this statement. Information concerning the Company and its governance practices will be made available on its website in due course.

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#### **Recommendation 6.2**

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

As mentioned above under Recommendation 5.1, the Board will adopt a Disclosure and Communication Policy which supports its commitment to effective communication with its shareholders. In addition, the Company intends to communicate with its shareholders:

- by making timely market announcements;
  - by posting relevant information on to its website;
  - by inviting shareholders to make direct inquiries to the Company; and
  - through the use of general meetings.
-

## ASX CG Principles

## Compliance by the Company

### Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Board encourages participation of shareholders at the Annual General Meeting or any other shareholder meetings to ensure a high level of accountability and identification with the Company's strategy and goals. Shareholders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares to Directors, issue of shares and changes to the constitution.

### Recommendation 6.4

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company's Shareholders may elect to receive information from the Company and its registry electronically. Otherwise, the Company and its registry will communicate by post with shareholders who have not elected to receive information electronically.

## Principle 7 – Recognise and manage risk

*A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.*

### Recommendation 7.1

The board of a listed entity should:

- have a committee or committees to oversee risk, each of which:
  - i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director, and disclose:
  - iii. the charter of the committee;
  - iv. the members of the committee; and
  - v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Board will adopt a formal Audit and Risk Committee to, amongst other things, ensure the Company has an effective risk management system in place and to manage key risk areas.

This committee will comprise of 3 Directors, 2 of whom will be independent non-executive directors and one of whom will act as chairperson. The independent directors will be appointed to the Committee Completion.

The Company intends to disclose, at the relevant time, the number of times the Committee met, and the attendance at those meetings, at the end of each reporting period.

The Company has adopted an Audit and Risk Committee Charter which is available on the Company's website.

### Recommendation 7.2

The board or a committee of the board should:

- review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- disclose, in relation to each reporting period, whether such a review has taken place.

Under the Board Charter, the Board will ensure that the Company has in place an appropriate risk management framework and will set the appetite within which the Board expects management to operate.

Further, it is intended that the Audit and Risk Committee will, among other things, regularly review and update the risk profile and ensure that the Company has an effective risk management system.

As part of this process, the Board will review, at least annually, the Company's risk management framework in order to satisfy itself that it continues to be sound.

The Company intends to disclose, at the relevant time, whether a review the Company's risk management framework was undertaken during the relevant reporting period.

## ASX CG Principles

### Recommendation 7.3

A listed entity should disclose:

- if it has an internal audit function, how the function is structured and what role it performs; or
- if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

## Compliance by the Company

The Audit and Risk Committee will be responsible for ensuring that the Company has appropriate internal audit systems and controls in place, and for overseeing the effectiveness of these internal controls. The Committee will also be responsible for conducting investigations of breaches or potential breaches of these internal controls.

In addition, the Audit and Risk Committee will be responsible for preparing a risk profile which describes the material risks facing the Company, regularly reviewing and updating this risk profile, and assessing and ensuring that there are internal controls in place for determining and managing key risks.

## Principle 8 – Remunerate fairly and responsibly

*A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives to align their interests with the creation of value for security holders.*

### Recommendation 8.1

The board of a listed entity should have a remuneration committee which:

- has at least three members, a majority of whom are independent directors; and
- is chaired by an independent director,
- and disclose:
  - the charter of the committee;
  - the members of the committee; and
- as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Company has established a Nomination and Remuneration Committee. The Committee is responsible for developing, reviewing and making recommendations on:

- the remuneration framework for directors, including the process by which any pool of directors fees approved by security holders is allocated to directors;
- the remuneration packages to be awarded to senior executives;
- equity based remuneration plans for senior executives and other employees; and
- superannuation arrangements for directors, senior executives and other employees.

The Nomination and Remuneration Committee is comprised of 3 directors, 2 of whom are independent non-executive directors and one of whom will act as independent chairperson.

The Company intends to disclose, at the relevant time, the number of times the committee met, and the attendance at those meetings, at the end of each reporting period.

The Company has adopted a Nomination and Remuneration Committee Charter which is on the Company's website.

### Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors

The Company's remuneration policy is disclosed in the Directors' Report which forms part of the Annual Report. The policy has been set out to ensure that the performance of Directors, key executives and staff reflect each person's accountabilities, duties and their level of performance, and to ensure that remuneration is competitive in attracting, motivating and retaining staff of the highest quality. A program of regular performance appraisals and objective setting for key executives and staff is in place. These annual reviews take into account individual and company performance, market movements and expert advice.

## ASX CG Principles

### Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

- have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- disclose that policy or a summary of it

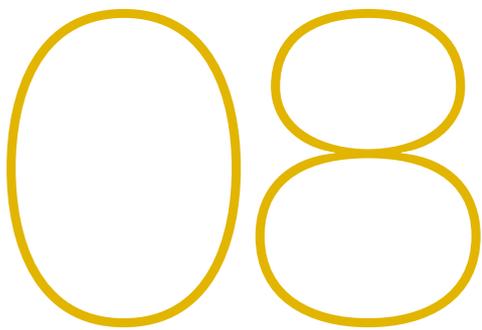
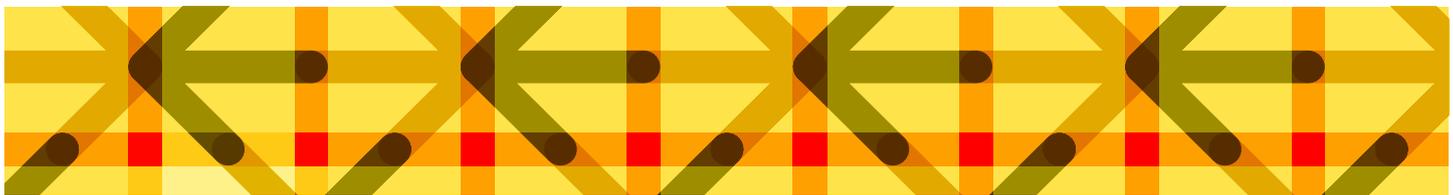
## Compliance by the Company

The constitution permits directors, senior executives and other officers of the Company to trade in Company shares as long as they comply with the Company's Share Trading Policy. The Share Trading Policy is a code that is designed to minimise the potential for insider trading.

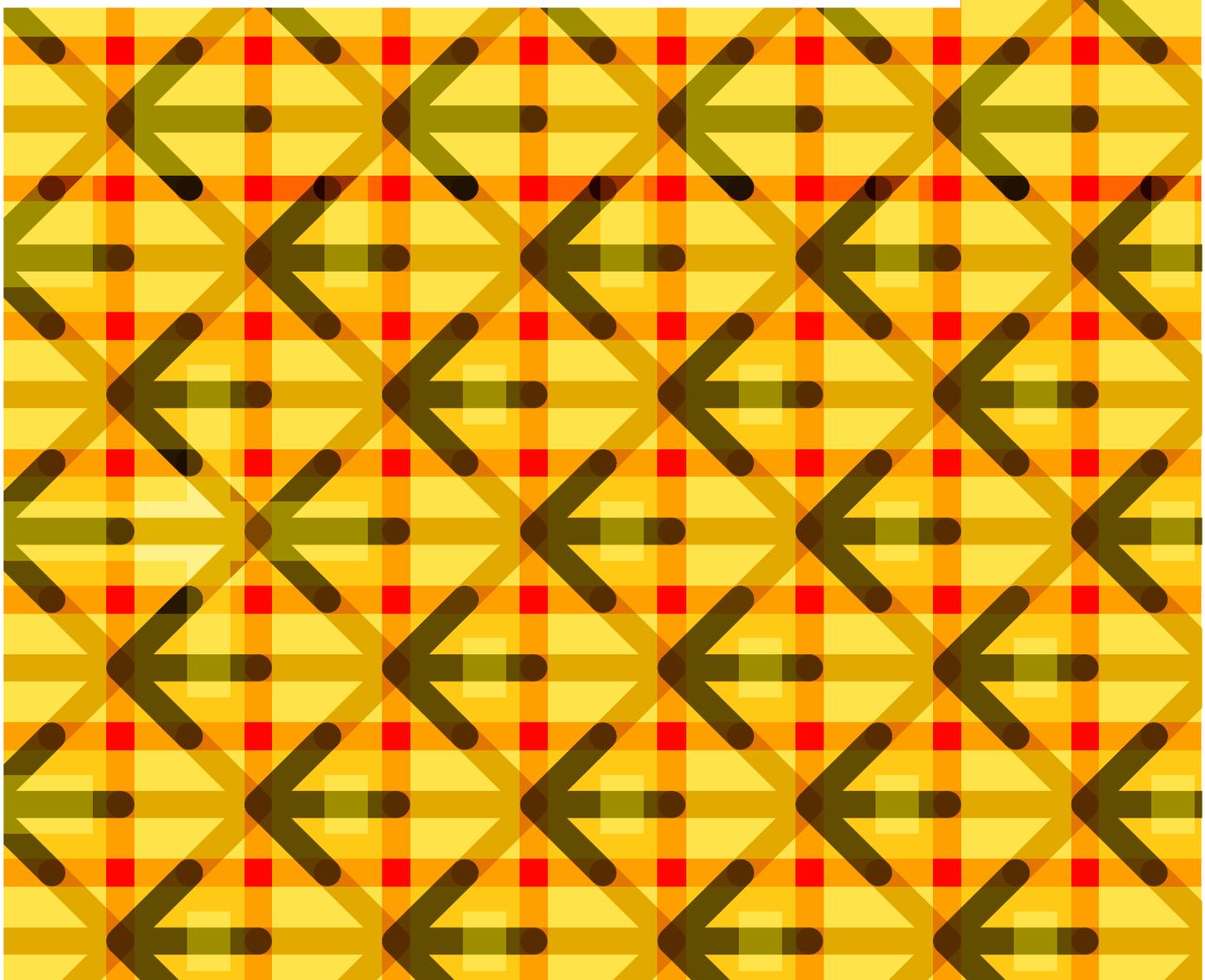
Directors must notify the Company Secretary of the Board, before they buy or sell shares in the Company and obtain clearance. The details of the share trading (and any clearance) must be recorded in a register kept by the Company Secretary.

Any changes in substantial shareholding of the Directors, senior executives or other officers must be reported to the ASX within 2 business days of such trading. The policy also states that trading in the Company shares must not occur:

- from the day after the half year end (i.e. 1 January) to the close of trading on the business day after the Company's half yearly results are announced to ASX;
- from the day after the financial year end (i.e. 1 July) to the close of trading on the business day after the Company's annual results are announced to ASX;
- from 28 days before, to the close of trading on the business day after, the Company's annual general meeting; and
- from 28 days before a prospectus or similar disclosure document is lodged by the Company with ASX.



Details of  
the Offer



## 8.1 Important dates

	Date
Lodgement of Prospectus with ASIC	23 December 2015
General Meeting	31 December 2015
Opening date of Offer	15 January 2016
Closing date of Offer	15 February 2016
Allotment and issue of New Shares	28 February 2016
Expected dispatch of Shareholder holding statements	28 February 2016
Shares expected to commence trading on ASX	28 February 2016

### **Dates may change**

*The above dates are subject to change and are indicative only. The Company reserves the right to vary the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Applicants are encouraged to submit their Applications as early as possible after the Offer opens.*

## 8.2 Public Offer

The Company is undertaking a Public Offer of a minimum of 30,000,000 New Shares and up to 4,000,000 New Shares to investors who are neither related parties of the Company or Vendors at an issue price of \$0.10 per Public Offer Share, to raise a minimum of \$3,000,000 and up to \$4,000,000 before expenses. A breakdown of the expected costs of the Public Offer is set out in section 8.5.

The funds raised from the Public Offer will assist with the expenses of the Offer and provide working capital to fund the ongoing operations and future growth of the Combined Group (see section 8.5 for further information in this regard). The implementation of the Public Offer will also enable the Company to increase its spread of Shareholders.

In accordance with ASX Listing Rule 10.11, the Public Offer Shares will be issued to Applicants who are not related parties of the Company.

Instructions on how to make an Application for New Shares is set out in section 8.10 below.

## 8.3 Issue of Consideration Shares (Vendor Offer)

As partial purchase consideration for all of the equity securities in the capital of Mx360, the Company has agreed to issue 80,000,000 Consideration Shares to the Vendors subject to, and on completion of Acquisition Agreement, at a deemed issue price of \$0.10 per Consideration Share.

Under the Acquisition Agreement, the Vendors are deemed to have lodged valid Applications for the Consideration Shares.

It is noted that the Company proposes to make a submission as to its position in relation to the possible classification of certain of the Consideration Shares to be issued to the Vendors as “restricted securities” for the purposes of the ASX Listing Rules.

The Company will inform the market of any escrow requirements once it has received the ASX’s finalised written decision in this regard. Accordingly, the issue of Consideration Shares is subject to any escrow requirements which may be stipulated by the ASX and, if the Company requests, the Vendors must enter into Restriction Agreements prior to Completion.

## 8.4 The Offer is conditional – Application for admission to the official list of the ASX

The Offer set out in this Prospectus is conditional on Shareholder approval of all the Resolutions at the General Meeting on completion of the Proposed Transaction and permission being granted for the quotation of the Shares on the ASX.

The Company is proposing to apply for listing on the ASX. Within 7 days after the date of this Prospectus, the Company will lodge an application with the ASX for admission of the Company to the Official List of the ASX and quotation of all Shares (including New Shares issued pursuant to this Prospectus) on the ASX.

If the Company’s application for listing is accepted by the ASX, it is anticipated that the Company will be listed on the ASX in or about February 2016.

It is the responsibility of the Applicants to check their allocation of New Shares prior to trading.

No issue of New Shares will be made until permission is granted for quotation of the New Shares on the ASX. If the New Shares are not admitted for quotation within 3 months after the date of this Prospectus or if any of the other conditions precedent to the Offer are not met, no funds will be raised pursuant to this Prospectus. Therefore, the Offer will not proceed, no New Shares will be issued pursuant to the Offer and Applications received for New Shares may need to be dealt with in accordance with section 724 of the Corporations Act.

## 8.5 Application of proceeds

The funds raised will be applied first towards meeting the remaining expenses of the Offer. Total expenses of the offer are expected to be approximately \$500,000 (including GST) assuming maximum subscription is achieved under the Offer. A breakdown of the expected costs of the Offer is set out under Section 9.14.

Accordingly, the net proceeds of the Offer are expected to be \$3,500,000 after expenses assuming the maximum subscription is achieved under the Offer.

In satisfaction of the specific requirements of ASX Listing Rule 1.3.2(b) regarding the indicative future application of cash expected to be available to the Company following completion of the Offer, the sources and uses of funds relating to the Offer are as follows:

Use of proceeds	Estimated spend (assuming minimum subscription)	% of funds raised (assuming minimum subscription)	Estimated spend (assuming maximum subscription)	% of funds raised (assuming maximum subscription)
Product development	\$650,000	21.66%	\$650,000	16.25%
Platform Development	\$500,000	16.67%	\$500,000	12.50%
Branding and Design	\$175,000	5.83%	\$175,000	4.38%
Marketing and launch	\$525,000	17.50%	\$875,000	21.87%
Advertising and Promotion	\$450,000	15.00%	\$800,000	20.00%
Working Capital	\$260,000	8.67%	\$500,000	12.50%
Expenses of the Offer	\$440,000	14.67%	\$500,000	12.50%
<b>Total</b>	<b>\$3,000,000</b>	<b>100%</b>	<b>\$4,000,000</b>	<b>100%</b>

The use of funds set out above represents the Company's current intentions based on the Company's current plans and current business conditions. The amounts and timing of actual expenditure may vary and will depend on various factors. The Company believes that the net proceeds of the Offer together with revenue generated by the business of the Company's will enable the Company to have sufficient working capital to carry out its business objectives as described in this Prospectus.

Mx360 is developing the OrContra Platform and a proprietary algorithm that facilitates and simplifies transactions with or without a payment gateway.

## 8.6 Highlights of Mx360

The investment highlights of the Mx360 Acquisition are as follows:

- a. the OrContra Platform is proposed to allow users to trade goods and services with or without a payment gateway;
- b. as far as the directors are aware, there is no direct comparable competition to Mx360's proposed mobile business model and strategy;
- c. the OrContra Platform proposes to digitalise the missing cashless way of transacting i.e. contra or barter;
- d. the OrContra Platform would provide another channel to move products and services; and
- e. the OrContra Platform would solve a major dilemma of businesses and individuals – being the use of cash resources to obtain a good or service.

## 8.7 Expected benefits of the Offer

The Offer is expected to generate significant future opportunities for the development of Mx360, including:

- a. advancement and development of the OrContra Platform;
- b. expansion into domestic and global markets; and
- c. accelerated customer acquisition and user footprint.

Certain of these benefits may be generated quickly while others may be achieved over a longer time span.

## 8.8 Not underwritten

The Offer will not be underwritten.

## 8.9 Lead Manager

As at the date of this Prospectus, the Company has not appointed a lead manager. However, the Company may appoint a lead manager between the date of this Prospectus and the Closing Date. If a lead manager is appointed in relation to the Offer, it is anticipated that fees under the terms of the mandate will be approximately 6% of the total gross proceeds of the Offer (excluding disbursements).

## 8.10 How to apply for New Shares

If you wish to apply for New Shares under the Offer, please complete the Application Form in accordance with the instructions set out on that form.

All Application Forms must be accompanied by payment in full of the Public Offer Price of \$0.10 per New Share applied for.

Applications must be for a minimum of 20,000 New Shares (\$2,000), and thereafter in multiples of 2,000 New Shares (\$200).

Application Payment must be made by cheque, bank draft or money order, unless otherwise determined by the Board.

Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Stirling Products Limited" and crossed "Not Negotiable".

Applicants must not forward cash. Receipts for Application Payments will not be issued.

All Applications (including Application Payments) must be mailed to:

**Stirling Products Limited**  
**C/- Security Transfer Registrars Pty Ltd**  
**PO Box 535**  
**APPLECROSS WA 6953**

Or delivered to:

**Stirling Products Limited**  
**C/- Security Transfer Registrars Pty Ltd**  
**770 Canning Highway**  
**APPLECROSS WA 6953**

by 5.00pm (Sydney time) on 15 February 2016. The Company reserves the right to vary the Closing Date, subject to the Corporations Act and the ASX Listing Rules.

The Company reserves the right to reject any Application which it believes does not comply with the Terms of the Offer.

By making an Application to purchase New Shares:

- a. you agree that your Application is an irrevocable offer which cannot be withdrawn;
- b. you authorise the Company and the Share Registry (and their officers, employees or agents) to correct any error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;
- c. you accept the risk associated with any refund of your Application Payment that may be paid to you by cheque to your address shown on the Company's register of members or your Application (as the case may be); and
- d. you irrevocably and unconditionally agree to be bound by the Terms of the Offer and the Company's Constitution.

## 8.11 Issue of New Shares

Conditional on the matters referred to in Section 8.3 of this Prospectus, the Company expects to issue the New Shares in accordance with the indicative timetable set out in Section 8.1.

The New Shares, from the time they are issued, will be fully paid Shares and will rank equally with existing Shares. Full details of the rights attaching to the New Shares are contained in the Corporations Act and the Company's Constitution. A summary of the Company's Constitution is set out in Section 9.3.

No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

### 8.12 Allocation Policy

The Company has absolute discretion regarding the allocation of New Shares and may reject an Application, or allocate fewer New Shares than applied for, in its absolute discretion.

### 8.13 Brokerage and Handling Fees

No brokerage or handling fees will be paid in respect of Applications made.

### 8.14 CHESS

The Company will apply to participate in the Securities Clearing House Electronic Subregister System (CHESS), and will maintain an electronic CHESS sub-register and an electronic issuer sponsored sub-register.

Accordingly, the Company will not issue Share certificates to successful Applicants but as soon as practicable after allocation, successful Applicants will receive a holding statement that sets out the number of Shares that have been allocated to them pursuant to this Prospectus. The holding statement will also set out each successful Applicant's unique "Holder Identification Number" in the case of a holding on the CHESS sub-register, or "Securityholder Reference Number" in the case of a holding on the Company's issuer sponsored sub-register.

Shareholders will be provided with periodic Holding Statements showing any changes in their holdings of Shares. Shareholders may request a Holding Statement at any time (although an administration fee may be charged for these additional statements). It is the responsibility of Shareholders to determine their holding prior to trading in any Shares.

### 8.15 Foreign selling restrictions

#### a. General

The Offer is being made in Australia only. This Prospectus does not constitute an offer in any place which, or to any person whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus in such jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the New Shares or the Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia.

#### b. Beneficial holders

The foreign selling restrictions under the Offer apply to the underlying beneficial holder. Applicants applying on behalf of persons whose registered address is not in Australia are responsible for ensuring that applying

for New Shares does not breach securities laws in the relevant overseas jurisdictions. Applicants who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed.

The Company is not required to determine whether or not any Applicant is acting as a nominee or the identity or residence of any beneficial interest holder applying for New Shares. If any nominee or custodian is acting on behalf of a foreign person, that nominee or custodian, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

#### c. United States of America securities law requirements

The Shares (including the New Shares) have not been, and will not be, registered under the US Securities Act 1933 (US Securities Act) and may not be offered or sold in the United States of America, or to, or for the account or benefit of, "US Persons" (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. The Shares (including the New Shares) may only be resold or transferred in the United States of America, or to, or for the account or benefit of, US Persons if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register any of the Shares (including the New Shares) in the United States of America.

### 8.16 Professional advice

If you are in any doubt as to whether to accept the Offer, please consult your licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser.

The Directors do not consider it appropriate to give Shareholders or investors advice regarding the taxation consequences of subscribing for New Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders or investors. As a result, Shareholders and investors should consult their professional tax adviser in connection with any aspect of the Offer and/or applying for New Shares under this Prospectus.

### 8.17 Disputes

The Board may settle, in any manner it thinks fit, any disputes or anomalies which may arise in connection with or by reason of the operation of the Offer, whether generally or in relation to any Shareholder, investor, Applicant or Application. The decision of the Board will be conclusive and binding on all persons to whom the determination relates.

### 8.18 ASX Listing and re-quotation

At the General Meeting of the Company, the Shareholders will be asked to approve the change in the nature and scale of its activities to include the Mx360 business.

In accordance with the requirements of the ASX in relation to this change in activity, the Company must re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List. This Prospectus is issued to, among other things, assist the Company to re-comply with these requirements.

Trading in the Company's Shares has been suspended from Quotation and will not be reinstated until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on ASX and the Proposed Transaction may not be completed.

If the Acquisition is not completed, the Company:

- will not proceed with the Offer; and
- will repay Application Payments received from Applicants under the Offer.

New Shares will not be able to be traded on ASX until such time as ASX's requirements for re-quotation can be met, if at all.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may reinstate the Company to Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

### 8.19 Change to the Terms of the Offer

The Company reserves the right to waive strict compliance with or vary any provision of the Terms of the Offer, or to vary, suspend or terminate the Offer at any time without notice. If the Offer does not proceed, Application Payments will be refunded. No interest will be paid on any Application Payment refunded as a result of the withdrawal or termination of the Offer.

Failure to notify Shareholders or investors of changes to, suspension or termination of the Offer or the Terms of the Offer will not invalidate the change, suspension or termination.

The Company reserves the right to issue no New Shares or fewer New Shares than an Applicant applies for under the Offer if the Board believes the issue of those New Shares would contravene an ASIC Class Order, requirements or policies, any law or any ASX Listing Rule.

The Company also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases.

### 8.20 Electronic Prospectus

The Prospectus is available on-line at [www.stirlingproductsltd.com.au](http://www.stirlingproductsltd.com.au)

### 8.21 Privacy disclosure

The Company collects information in relation to each Applicant as provided on an Application Form (Information) for the purposes of processing the Application Form and, should the Application be successful, to administer the Applicant's security holding in the Company (Purposes).

The Company may use the Information for the Purposes and the Company may disclose the information for the Purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, and to ASX, ASIC and other regulatory authorities.

The Information may also be used and disclosed to persons inspecting the Share Register, including bidders for your securities in the context of takeovers, licensed securities dealers, mail houses, and regulatory bodies including the Australian Taxation Office.

You may request access to your personal information held by or on behalf of the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Share Registry. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Share Registry if any of the details you have provided change.

In accordance with the requirements of the Corporations Act, information on the Shareholder register will be accessible by members of the public.

### 8.22 Prospective Financial Information

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that Mx360 is in the early stages of commercialising its technology and services. Accordingly, any forecast or prospective financial information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

### 8.23 Governing law

This Offer is governed by the law in force in New South Wales. By accepting the Offer, you submit to the non-exclusive jurisdiction of the courts of New South Wales.

09

Additional  
Information

## 9.1 General Meeting

The Company is holding a General Meeting on 31 December 2015 at which Shareholders will be asked to approve the Resolutions, including:

- a. the approval of the Acquisition for the purposes of ASX Listing Rule 11.1.2;
- b. approval of the issue of the Consideration Shares and the Public Offer Shares;
- c. the approval of the appointment of James McCarron, Wesley Culley and Grant Davidson as directors of the Company; and
- d. the approval of the change of name of the Company to "OrContra Limited".

A copy of the Notice of Meeting which sets out the Resolutions in greater detail can be found on the Company's ASX announcements platform.

## 9.2 Corporate status

The Company was incorporated in Australia under the Corporations Act on 24 January 1997.

## 9.3 Company's Constitution and rights attaching to New Shares

The Company's constitution (Constitution) is of the kind usually adopted by a public company, with certain provisions taking effect once (and for so long as) the Company is listed on the ASX.

A summary of the rights attaching to Shares under the Constitution is set out below. This summary is qualified by the full terms of the Constitution (copies of the Constitution may be inspected at the registered office of the Company during normal business hours by appointment with the Company secretary) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory, ASX Listing Rules and common law requirements. For an investor to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, that investor should seek legal advice.

### e. General

Subject to the Constitution and the terms of issue of a Share, attached to each Share is the right to receive notice of, attend and vote at all meetings of Shareholders, to receive dividends, and in a winding up to participate in the distribution of assets of the Company proportionally to their shareholding, subject only to the amounts unpaid on any Share and specific rights attaching to any preferences Shares on issue.

### f. Voting

At a meeting of Shareholders, subject to the Constitution, the Corporations Act and (if applicable) the ASX Listing Rules, on a show of hands each Shareholder present in person or by proxy has one vote. At the taking of a poll, each Shareholder present in person or by proxy has one vote for each fully paid Share, and for each partly paid Share a fraction of a vote equivalent to the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

A resolution put to vote at a meeting must be decided on a show of hands unless a poll is demanded.

### g. General meetings and notices

A Director of the Company may call a general meeting and the Directors must call an annual general meeting in accordance with the Corporations Act. Shareholders may request or call and arrange to hold a general meeting in accordance with the Corporations Act.

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to Shareholders under the Company's Constitution, the Corporations Act and (if applicable) the ASX Listing Rules.

The quorum for a meeting of Shareholders is two Shareholders entitled to vote at the meeting.

### h. Dividends and share plans

The Directors may pay to Shareholders dividends from time to time. Dividends are subject to any rights or restrictions pertaining to shares with special rights which may be on issue. Dividends on partly paid shares must not exceed the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited) on that Share. The Directors may fix the amount, the time for payment and the method of payment.

The Directors may establish a dividend selection plan and/or make rules for a dividend reinvestment plan/ in relation to any dividend payable by the Company.

### i. Issue of Shares

Subject to the Constitution, the Corporations Act, the ASX Listing Rules (if applicable) and any special rights conferred on holders of existing Shares or a class of Shares, the Directors may issue or grant options in respect of, shares to such persons on such terms as they think fit. In particular, the Directors may issue shares with preferred rights in relation to dividends, voting, return of capital and payment of calls.

The Company may issue preference shares which are or at the option of the Company are to be, liable to be redeemed.

**j. Transfer of Shares**

Generally, all Shares are freely transferable subject to the procedural requirements of the Constitution, and to the provisions of the Corporations Act, the ASX Listing Rules (if applicable) and the operating rules of ASX Settlement Pty Limited (if applicable). The Directors may decline to register an instrument of transfer received where refusal is permitted under the Constitution and (if applicable) the ASX Listing Rules. The Directors must refuse to register the transfer of “restricted securities” (as defined in the ASX Listing Rules) during the relevant escrow period (except as permitted by the ASX Listing Rules or the ASX) or any other transfer as required by the ASX Listing Rules.

**k. Partial takeover provisions**

Subject to the ASX Listing Rules, the registration of a transfer of Shares which would give effect to a proportional takeover bid is prohibited unless and until an approving resolution approving the proportional takeover bid is passed. The proportional takeover provisions will cease to have effect on the third anniversary of the adoption of the Constitution, unless renewed.

**l. Unmarketable parcels**

Subject to the ASX Listing Rules, and compliance with the procedure set out in the Constitution, the Company may issue a notice in writing to a Shareholder holding an Unmarketable Parcel of Shares, stating that the Shares are liable to be sold or disposed of by the Company unless the Shareholder directs the Company not to do so in writing within 42 days of receiving the notice. The Company may only exercise the power to notify shareholders of an intended sale or disposal of Unmarketable Parcels once in any 12 month period.

**m. Winding up**

Subject to any special rights attaching to a class of shares, if the Company is wound up the liquidator in a winding up may, with the sanction of a special resolution of the Shareholders, divide the assets of the Company among the Shareholders.

**n. Liability of Shareholders**

As all existing Shares on issue are fully paid, and the New Shares to be issued pursuant to this Prospectus will be fully paid, Shareholders will not be subject to any further call for money by the Directors and therefore Shares will not become liable to forfeiture.

**o. Variation of rights**

The rights attaching to the Shares may only be varied, modified or canceled with the prior written consent of at least 75% of the holders of votes in that class or by a special resolution of the holders of shares in that class at a meeting of those holders.

**p. Directors – Appointment, retirement and removal**

The minimum number of Directors is three (3) and the maximum is ten (10). The Directors are not required to hold any Shares.

Directors may be appointed by resolution of Shareholders at a general meeting. The Directors may appoint a Director either in addition to existing Directors or to fill a casual vacancy, and such Director will hold office until the next annual general meeting.

Directors may only be removed in accordance with the Corporations Act.

One third of the Directors of the Company must retire at each annual general meeting. A Director must retire from office at the end of the third annual general meeting following that Directors last appointment or three (3) years, whichever is longer. The requirement to retire does not apply to the Managing Director. A retiring Director is eligible for re-election.

**q. Decisions of Directors**

The Board may conduct meetings as it sees fit. The quorum for a meeting of Directors is three (2) unless the Board determines otherwise. Questions arising at a meeting of Directors are decided by a majority of votes cast by Directors entitled to vote on the resolution. The Chairman does not have a casting vote.

**r. Alteration to the Constitution**

The Constitution may be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting.

**9.4 Acquisition Agreement**

**a. Summary**

The Acquisition Agreement was executed on 24 November 2015 between the Company and each of the Vendors.

**b. Sale and Purchase**

Pursuant to the Acquisition Agreement, the Company has agreed to acquire all of the share capital of Mx360 held by the Vendors. In consideration for the Acquisition, the Company will issue to the Vendors (in proportion to their holdings in Mx360) 80,000,000 Consideration Shares on Completion.

**c. Conditions**

Completion is subject to a number of conditions precedent set out in the Acquisition Agreement, which must each be satisfied or waived before 31 March 2016:

- i. the Vendors providing written confirmation from any relevant counterparties that none of the material contracts of Mx360’s business will be terminated as a result of the Proposed Transaction and procuring the written consents of material contract counterparties

- or third parties to the Proposed Transaction (if required);
- ii. the completion of the Offer;
- iii. the Company entering into the Key Employment Agreements with each of Wesley Culley and James McCarron;
- iv. the release of all encumbrances over Mx360 Shares and the assets and undertaking of Mx360;
- v. the Company obtaining any regulatory approvals and satisfying all requirements under the Corporations Act and the ASX Listing Rules (including all appropriate or necessary waivers) for the transactions contemplated by:
  - A. the Acquisition Agreement;
  - B. this Prospectus;
  - C. this Offer; and
  - D. the Notice of Meeting.
- vi. Shareholders approving all of the Resolutions;
- vii. the Company conducting due diligence on Mx360 and satisfying itself as to the assets, liabilities, financial position and prospects of Mx360 and its business;
- viii. the Vendors entering into any restriction agreements required by the ASX or the Company;
- ix. there being no material adverse change in relation to the business of Mx360, or Mx360 in the period up to Completion (in each case, other than the transactions contemplated in the Acquisition Agreement, the Notice of Meeting and this Prospectus);
- x. all of the warranties given by Mx360 shareholders remain true and correct at all times until completion; and
- xi. ASX confirmation that it is satisfied that the Company has re-complied with chapters 1 and 2 of the ASX Listing Rules and that suspension of trading in shares in the Company will cease with effect from or before Completion.

As of the date of this Prospectus, the Directors are not aware of any reason why any of the outstanding conditions to the Mx360 Acquisition will not be satisfied on or before the time required under the Acquisition Agreement. The Directors will keep Shareholders and the ASX advised in this regard at all relevant times, including as to the outcome of the vote by STI Shareholders at the General Meeting.

#### d. **Warranties**

Both James McCarron and Wesley Culley in their capacity as shareholders (**Key Vendors**), have provided certain standard representations and warranties to the Company relating to the shares being sold, including in relation to Mx360, its operations, accounts, assets, material contracts, intellectual property rights, taxation status, information technology systems, employees, solvency and corporate records.

Those Vendors who are not Key Vendors have made representations and warranties to the Company relating to their title and capacity to sell their Mx360 shares to the Company.

- e. Completion of the Acquisition Agreement and closing of the Offer

The sequence of interdependent completion events is as follows:

- i. the issue of New Shares pursuant to the Offer; and
- ii. all other completion obligations set out in the Acquisition Agreement.

### 9.5 Vendors

The full names of each Vendor together with their expected post-Completion Shareholdings are set out in the table below, assuming that no Options are exercised.

Vendor	Consideration Shares	Total maximum Shareholding	Post Completion % of STI (min sub)	Post Completion % of STI (max sub)
Wes Culley	26,990,000	26,990,000	19.99%	18.61%
James McCarron	26,990,000	26,990,000	19.99%	18.61%
DFive Pty Ltd as trustee for the Davidson Family Trust	3,000,000	3,000,000	2.22%	2.07%
Matthew Arnold Mitchell	11,510,000	11,510,000	8.53%	7.94%
Mugdock Investments Pty Ltd	11,510,000	11,510,000	8.53%	7.94%
<b>TOTAL</b>	<b>80,000,000</b>	<b>80,000,000</b>	<b>59.26%</b>	<b>55.17%</b>

### 9.6 IP Transfer Deed – OrContra Platform

Mx360 and Wes Culley and James McCarron (**Founders**) entered into a deed of assignment of intellectual property on 24 November 2015 (**IP Transfer Deed**) under which the Founders assigned all Intellectual Property Rights in the OrContra Platform to Mx360 for nil consideration.

Under the IP Transfer Deed, the Founders warrant to Mx360, amongst other things, that they have absolute title to the Intellectual Property Rights in the OrContra Platform and that there are no outstanding matters affecting their capacity to assign the Intellectual Property Rights in the OrContra Platform to Mx360.

“**Intellectual Property Rights**” includes any and all intellectual and industrial property rights throughout the world, whether subsisting now or in the future, including copyright, designs, patents, trade marks, and rights of any kind in:

- a. inventions, discoveries and novel designs, whether or not registered or registrable as patents, innovation patents or designs, including developments or improvements of equipment, technology, processes, methods or techniques;
- b. literary works, dramatic works, musical works, artistic works, cinematograph films, television broadcasts, sound broadcasts, published editions of works and any other subject matter in which copyright (including future copyright and rights in the nature of or analogous to copyright) may, or may upon creation of the subject matter, subsist anywhere in the world; and/or
- c. rights to claim confidentiality over certain information and control the use of the confidential information.

### 9.7 Escrow

Certain Directors and Shareholders of the Company will be subject to mandatory escrow arrangements under the ASX Listing Rules. Prior to listing on the ASX, certain Shareholders and Directors (and their related entities) will be required to enter into mandatory escrow restriction agreements in relation to Shares held by them.

Subject to the ASX Listing Rules and, in the case of mandatory ASX-imposed escrow, ASX's consent, the escrow arrangements do not preclude an escrowed Shareholder from transferring their Shares in certain circumstances including:

- a. pursuant to a transaction which results in an individual or entity acquiring more than 50% of the total fair market value of voting power of the Company's Shares, provided that the holders of at least 50% of the Company's Shares that are not subject to escrow arrangements have accepted the Offer; or
- b. for the voluntary escrow arrangements, certain other transactions including transfers as a gift, pursuant to will, to a trust, as a distribution to partners of Shareholders (if the Shareholder is a company or a partnership) provided that the transferor is subject to the escrow restrictions or pursuant to a court order; or
- c. for the voluntary escrow arrangements, with the consent of the Company.

Moreover, all Shareholders who are employees, officers or Directors of the Company, and certain others, will be restricted from dealing in Shares in accordance with the Company's Securities Trading Policy.

### 9.8 Dividends

The policy of the Company will be to invest all cash flow into the business in order to maximise its growth. Accordingly, no dividends will be payable for at least a period of 2 years following the Company's listing on the ASX. At that point, the Board will review the policy and announce to the market the result of the review.

The Directors can give no assurance as to the amount, timing, franking or payment of any future dividends by the Company. The capacity to pay dividends will depend on a number of factors including future earnings, capital expenditure requirements and the financial position of the Company.

### 9.9 Litigation

To the knowledge of Directors, there is no litigation threatened against the Company and no litigation threatened by the Company. The Directors are not presently aware of any circumstances likely to give rise to any of the above.

### 9.10 Material Contracts

The only contracts which may be material in terms of the Offer or the operation of the business of Mx360 is the Acquisition Agreement and IP Transfer Deed.

### 9.11 Key Employment Agreements

Both Messrs Culley and McCarron entered into employment contracts with the Company which each commence on Completion. Both Messrs Culley and McCarron will act as executive directors of the Company and will each receive a remuneration package of \$150,000 plus superannuation contributions. They may also be entitled to an annual performance bonus which will be assessed against agreed personal and company performance targets.

The Company can terminate Messrs Culley and McCarron's employment by giving 6 months' written notice. The Company may terminate Messrs Culley and McCarron's employment without notice if they engage in conduct warranting summary dismissal, breach fundamental terms of their employment, commit an act of fraud or dishonesty, engage in conduct which might tend to injure the reputation of the business or fail to comply with lawful directions of the Company or Company policy. Each of Mr Culley and Mr McCarron may terminate their employment by giving 6 months' written notice to the Company.

The Key Employment Agreements contain restraint clauses prohibiting Mr Culley and Mr McCarron from soliciting clients, suppliers, employees, and contractors of the Company and from being involved with any business that is competitive with the business carried on by the Company during their employment and for a period of 12 months following termination of their employment. The restraint applies across Australia.

### 9.12 Interests of named persons

Set out below are the benefits that have been or have been agreed to be given to any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (together, **Prescribed Persons**).

Except as set out below or elsewhere in this Prospectus, no Prescribed Person holds, or during the last 2 years has held, any interests in:

- a. the formation or promotion of the Company;
- b. any property acquired or proposed to be acquired by the Company in connection with the Company's formation or the promotion, or the Offer; or
- c. the Offer.

In addition, except as set out below or elsewhere in this Prospectus, no benefit of any kind, (whether in cash, Shares or otherwise) have been paid or agreed to be paid to a Prescribed Person in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company, or the Offer.

Bentleys Audit & Corporate (WA) Pty Ltd has prepared the Independent Limited Assurance Report in Section 5 of this Prospectus and is to receive fees amounting to approximately \$10,250 excluding GST and excluding disbursements.

Thomson Geer has acted as the Australian legal advisers to the Company for the purposes of the Offer and assisted with preparation of the Acquisition Agreement, the Notice of Meeting, and assisted with the drafting of this Prospectus. For this work, Thomson Geer is to receive fees amounting to approximately \$150,000 excluding GST and excluding disbursements.

### 9.13 Consents

Each of the parties named in the table below in this Section 9.13 has consented to being named in this Prospectus in the form and context in which it is named and has not withdrawn such consent prior to the lodgement of this Prospectus with the ASX:

Capacity in relation to the Company	Consenting party
Australian legal adviser	Thomson Geer
Investigating Accountant	Bentleys Audit & Corporate (WA) Pty Ltd
Share registry	Security Transfer Registrars Pty Ltd
Auditor	K S Black & Co

To the maximum extent permitted by law, each of the parties named in this Section 9.13:

- states that it has not authorised or caused the issue of this Prospectus;
- is not taken to have made, or purported to have made, any representation or warranty in relation to the Company either express or implied or any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and
- expressly disclaims and takes no responsibility for any part of this Prospectus other than as referred to in this Prospectus as having been made by such party.

### 9.14 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company.

Based on the Offer being fully subscribed, the estimated costs of the Offer, which have been paid or are payable by the Company are as follows:

Expenses of the Offer	Minimum Raise Amount excluding GST (\$)	Maximum Raise Amount excluding GST (\$)
ASIC lodgement fee	\$2,320	\$2,320
ASX listing fee	\$68,500	\$69,500
Legal fees	\$150,000	\$150,000
Independent Limited Assurance Report	\$10,250	\$10,250
Brokerage	\$180,000	\$240,000
Other miscellaneous costs	\$28,930	\$27,930
<b>TOTAL</b>	<b>\$440,000</b>	<b>\$500,000</b>

### 9.15 Supplementary information

A supplementary prospectus will be issued if the Company becomes aware of any of the following between the issue of this Prospectus and the date the Shares are quoted:

- a material statement in this Prospectus is misleading or deceptive;
- there is a material omission from this Prospectus;
- there has been a significant change affecting a matter included in this Prospectus; or
- a significant new circumstance has arisen and it would have been required to be included in this Prospectus.

### 9.16 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally

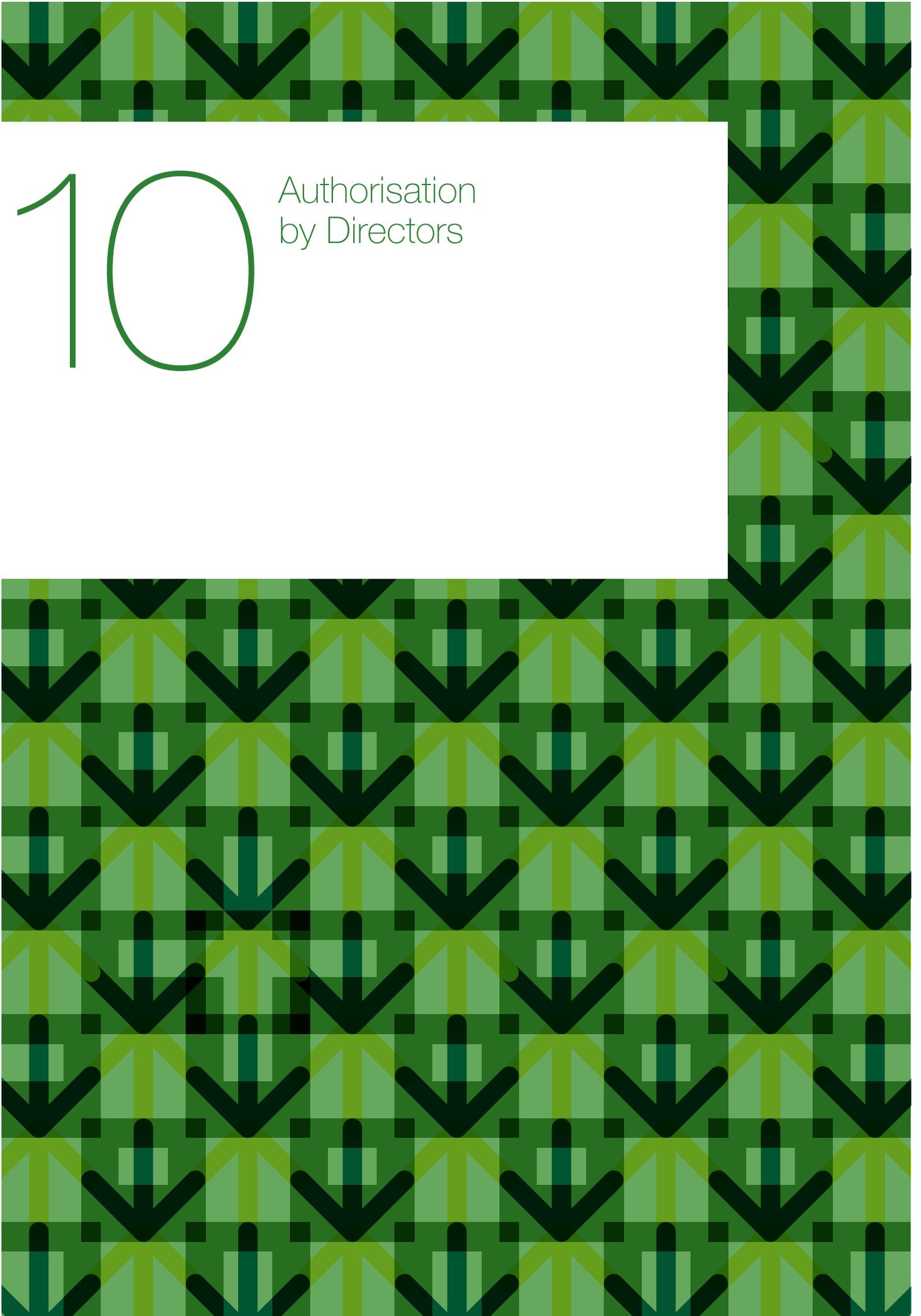
**9.17 Documents available for inspection**

Copies of the following documents are available for inspection during normal office hours free of charge at the registered office of the Company for a period of not less than 12 months from the date of this Prospectus:

- a. each Director's consent for the lodgement of this Prospectus;
- b. the Constitution; and
- c. the consents referred to in Section 9.13 of this Prospectus.

# 10

Authorisation  
by Directors



The Directors state that they have made all reasonable enquires and on that basis have reasonable grounds to believe that any statement made by the Directors in this Prospectus are not misleading or deception and that in respect to any other statements made in the Prospectus by persons other than Directors, the Director have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in the Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or the Directors knowledge, before any issue of New Shares pursuant to this Prospectus.

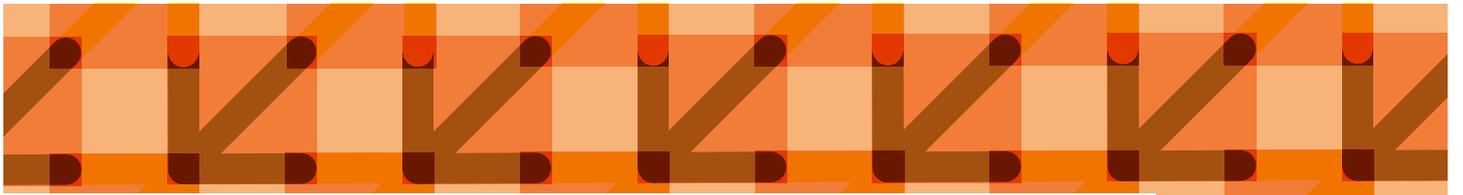
The Prospectus is prepared on the basis that certain matters may be reasonable expected to be known to likely investors or their professional advisers. Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

This Prospectus is authorised by each of the Directors of the Company, pursuant to a resolution of the Board.

Signed for and on behalf of  
Stirling Products Limited

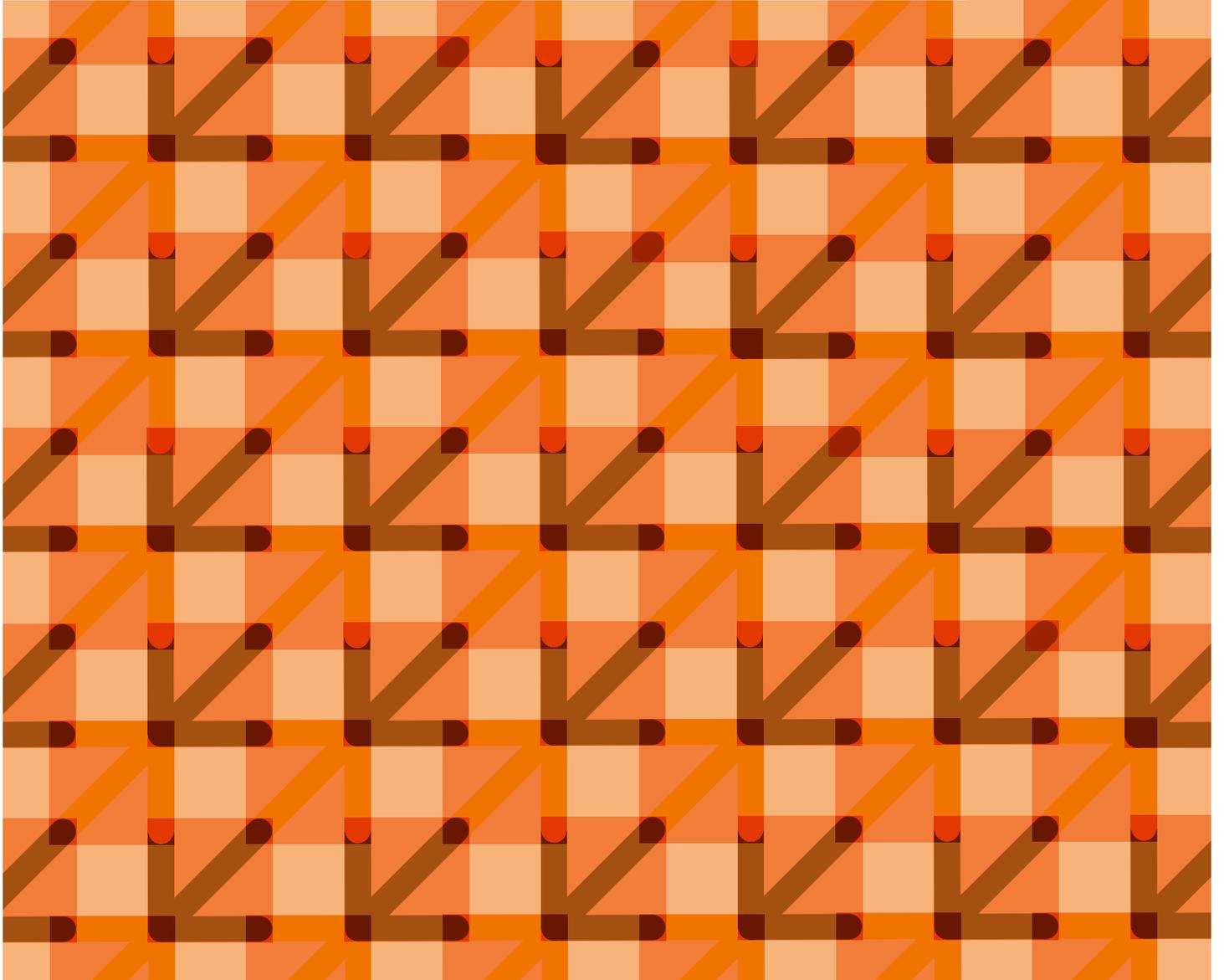
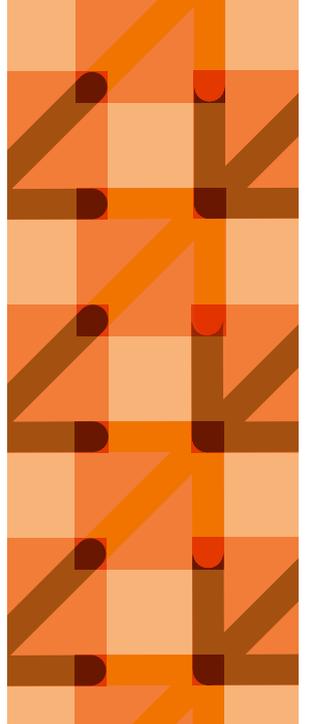
A handwritten signature in black ink, appearing to be 'PD', with a horizontal line extending to the right.

By Peter Dykes  
Director



11

Glossary



In this Prospectus, unless the context or subject matter otherwise requires:

Acquisition	The proposed acquisition of all of the issued equity capital in Mx360.
Acquisition Agreement	The stock purchase agreement between the Company and the Vendors.
Applicant	A person who returns an Application.
Application	An application for New Shares under the Offer.
Application Form	The application form attached to this Prospectus.
Application Payment	The payment of the Public Offer Price under the Offer submitted by an Applicant for the purposes of making an Application.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the stock exchange which it operates, as the context requires.
ASX Listing Rules	The official Listing Rules of ASX.
Board	The Company's board of Directors.
Closing Date	5.00pm (Sydney time) on 15 February 2016 (unless varied).
Combined Group	The merged STI and Mx360 group of companies subject to and immediately following Completion.
Company or STI	Stirling Products Limited (ACN 077 105 429).
Completion	Completion of the Acquisition Agreement.
Consideration Shares	80,000,000 Shares to be issued to the Vendors (or at their direction), as part of the consideration for the Acquisition.
Constitution	The Company's constitution.
Contra Transaction	Has the meaning set out in section 2.3.
Corporations Act	Corporations Act 2001 (Cth) as amended from time to time.
Directors	The directors of the Company.
Exposure Period	The period during which the Company cannot accept Applications as described in section 727(3) of the Corporations Act.
General Meeting	The extraordinary general meeting of Shareholders of the Company to be held on 31 December 2015.
Growth Hacking	The marketing strategy described in section 3.9.
GST	Has the meaning given to that term in A New Tax System (Goods and Services Tax) Act 1999 (Cth) and includes goods and services tax.
IP Transfer Deed	The deed of assignment of intellectual property entered into on 24 November 2015 by Mx360 and Wes Culley and James McCarron under which the Messrs Culley and McCarron assigned all Intellectual Property Rights in the OrContra Platform to Mx360 for nil consideration.
Key Employment Agreements	The employment contracts between the Company and each of Wesley Culley and James McCarron.
Mx360	Mx360 Group Pty Ltd (ACN 606 793 275).

New Shares	The Shares offered under the Offer as set out in this Prospectus.
Notice of Meeting	The notice convening the General Meeting for the purpose of seeking Shareholder approval for various resolutions in connection with the Proposed Transaction dated 30 November 2015, comprising the chairman's letter, notice of meeting, Explanatory Notes and all appendices (a copy of which may be downloaded from the Company's ASX announcement platform).
Offer	The offer of New Shares under this Prospectus.
Official List	The official list of the ASX.
Options	Options to acquire Shares which are exercisable at \$16 per share and expire on 31 December 2015.
OrContra Platform	A prototype trading platform developed by Mx360 which is anticipated will operate as an open marketplace that will allow users to search and browse opportunities to exchange services, and goods with others directly and provide a means for users to exchange and trade directly with others on their own terms.
Promoters	Various sophisticated investors providing corporate services in relation to the capital raising under the Prospectus and Offer and associated promotional activities.
Proposed Directors	Wesley Malcolm Culley, James McCarron, Grant Davidson and Peter Dykes.
Proposed Transaction	The proposed transaction comprising the Acquisition and issue of the Consideration Shares.
Prospectus	This prospectus.
Public Offer	The offer of a minimum of 30,000,000 New Shares and up to 40,000,000 New Shares to members of the public under this Prospectus at the Public Offer Price to raise a minimum of \$3,000,000 and up to \$4,000,000, subject to and on the Terms of the Offer.
Public Offer Price	The subscription price per Public Offer Share under the Public Offer (i.e. \$0.10 per Public Offer Share).
Public Offer Share	A New Share offered under the Offer.
Public Offer Share	A New Share offered under the Public Offer.
Quotation	Quotation of the Shares on the Official List of the ASX.
Resolution	A resolution to be considered at the General Meeting, as set out in the Notice of Meeting.
Services Agreement	The Services Agreement between Appster and Mx360 the details of which are set out in section 9.6(a).
Share Registry	Security Transfer Registrars Pty Ltd.
Shareholder	Holder of Shares.
Shares	Ordinary shares in the capital of the Company.
Sharing Economy	Has the meaning set out in section 2.1.
Terms of the Offer	The terms and conditions set out in this Prospectus, including any modifications made by the Company.
Vendor	Holder of equity securities in Mx360 whose names are set out in section 9.5.
Vendor Offer	The offer of 80,000,000 Consideration Shares to the Vendors pursuant to this Prospectus.

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Corporate  
Directory

**Current Board Members**

Peter Dykes – Director  
 Timothy Shaw – Director  
 Peter Alan Torney - Director

**Proposed Directors**

Wesley Malcolm Culley – Executive Director  
 James McCarron – Executive Director  
 Grant Davidson – Non-executive Director  
 Peter Dykes – Non-executive Director

**Company Secretary**

Elizabeth Hunt

**Legal Adviser to the Company**

Thomson Geer  
 Level 25, 1 O'Connell Street  
 Sydney NSW 2000

**Registered Office**

Level 11, 216 St Georges Terrace  
 Perth WA 6000

**Investigating Accountant**

Bentleys Audit & Corporate (WA) Pty Ltd  
 Level 1, 12 King Park Road  
 West Perth WA 6005

**Share Registry**

Security Transfer Registrars Pty Ltd  
 770 Canning Highway  
 Applecross WA 6953  
 (08) 9315 2333

**ASX Code**

STI  
 (to be changed to OCO)

**Auditor to the Company**

KS Black & Co  
 6/350 Kent Street  
 Sydney NSW 2000



# Application Form

