



## **SCOUT SECURITY LIMITED**

**ACN 615 321 189**

### **Notice of General Meeting**

**General Meeting of Shareholders to be held at Suite 1, GF, 437  
Roberts Road, Subiaco WA 6008, Perth, Western Australia on  
12 July 2018, commencing at 9AM (AWST)**

**Important**

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (AWST) on 10 July 2018.

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## NOTICE OF GENERAL MEETING

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Notice is given that a general meeting of the shareholders of Scout Security Limited ACN 615 321 189 (**Company**) will be held at Suite 1, GF, 437 Roberts Road, Subiaco, Perth, Western Australia on 12 July 2018, commencing at 9am (AWST). The Explanatory Statement that accompanies and forms part of this Notice of General Meeting describes in more detail the Resolutions to be considered.

### Business

#### RESOLUTION 1: RATIFICATION OF PRIOR ISSUE PLACEMENT SHARES

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

*“That, for the purposes of Listing Rule 7.4, and for all other purposes, the 15% placement capacity of the Company be refreshed by the previous issue of 5,333,334 Shares to non-related sophisticated and professional investors at the issue price of \$0.30 each as set out in the Explanatory Statement is hereby approved and ratified.”*

**Voting Exclusion statement**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### RESOLUTION 2: RATIFICATION OF PRIOR ISSUE OF LEAD MANAGER OPTIONS TO ARMADA CAPITAL & EQUITIES PTY LTD

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

*“That, for the purposes of Listing Rule 7.4, and for all other purposes, the 15% placement capacity of the Company be refreshed by the previous issue of 3,450,000 Options to Armada Capital & Equities Pty Ltd (and/or its nominees) with an exercise price of \$0.40 per Option and an expiry date of 20 December 2020 on the terms and conditions set out in the Explanatory Statement.”*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by Armada Capital & Equities Pty Ltd and any of his associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## RESOLUTIONS 3 - 5: APPROVAL OF PRIOR ISSUES OF SECURITIES TO REFRESH THE COMPANY'S 15% PLACEMENT CAPACITY

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

### RESOLUTION 3:

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the 15% placement capacity of the Company be refreshed by the previous issue of 188,100 Shares to Raisebrook Pty Ltd on 20 December 2017 at an issue price of \$0.20 each, on the basis set out in the Explanatory Memorandum, being ratified and approved."*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by Raisebrook Pty Ltd and any of his associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### RESOLUTION 4:

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the 15% placement capacity of the Company be refreshed by the previous issue of 585,000 Shares to Armada Capital & Equities Pty Ltd on 20 December 2017 at an issue price of \$0.20 each, on the basis set out in the Explanatory Memorandum, being ratified approved"*.

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by Armada Capital & Equities Pty Ltd and any of his associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### RESOLUTION 5:

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

*"That, for the purposes of Listing Rule 7.4, and for all other purposes, the issue of 189,750 Shares to TSI Capital Pty Ltd as set out in the Explanatory Statement is hereby approved and ratified."*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by TSI Capital Pty Ltd and any of his associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## RESOLUTION 6: ADOPTION OF EMPLOYEE PERFORMANCE PLAN

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval be given for the Company to adopt an employee incentive plan, being the “Scout Security Limited Employee Performance Rights Plan”, and for the issue of securities under that employee incentive scheme, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

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

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

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and

## RESOLUTION 7: APPROVAL OF ISSUE OF SHARES TO A DIRECTOR MR ANTHONY BROWN

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

*“That, for the purposes of ASX Listing Rule 10.11, and all other purposes, approval is given for Mr. Anthony Brown, non-executive Director of the Company (or his nominee), to subscribe for up to 250,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by Mr Anthony Brown.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## RESOLUTION 8: APPROVAL OF ISSUE OF SHARES TO A DIRECTOR MR JOHN STRONG

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

*“That, for the purposes of ASX Listing Rule 10.11, and all other purposes, approval is given for Mr. John Strong, Chairman and non-executive Director of the Company (or his nominee), to subscribe for up to 250,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by Mr John Strong.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
- the proxy decides.

## RESOLUTION 9: SELECTIVE SHARE BUY-BACK

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

*“That, for the purposes of Section 257D of the Corporations Act and for all other purposes, approval is given for the Company to selectively buy-back and cancel 157,628 Shares currently held by Benjamin Cochran on the terms and conditions set out in the Explanatory Statement.”*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by Mr Benjamin Cochran.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**By order of the Board**



**Stuart Usher**  
Company Secretary  
Scout Security Limited  
6 June 2018

## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the shareholders of Scout Security Limited ACN 615 321 189 (**Company**) in connection with the Resolutions to be considered at the General Meeting to be held at Suite 1, GF, 437 Roberts Road, Subiaco, Perth, Western Australia on 12 July 2018, commencing at 9am (AWST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

### Interpretation

Capitalised terms used in this Notice and Explanatory Statement have the meaning given to them in the Definitions section.

References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

### Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed beneath the applicable Resolutions in the Notice.

### Proxies

Please note that:

- each Shareholder has a right to appoint a proxy;
- a proxy need not be a member of the Company;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder’s proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder’s proxy; and
- Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

Members of the Key Management Personnel will not be able to vote as proxy on Resolution 6 unless the Shareholder directs them how to vote or, in the case of the Chair, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chair) as their proxy, the Shareholder should ensure that they direct the member of Key Management Personnel how to vote on Resolution 6.

If a Shareholder intends to appoint the Chair as their proxy for Resolution 6, Shareholders can direct the Chair how to vote by marking one of the boxes for Resolution 6 (for example, if the Shareholder wishes to vote ‘for’, ‘against’ or to ‘abstain’ from voting). If the Shareholder does not direct the Chair how to vote, then by submitting the Proxy Form, the Shareholder will be expressly authorising the Chair to exercise the proxy in respect of Resolution 6 even though it is connected to the remuneration of members of the Key Management Personnel.

To vote by proxy, please complete and sign the enclosed Proxy Form and return it by:

- (a) post to Scout Security Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 Australia;
- (b) facsimile to Scout Security Limited, C/- Link Market Services Limited on +61 2 9287 0309; or
- (c) by hand to Scout Security Limited, C/- Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

**Voting intentions of the Chair**

The Chair intends to vote all available proxies in favour of all Resolutions.

**Voting entitlements**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company on 10 July 2018 at 5:00pm (AWST). Accordingly, transactions registered after this time will be disregarded in determining Shareholder's entitlement to attend and vote at the General Meeting.



## **1. RESOLUTION 1: RATIFICATION OF PRIOR ISSUE PLACEMENT SHARES**

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### **1. RESOLUTION 1 – RATIFICATION OF PLACEMENT SHARES**

#### **1.1 Background**

On 20 December 2017, the Company announced that it had completed an allotment of new placement shares of 5,333,334 Shares at an issue price of \$0.30 per Share to raise \$1,600,000 (Placement Shares) with the right to accept subscriptions of up to a further 500,000 Shares at an issue price of \$0.30 per Share to raise up to a further \$175,000 from Directors of the Company subject to receiving shareholder approval (Placement).

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the issue of 5,333,334 Shares under the Placement.

#### **1.2 Listing Rule 7.4**

In accordance with Listing Rule 7.1, the Company must not, without obtaining Shareholder approval, subject to specified exceptions, issue or agree to issue more securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The effect of passing Resolution 1 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

#### **1.3 Technical information required by ASX Listing Rule 7.4**

In accordance with Listing Rule 7.5, information is provided in relation to the Placement as follows:

- (a) 5,333,334 Placement Shares were issued to institutional and sophisticated investors, none of which are related parties of the Company.
- (b) The Placement Shares were issued at an issue price of \$0.30 per Placement Share.
- (d) The Placement Shares were issued on 20 December 2017.
- (e) The Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue and were issued on the same terms and conditions as the Company's existing Shares.
- (f) Funds raised from the Placement are being used to accelerate the fulfilment of rising purchase orders and expedite the integration of highly requested new products into the Scout wireless home security suite.
- (h) A voting exclusion statement is included in the Notice for Resolution 1.

#### **1.4 Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

## **2. RESOLUTION 2: RATIFICATION OF PRIOR ISSUE OF LEAD MANAGER OPTIONS TO ARMADA CAPITAL AND EQUITIES PTY LTD**

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### **2.1 Background**

On 10 December 2017, the Company entered into a mandate with Armada Capital & Equities Pty Ltd. (Armada) for Armada to act as Lead Manager to the Placement Offer and Corporate Advisor (Lead Manager Mandate).

Pursuant to the Lead Manager Mandate, as part of the consideration for Armada acting as Lead Manager to the Placement Offer, the Company agreed to issue up to 5,800,000 Options to Armada (Lead Manager Options).

A summary of Listing Rule 7.1 is set out in Section 1.2.

Resolution 2 seeks Shareholder approval for the ratification of up to 5,800,000 Lead Manager Options issued to Armada (and/or its nominees) as part consideration for acting as Lead Manager to the Placement Offer.

The effect of passing Resolution 2 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

### **2.2 Technical information required by Listing Rule 7.4**

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders in relation to Resolution 2:

(a) Name of the persons

Armada and/or its nominees, including other brokers of the Placement Offer who fall within one of the exemptions contained in section 708 of the Corporations Act and are not related parties of the Company have been issued with the Lead Manager Options.

(b) Maximum number of securities to be issued

5,800,000 Lead Manager Options.

(c) The Lead Manager Options were issued on 20 December 2017.

(d) Issue price of the securities

The Lead Manager Options have been issued for nil cash consideration as part consideration for Armada acting as Lead Manager to the Placement Offer.

(e) Terms of the securities

The Lead Manager Options will each be exercisable at \$0.40 and have an expiry date of 20<sup>th</sup> December 2020. The full terms of the Lead Manager Options are set out in Annexure A.

(f) Intended use of the funds raised

No funds will be raised from the issue of the 5,800,000 Lead Manager Options, which are being issued as part consideration for Armada acting as Lead Manager to the Placement Offer.

### **2.3 Directors' recommendations**

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

### 3. RESOLUTIONS 3 - 5 – APPROVAL OF PRIOR ISSUES OF SECURITIES TO REFRESH THE COMPANY'S 15% PLACEMENT CAPACITY

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#### 3.1 Background

Resolutions 3 to 5 (inclusive) seek the approval of Shareholders of the prior issues of ordinary shares that have occurred in the 12 months prior to the date of this notice of meeting that have not already been approved by Shareholders for the purposes of Listing Rule 7.4.

As announced to ASX on 20 December 2017, the Company issued the following shares:

- (a) 188,100 Shares issued to Raisebrook Pty Ltd;
- (b) 585,000 Shares issued to Armada Capital & Equities Pty Ltd; and
- (c) 189,750 Shares issued to TSI Capital Pty Ltd.

(together the **Consultant Shares**)

The Consultant Shares were issued as consideration in lieu of cash for services provided by consultants (non-related parties) to the Company.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the company's issued capital at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consultant Shares. The Board believes that it is in the best interests of the Company to maintain the ability to issue up to its full placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval so that the Company retains financial flexibility and can take advantage of commercial opportunities that may arise.

#### 3.2 Technical information required by ASX Listing Rule 7.4

In accordance with Listing Rule 7.5, information is provided in relation to the Placement as follows:

- (a) the Company issued the following shares:
  - (i) 188,100 Shares issued to Raisebrook Pty Ltd;
  - (ii) 585,000 Shares issued to Armada Capital & Equities Pty Ltd; and
  - (iii) 189,750 Shares issued to TSI Capital Pty Ltd.
- (b) The Consultant Shares were issued at a deemed issue price of \$0.20 per Share.
- (c) The Consultant Shares were issued on 20 December 2017.
- (d) The Consultant Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue and were issued on the same terms and conditions as the Company's existing Shares.

- (e) No funds were raised from the issue of the Consultant Shares as they were issued in lieu of cash for services provided by consultants (non-related party) to the Company.
- (f) A voting exclusion statement is included in the Notice for Resolutions 3 - 5.

### **3.3 Directors' recommendations**

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 3 to 5.

## **4. RESOLUTION 6: ADOPTION OF EMPLOYEE PERFORMANCE PLAN**

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### **4.1 Background**

Resolution 6 seeks Shareholder approval to adopt an employee performance rights plan (**Performance Rights Plan**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.2. ASX Listing Rule 7.2 (exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to issue Performance Rights under the Performance Rights Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

No Performance Rights have previously been issued under any performance rights plan.

The objective of the Performance Rights Plan is to attract, motivate and retain key employees. The Board considers that the adoption of the Performance Rights Plan and the future issue of Performance Rights under the plan will provide selected employees with the opportunity to participate in the future growth of the Company and gives the directors flexibility in utilising the Performance Rights Plan for this purpose.

A summary of the terms and conditions of the Performance Rights Plans is set out in Annexure B. In addition, copies of the Performance Rights Plans are available for review by Shareholders at the registered office of the Company until the date of the Meeting. Shareholders are invited to contact the Company if they have any queries or concerns.

Any future issues of Performance Rights under the Performance Rights Plan to a related party, or a person whose relation with the Company or a related party is, in ASX's opinion, such that approval should be obtained, will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

### **4.2 Directors' recommendations**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

## **5. RESOLUTION 7 - 8: APPROVAL OF ISSUE OF SHARES TO A DIRECTOR MR ANTHONY BROWN AND MR JOHN STRONG**

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### **5.1 Background**

It was proposed in an ASX announcement dated 13<sup>th</sup> December 2017 that Director Mr Anthony Brown and Mr John Strong and/his nominees participate in the Placement completed on 20 December 2017. Mr Brown and Mr Strong each wish to obtain Shareholder approval to subscribe for up to \$75,000 each worth of Placement Shares, being 250,000 Shares (Director Placement Shares) each.

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without approval of shareholders. Both Mr Brown and Mr Strong are related parties of the Company by virtue of being Directors. Therefore, approval is required under Listing Rule 10.11 for the issue of the Director Placement Shares to both Mr Brown and Mr Strong or their nominees.

Resolution 7 and 8 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Director Placement Shares to Mr Brown (and/or his nominees) and Mr Strong (and/or his nominees) arising from their participation in the Placement (**Participation**). If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Shareholder approval of the issue of the Director Placement Shares means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

## 5.2 Chapter 2E of the Corporations Act

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

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

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

The Participation will result in the issue of Shares which constitutes giving a financial benefit and Mr Brown and Mr Strong are related parties of the Company by virtue of being Directors.

The Directors (other than Mr Brown and Mr Strong who have a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Mr Brown and Mr Strong on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

## 5.3 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of the Director Placement Shares is provided as follows:

- (a) The maximum number of securities to be issued to Mr Brown (and/or his nominees) is up to:
  - (i) 250,000 Ordinary Shares.
- (b) The maximum number of securities to be issued to Mr Strong (and/or his nominees) is up to:
  - (i) 250,000 Ordinary Shares.
- (c) The Company will issue the Director Placement Shares no later than one month after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules), and it is intended that all of the Director Placement Shares will be issued on the same date.
- (d) Both Mr Brown and Mr Strong are related parties of the company by virtue of being Directors.
- (e) The Director Placement Shares will comprise fully paid ordinary shares of the Company ranking equally with other fully paid ordinary shares of the Company.
- (f) The Director Placement Shares will be issued on the same terms of the Placement Shares as announced to the ASX on 13<sup>th</sup> December 2017 and outlined in section 1.3.
- (g) Shares will be issued at \$0.30 per share.
- (h) The funds raised from the issue of the Director Placement Shares will be aggregated with and used for the same purpose as the funds raised in the Placement and outlined in section 1.3(f).
- (i) A voting exclusion statement is included in the Notice.

#### 5.4 Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 7-8.

### 6. RESOLUTION 9: SELECTIVE SHARE BUY-BACK

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#### 6.1 Background

Pursuant to a plan restricted stock grant agreement (**Restricted Stock Grant Agreement**), Benjamin Cochran (the **Employee**) was issued 80,036 shares of common stock in Scout Security, Inc of par value US\$0.0001 per share (**Scout US Shares**), which were subject to a 4-year vesting period.

The Company acquired 100% of the issued capital in Scout US in connection with its listing on the ASX.

In consideration for the Scout US Shares held by the Employee, the Company issued 397,482 Shares to the Employee. The Employee did not fulfil the 4-year vesting period and therefore the Company has entered into a buy-back agreement with the Employee pursuant to which the Company will buy-back and cancel 157,628 Shares from the Employee (**Buy-Back Shares**) (**Buy-Back**).

Resolution 9 seeks Shareholder approval to enable the Company to Buy-Back and cancel the Buy-Back Shares.

#### 6.2 Section 257D of the Corporations Act

The Corporations Act provides that the rules relating to share buy-backs are designed to protect the interests of shareholders and creditors by:

- (a) addressing the risk of the transaction leading to the company's solvency;
- (b) seeking to ensure fairness between the shareholders of the company; and
- (c) requiring the company to disclose all material information.

In particular, Section 257A of the Corporations Act provides that a company may buy back its own shares if:

- (a) the buy-back does not materially prejudice the company's ability to pay its creditors; and
- (b) the company follows the procedures laid down in Division 2 of Part 2J.1 of the Corporations Act.

The procedures required differ for each type of buy-back. The Buy-Back is classified as a selective buy-back.

Pursuant to Section 257D(1) of the Corporations Act, a selective share buy-back must be approved by either:

- (a) a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person whose shares are to be bought back or by their associates; or
- (b) a resolution agreed to, at a general meeting by all ordinary shareholders.

Pursuant to Section 257D(2) of the Corporations Act, the Company must include with the Notice a statement setting out all information known to the Company that is material to the decision on how to vote on the Resolution. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to Shareholders.

Section 257H(3) of the Corporations Act provides that immediately after the registration of the transfer to a company of shares bought back, the shares are cancelled.

### 6.3 Details of the Buy-Back

ASIC Regulatory Guide 110 sets out what ASIC expects a company to provide when disclosing such information to shareholders with a notice of meeting. This information is set out below:

- (a) The Company has 108,123,685 Shares on issue at the date of this Notice;
- (b) The number and percentage of Shares to be bought back are 157,628 Shares representing approximately 0.15% of the Shares on issue at the date of this Notice;
- (c) The offer price for the Buy-Back Shares is \$1.00 in aggregate;
- (d) The financial effect on the Company of the Buy-Back of the Buy-Back Shares will be to reduce Shareholders' funds (net assets) by \$1.00;
- (e) The reason for the Buy-Back is that the Employee did not fulfill the full 4-year vesting period in accordance with the Restricted Stock Grant Agreement and has therefore agreed that the Buy-Back Shares will be bought back by the Company and cancelled;
- (f) The Directors believe the advantages and disadvantages of the Buy-Back are:
  - (i) (Advantages):
    - (A) the percentage ownership of Shareholders not subject to the Buy-Back will increase;
    - (B) the value of each remaining Share will increase by virtue of the Company's net asset value being divided by a lesser number of Shares; and
    - (C) the potential dividends payable in the future to remaining Shareholders will increase per Shareholder.
  - (ii) (Disadvantages): the Company's cash reserves will be nominally reduced by the Buy-Back, however the Directors believe this will not prejudice the Company's ability to pay its creditors or the interests of Shareholders generally.
- (g) The Buy-Back is not expected to have an effect on the control of the Company. As at 30 May 2018, those Shareholders holding more than 5% in the Company and their increased interest in the Company as a result of the Buy-Back are as set out in the table below:

Substantial holder	Shares	% (pre Buy-Back)	% (post Buy-Back)
Daniel B Roberts	7,943,397	7.35	7.36
David Shapiro	7,747,861	7.17	7.18
Alexander Gerko	6,023,997	5.57	5.58

- (h) The Buy-Back Shares are held by Benjamin Cochran as Trustee for the Cochran Living Trust.

### 6.4 Director's recommendation

Based on the information available, including that contained in this Explanatory Statement, the Directors unanimously recommend that Shareholders vote in favour of Resolution 9 as they consider the proposed Buy-Back to be in the best interests of Shareholders as, after assessment of the advantages and disadvantages referred to in Section 6.3(f), the Directors are of the view that the advantages outweigh the disadvantages. The Directors confirm that they intend to vote in favour of Resolution 9 in relation to all votes that they control.

## 6.5 Other material information

There is no other information material to the making of a decision by Shareholders whether or not to vote in favour of Resolution 9 being information that is known to the Directors which has not previously been disclosed to Shareholders, other than as set out in this Notice.

## DEFINITIONS

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In this Notice and Explanatory Statement, the following terms have the following meanings:

**Annexure** means an annexure to this Explanatory Statement.

**General Meeting** or **Meeting** means the general meeting of Shareholders to be held on 12 July at 9am (AWST).

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

**AWST** means Western Standard Time, being the time in Perth, Western Australia.

**Board** means the board of Directors.

**Buy-Back** has the meaning given in section 6.1.

**Buy-Back Shares** has the meaning given in section 6.1.

**Chair** means the chairperson of the Meeting.

**Closely Related Party** means a closely related party of a member of Key Management Personnel as defined in Section 9 of the Corporations Act, being:

- a spouse or child of the member;
- a child of that member's spouse;
- a dependent of that member or of that member's spouse;
- anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;
- a company that is controlled by that member; or
- any other person prescribed by the regulations.

**Company** means Scout Security Limited ACN 615 321 189.

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

**Consultant Shares** has the meaning given in section 3.1.

**Director** means a director of the Company.

**Equity Securities** has the meaning given in the Listing Rules.

**Explanatory Statement** means the explanatory statement incorporated in the Notice.

**Exempt Investor** means a professional or sophisticated investor under section 708 of the Corporations Act.

**Key Management Personnel** means the key management personnel of the Company as defined in Section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having



authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

**Lead Manager Options** has the meaning given in section 2.1.

**Listing Rules** means the official Listing Rules of ASX.

**Notice of General Meeting** or **Notice** means the notice of general meeting incorporating the Explanatory Statement.

**Participation** has the meaning given in section 5.1.

**Performance Rights Plan** has the meaning given in section 4.1.

**Placement** has the meaning given in section 1.1.

**Placement Shares** has the meaning given in section 1.1.

**Proxy Form** means the proxy form attached to this Notice.

**Remuneration Report** means the section of the Annual Report entitled 'Remuneration Report'.

**Resolution** means a resolution contained in the Notice.

**Restricted Stock Grant Agreement** has the meaning given in section 6.1.

**Section** means a section contained in the Explanatory Statement.

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

**Shareholder** means a holder of one or more Shares.

**Trading Day** has the meaning given in the Listing Rules.

**AWST** means Western Standard Time as observed in Perth, Western Australia.

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**ANNEXURE A – TERMS AND CONDITIONS OF \$0.40 LEAD MANAGER OPTIONS**

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**(a) Entitlement**

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

**(b) Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.40 (**Exercise Price**).

**(c) Expiry Date**

Each Option will expire at 5:00 pm (WST) 20<sup>th</sup> December 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

**(e) Notice of Exercise**

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

**(f) Exercise Date**

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

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

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

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

**(h) Shares issued on exercise**

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

**(i) Reconstruction of capital**

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

**(j) Participation in new issues**

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

**(k) Change in exercise price**

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

**(l) Transferability**

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

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## ANNEXURE B – SUMMARY OF PERFORMANCE RIGHTS PLAN

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The following is a summary of the key terms and conditions of the Performance Rights Plan to be adopted by Shareholders under Resolution 6:

- (a) **Eligible Participants:** Participants eligible to participate in the Performance Rights Plan include executive Directors, and full-time or part-time senior employees of the Company, or any of its subsidiaries, who are declared by the Board as eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for up to a specified number of Performance Rights, upon the terms set out in the Performance Rights Plan and upon such additional terms and conditions as the Board determines (**Offer**).
- (c) **No Consideration:** Performance Rights granted under the Performance Rights Plan will be issued for nil cash consideration.
- (d) **Rights:** each Performance Right issued under the Performance Rights Plan is a right to be issued with or transferred a Share, free of encumbrances.
- (e) **Expiry Date:** means the date on which a Performance Right lapses (if it has not already lapsed in accordance with the Performance Rights Plan) as specified in the offer made to the participant.
- (f) **Vesting Conditions:** the Board will determine the vesting conditions that must be satisfied by a participant before the Performance Right vests in the holder.
- (g) **Vesting:** a Performance Right will vest where the vesting conditions are satisfied or waived by the Board.
- (h) **Exercise of Performance Right:** A participant may exercise a Performance Right that is entitled to be exercised by lodging with the Company a notice of exercise of the Performance Right and the certificate for the Performance Right.
- (i) **Waiver of Vesting Conditions:** The Board may resolve to waive any of the vesting conditions applying to Performance Rights where:
- (i) a participant dies or has total and permanent disability;
  - (ii) a participant ceases to be employed by the Company or act as a Director;
  - (iii) a participant suffers severe financial hardship;
  - (iv) the terminal illness of the participant or of an immediate family member of the participant; or
  - (v) a change of control occurring or the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
  - (vi) a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
  - (vii) the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.
- (j) **Lapse of Performance Rights:** A Performance Right will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Performance Rights occurring;
  - (ii) a failure to meet the Vesting Conditions;

- (iii) the Expiry Date;
  - (iv) the participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right;
  - (v) the participant ceasing to be an Eligible Participant;
  - (vi) the Company undergoes a change in control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right;
  - (vii) a determination of the Board that the Performance Right is to lapse due to fraud or dishonesty; or
  - (viii) the day before the end of the 7 year anniversary of the date of grant of the Performance Rights.
- (k) **Restrictions on Dealings and Hedging:** A Performance Right granted under the Performance Rights Plan is only transferable, assignable or able to be otherwise disposed or encumbered with the consent of the Board, or by force of law upon death or bankruptcy of the Eligible Participant (or their nominee). An Eligible Participant must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Performance Rights. The Performance Rights will immediately lapse if the Eligible Participant breaches this rule.
- (l) **Share Restriction Period:** Any Share acquired by a Eligible Participant (or their nominee) on the exercise of a Performance Right must not be disposed of, or dealt with in any way until the earlier of:
- (i) the Eligible Participant ceasing to be an Eligible Participant;
  - (ii) the Board approving the release of the restriction in relation to those Shares due to the Participant suffering severe financial hardship;
  - (iii) there is a change in control of the Company, or the Company passes a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company; or
  - (iv) the seven year anniversary of the date of grant of the Performance Right (**Restriction Period**).
- (m) **Quotation:** The Company will not apply for quotation of the Performance Rights. If Shares of the same class as those issued under the Performance Rights Plan are listed on the ASX the Company will apply to the ASX within a reasonable time after they are issued for those Shares to be listed.
- (n) **Participation Rights:** Other than adjustments for bonus issues and reorganisation of the issued capital of the Company, participants are not entitled to participate in any new issue of securities of the Company as a result of their holding Performance Rights during the currency of any Performance Rights and prior to vesting. In addition, participants are not entitled to vote nor receive dividends as a result of their holding Performance Rights.

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Scout Security Limited

ACN 615 321 189


## LODGE YOUR VOTE

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
Scout Security Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

## LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **9:00am (WST) on Tuesday, 10 July 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

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

## HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

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

### APPOINTMENT OF PROXY

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

### DEFAULT TO CHAIRMAN OF THE MEETING

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

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

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

NAME SURNAME  
 ADDRESS LINE 1  
 ADDRESS LINE 2  
 ADDRESS LINE 3  
 ADDRESS LINE 4  
 ADDRESS LINE 5  
 ADDRESS LINE 6



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## PROXY FORM

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

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **9:00am (WST) on Thursday, 12 July 2018 at Suite 1, GF, 437 Roberts Road, Subiaco WA 6008, Perth, Western Australia** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolution 6:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 6, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification of prior issue placement shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval for a selective share buy-back	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of prior issue of lead manager options to Amarda Capital & Equities Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Approval of prior issue shares to Raisebrook Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of prior issue shares to Armada Capital & Equities Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval of prior issue shares to TSI Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Adoption of Employee Performance Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of issue of shares to a Director Mr Anthony Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approval of issue of shares to a Director John Strong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

### SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

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STEP 1

STEP 2

STEP 3