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**ADVERTITAS LIMITED**

**ACN 156 377 141**

**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10.00am (WST)

**DATE:** Wednesday, 26 June 2019

**PLACE:** Technology Park Function Centre, 2 Brodie Hall Drive, Bentley, Western Australia

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

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

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5pm (WST) on Monday, 24 June 2019.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – 3,333,334 SHARES

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue 3,333,334 Shares on 12 November 2018 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** 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.

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#### RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – 1,000,000 OPTIONS

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue 1,000,000 Options on 7 December 2018 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** 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.

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#### RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – 600,000 OPTIONS

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 600,000 Options on 24 December 2018 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** 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.

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#### RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – 12,592,968 SHARES

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 12,592,968 Shares on 12 April 2019 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** 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.

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#### RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – 858,523 SHARES

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 858,523 Shares on 12 April 2019 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** 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.

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#### RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY - MR STEPHEN BELBEN

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

*“That, for the purposes of sections 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 750,000 Options to Mr Stephen Belben (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Stephen Belben (or his nominee) or any of their associates (**Resolution 6 Excluded Party**). 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, provided the Chair is not a Resolution 6 Excluded Party, 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.

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

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

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## RESOLUTION 7 – ISSUE OF OPTIONS TO RELATED PARTY - MR RENAUD BESNARD

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

*“That, for the purposes of sections 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 750,000 Options to Mr Renaud Besnard (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Renaud Besnard (or his nominee) or any of their associates (**Resolution 7 Excluded Party**). 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, provided the Chair is not a Resolution 7 Excluded Party, 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.

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

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

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## RESOLUTION 8 – ISSUE OF OPTIONS TO RELATED PARTY - MR MARK MCCONNELL

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

*“That, for the purposes of sections 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 750,000 Options to Mr Mark McConnell (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mark McConnell (or his nominee) or any of their associates (**Resolution 8 Excluded Party**). 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, provided the Chair is not a Resolution 8 Excluded Party, 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. Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:  
(a) the proxy is the Chair; and  
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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#### RESOLUTION 9 – ISSUE OF OPTIONS TO RELATED PARTY - MR ANDREW STOTT

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

*“That, for the purposes of sections 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 750,000 Options to Mr Andrew Stott (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Andrew Stott (or his nominee) or any of their associates (**Resolution 9 Excluded Party**). 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, provided the Chair is not a Resolution 9 Excluded Party, 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. Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:  
(a) the proxy is the Chair; and  
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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#### RESOLUTION 10 – ISSUE OF DIRECTOR PERFORMANCE RIGHTS TO MATHEW RATTY

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

*“That, for the purposes ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 8,250,000 Performance Rights under the Company’s Performance Rights Plan and to the issue of the Shares that may result from the exercise of these Performance Rights upon satisfaction of the relevant Milestones in respect of these Performance Rights to Mathew Ratty (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 10 Excluded Party**). 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, provided the Chair is not a Resolution 10 Excluded Party, 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.
- Provided the Chair is not a Resolution 10 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Dated: 21 May 2019**

**By order of the Board**



**Susan Hunter  
Company Secretary**

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**VOTING INSTRUCTIONS**

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**Voting in person**

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

**Voting by proxy**

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9473 2500.**

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## EXPLANATORY STATEMENT

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

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### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – 3,333,334 SHARES

#### 1.1 General

On 12 November 2018, the Company issued 3,333,334 Shares at an issue price of \$0.075 per Share to raise \$250,000 (before costs).

The 3,333,334 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 3,333,334 Shares.

#### 1.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity 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.

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

By ratifying the issue of Shares the subject of Resolution 1, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

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

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the 3,333,334 Shares:

- (a) 3,333,334 Shares were issued;
- (b) the issue price was \$0.075 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Mera Vale No 4 Pty Ltd, a company associated with Adveritas Non-executive Director Mr Mark McConnell. Mr McConnell is a director and shareholder of Mera Vale No 4 Pty Ltd. Mr McConnell was appointed a Director of the Company on 26 February 2019. The subscriber was not a related party of the Company and had no expectation of being a related party at the time of the issue; and

- (e) the funds raised from this issue were used to bolster TrafficGuard's marketing and client acquisition efforts and accelerate its global roll out.

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## **2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – 1,000,000 OPTIONS**

### **2.1 General**

On 7 December 2018, the Company issued 1,000,000 Options exercisable at \$0.10 each, expiring on 7 December 2020.

The 1,000,000 Options were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 1,000,000 Options.

### **2.2 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity 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.

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

By ratifying the issue of Options, the subject of Resolution 2, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

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

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided:

- (a) 1,000,000 Options were issued;
- (b) the Options were issued for nil cash consideration on 7 December 2018 in consideration of investor relations services provided to the Company;
- (c) the terms and conditions of the Options are set out in Schedule 1 of this Notice of Meeting;
- (d) the Options were issued to RP Investment Management Pty Ltd. The allottee is not a related party of the Company; and
- (e) no funds were raised from the issue as the Options were issued in part consideration for investor relations services provided to the Company.



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### **3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – 600,000 OPTIONS**

#### **3.1 General**

On 24 December 2018, the Company issued 600,000 Options exercisable at \$0.15 each, expiring on 24 December 2020.

The 600,000 Options were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 600,000 Options.

#### **3.2 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity 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.

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

By ratifying the issue of Options the subject of Resolution 3, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

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

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided:

- (a) 600,000 Options were issued ;
- (b) the Options were issued for nil cash consideration on 24 December 2018 in part consideration for operational consulting advice provided to the Company by Mr Andrew Stott;
- (c) the terms and conditions of the Options are set out in Schedule 2 of this Notice of Meeting;
- (d) the Options were issued to Mr Andrew Stott. Mr Stott was appointed a Director of Adveritas on 26 February 2019. The allottee was not a related party of the Company at the time of the issue and had no reasonable expectation that he would become a related party; and
- (e) no funds were raised from the issue as the Options were issued in part consideration for consulting services provided to the Company.

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## **4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – 12,592,968 SHARES**

### **4.1 General**

On 12 April 2019, the Company issued 12,592,968 Shares at \$0.165 each in a placement to professional and sophisticated investors to raise approximately \$2M (before costs) as announced to ASX on 9 April 2019.

The 12,592,968 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 12,592,968 Shares.

### **4.2 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity 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.

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

By ratifying the issue of Shares the subject of Resolution 4, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

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

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the 12,592,968 Shares:

- (a) 12,592,968 Shares were issued;
- (b) the 12,592,968 Shares were issued at a price of \$0.165 each;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued pursuant a placement announced on 9 April 2019 to professional and sophisticated investors. The Directors determined who would be issued the Shares in conjunction with the Company's investment advisor Bletchley Park Capital Pty Ltd. None of the allottees are related parties of the Company; and
- (e) the funds raised from the issue of the 12,592,986 Shares will be used to pursue the Company's sales and marketing efforts of the TrafficGuard SaaS product and for general working capital.

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## **5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – 858,523 SHARES**

### **5.1 General**

On 12 April 2019, the Company issued 858,523 Shares to the Company's corporate advisor in consideration for investor relations services provided to the Company in the Company's recent capital raisings. 271,856 Shares were issued at a deemed price of \$0.165 per Share and 586,667 Shares were issued at a deemed price of \$0.045 per Share.

The 858,523 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 858,523 Shares.

### **5.2 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity 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.

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

By ratifying the issue of Shares the subject of Resolution 5, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

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

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the 858,523 Shares:

- (a) 858,523 Shares were issued;
- (b) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) 271,856 Shares were issued at a deemed price of \$0.165 per Share and 586,667 Shares were issued at a deemed price of \$0.045 per Share.
- (d) The Shares were issued to the Company's corporate advisor as agreed with the corporate advisor in lieu of payment of cash fees for investor relations services provided to the Company for the placement announced on 9 April 2019 (at \$0.165 per Share) and the entitlement issue announced on 27 September 2018 (at \$0.045 per Share). These Shares were issued to VGHM Pty Ltd. The allottee is not a related party of the Company; and

- (e) no funds were raised from the issue of 858,523 Shares to VGHM Pty Ltd as the Shares were issued as consideration for investor relations services provided to the Company.

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## **6. RESOLUTIONS 6 TO 9 – ISSUE OF OPTIONS TO RELATED PARTIES**

### **6.1 General**

Pursuant to Resolutions 6, 7, 8 and 9, the Company is seeking Shareholder approval for the issue of a total of 3,000,000 Options (**Related Party Options**) to each of Messrs Stephen Belben, Renaud Besnard, Mark McConnell and Andrew Stott (**Related Parties**). The Related Party Options are exercisable at \$0.20 each and expire on 27 March 2022. The exercise price was set at a premium of approximately 43% to the 5 day VWAP of \$0.14 when the consideration of the grant of the options was decided by the Board and offered to and accepted by the respective Non-executive Directors.

Resolutions 6 to 9 seek Shareholder approval for the issue of the Related Party Options to the Related Parties named above (or their respective nominees) on the terms and conditions set out below.

### **6.2 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:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Related Party Options constitutes giving a financial benefit and Messrs Stephen Belben, Renaud Besnard, Mark McConnell and Andrew Stott are related parties of the Company by virtue of being Directors.

### **6.3 ASX Listing Rule 10.11**

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of Related Party Options to the Related Parties.

### **6.4 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)**

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Related Party Options the subject of Resolutions 6, 7, 8 and 9:

- (a) the Related Party Options will be issued to Messrs Stephen Belben, Renaud Besnard, Mark McConnell and Andrew Stott (or their nominees), who are related parties of the Company by virtue of being Directors;
- (b) the maximum number of Related Party Options to be issued is 3,000,000 Related Party Options exercisable at \$0.20 each and expiring on 27 March 2022, being:
- (i) 750,000 Related Party Options to be issued to Mr Stephen Belben (or his nominee);
  - (ii) 750,000 Related Party Options to be issued to Mr Renaud Besnard (or his nominee);
  - (iii) 750,000 Related Party Options to be issued to Mr Mark McConnell (or his nominee); and
  - (iv) 750,000 Related Party Options to be issued to Mr Andrew Stott (or his nominee);
- (c) the Related Party Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Related Party Options will occur on the same day;
- (d) the Related Party Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Related Party Options are set out in Schedule 3 of this Notice of Meeting;
- (f) the value of the Related Party Options and the valuation methodology is set out in Schedule 4;
- (g) the relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options	Performance Rights
Stephen Belben	320,000	590,000 <sup>1</sup>	Nil
Renaud Besnard	Nil	500,000 <sup>2</sup>	Nil
Mark McConnell	11,777,779 <sup>3</sup>	9,527,778 <sup>3</sup>	Nil
Andrew Stott	500,000	600,000 <sup>4</sup>	Nil

**Notes:**

1. 500,000 unlisted Options, exercise price \$0.45, expiring 30 March 2020 issued pursuant to shareholder approval obtained at the general meeting held on 26 May 2017. 90,000 quoted options exercisable at \$0.10 on or before 25 October 2021.
2. 500,000 unlisted Options, exercise price \$0.45, expiring 25 August 2020 issued pursuant to shareholder approval obtained at the annual general meeting held on 26 October 2017.
3. 11,777,779 Shares and 9,527,778 quoted Options, exercisable at \$0.10 each on or before 25 October 2021 are held indirectly by Mera Vale No 4 Pty Ltd, an entity in which Mr McConnell is a director and shareholder.
4. 600,000 Options are exercisable at \$0.15 each and expire on 24 December 2020. The full terms and conditions of these Options are detailed at Schedule 2 of this Notice of Meeting.

- (h) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year <sup>4</sup>	Previous Financial Year
Stephen Belben	\$65,470	\$65,881 <sup>1</sup>
Renaud Besnard	\$43,600	\$88,767 <sup>2</sup>
Mark McConnell <sup>3</sup>	\$14,533	Nil
Andrew Stott <sup>3</sup>	\$14,533	Nil

**Notes:**

1. Remuneration includes salary and fees of \$60,165 and superannuation of \$5,716.
2. Mr Besnard was appointed to the Board on 11 July 2017. Remuneration includes salary and fees of \$39,407, superannuation of \$3,744 and a share-based payment (options) of \$45,616.
3. Messrs McConnell and Stott were appointed to the Board on 26 February 2019. Messrs McConnell and Stott are paid an annual base salary of \$40,000 plus statutory superannuation.
4. Remuneration includes salary and fees and superannuation.

- (i) if the Related Party Options to be issued to the Related Parties are exercised, the number of Shares on issue will increase from 158,898,924 to 161,898,924 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.89%, comprising 0.47% each by Stephen Belben, Renaud Besnard, Mark McConnell and Andrew Stott.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

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

	Price (cents)	Date
Highest	19.5	1 April 2019
Lowest	3.3	25 June 2018
Last	12.5	20 May 2019

- (k) the Board acknowledges the issue of the Related Party Options to the Related Parties is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2014 Amendments (3<sup>rd</sup> Edition) as published by The ASX Corporate Governance Council. However, the Board considers the issue of the Related Party Options to the Related Parties reasonable in the circumstances for the reason set out in paragraphs (l) and (m);

- (l) the issue of the Related Party Options to the Related Parties will align the interests of the Related Party with those of Shareholders and is considered

a reasonable and appropriate method to provide cost effective remuneration allowing the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;

- (m) Stephen Belben declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution on the basis that Stephen Belben is to be granted Related Party Options in the Company should Resolution 6 be passed. However, in respect of Resolutions 7, 8 and 9, Stephen Belben recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the issue of Related Party Options will align the interests of the Related Party with those of Shareholders;
  - (ii) the issue of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options upon the terms proposed;
- (n) Renaud Besnard declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Related Party Options in the Company should Resolution 7 be passed. However, in respect of Resolutions 6, 8 and 9 Mr Besnard recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (o) Mark McConnell declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Related Party Options in the Company should Resolution 8 be passed. However, in respect of Resolutions 6, 7 and 9 Mr McConnell recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (p) Andrew Stott declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Related Party Options in the Company should Resolution 9 be passed. However, in respect of Resolutions 6, 7 and 8 Mr Stott recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (q) with the exception of Stephen Belben, no other Director has a personal interest in the outcome of Resolution 6;
- (r) with the exception of Renaud Besnard, no other Director has a personal interest in the outcome of Resolution 7;
- (s) with the exception of Mark McConnell, no other Director has a personal interest in the outcome of Resolution 8;

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- (t) with the exception of Andrew Stott, no other Director has a personal interest in the outcome of Resolution 9;
  - (u) Mathew Ratty, Managing Director of Adveritas recommends that Shareholders vote in favour of Resolutions 6 to 9 for the reasons set out in paragraph (m);
  - (v) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number and terms of the Related Party Options to be issued; and
  - (w) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 6 to 9.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Related Party Options to Messrs Stephen Belben, Renaud Besnard, Mark McConnell and Andrew Stott (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **7. RESOLUTION 10 – ISSUE OF DIRECTOR PERFORMANCE RIGHTS TO MATHEW RATTY**

### **7.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue 8,250,000 Performance Rights (**Director Performance Rights**) under the Company's Performance Rights Plan to Mr Mathew Ratty (or his nominee) on the terms and conditions set out below.

The issue of the Director Performance Rights is to appropriately incentivise the continued performance of Mathew Ratty and to assist the Company in retaining his services and expertise in a manner which does not unduly impact on the cash reserves of the Company.

Resolution 10 seeks Shareholder approval for the issue of the Director Performance Rights to Mathew Ratty (or his nominee).

### **7.2 Summary of terms and conditions of Performance Rights**

Each Director Performance Right will vest as one Share subject to the satisfaction of certain milestones and vesting conditions which are set out in Schedule 5.

Subject to the terms of the Plan, in the event that the applicable milestones and vesting conditions are not met, the Director Performance Rights will not vest and as a result, no new Shares will be issued. There is nil consideration payable upon the issue of the Performance Rights or on the vesting of a Performance Right to a Share.

See Schedule 5 for a summary of the terms and conditions of the Performance Rights (including milestones and vesting conditions) the subject of Resolution 10.



### 7.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that 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:

- (b) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (c) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Director Performance Rights constitutes giving a financial benefit and Mathew Ratty is a related party of the Company by virtue of being a Director. However, the Directors (other than Mr Ratty) consider that the issue of the Performance Rights constitute reasonable remuneration given his role as an Executive Director. None of the other Directors have an interest in this Resolution.

### 7.4 ASX Listing Rule 10.14 – Performance Rights

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

### 7.5 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Director Performance Rights to Mathew Ratty:

- (a) the related party is Mathew Ratty who is a related party by virtue of being a Director;
- (b) the maximum number of Director Performance Rights to be issued to Mathew Ratty (or his nominees) is 8,250,000 Director Performance Rights. Each Performance Right will vest into one (1) Share upon the satisfaction of the terms and conditions as set out in Schedule 5.
- (d) the Director Performance Rights will be issued for nil cash consideration (and there is no consideration payable on the vesting of Performance Rights to Shares), accordingly no funds will be raised on issue of the Director Performance Rights or the vesting into Shares;
- (e) the Performance Rights Plan was adopted by Shareholders on 30 November 2018. No Performance Rights have previously been issued under the Performance Rights Plan;
- (f) any full or part time employee or Director of the Company is entitled to participate in the Performance Rights Plan, however, at the current time the Company does not intend to make an offer to any other employees. Accordingly, approval is being sought only for the offer to Mr Mathew Ratty;
- (g) no loans are being provided in connection with the issue of the Performance Rights;

- (h) the Performance Rights will be issued to Mr Mathew Ratty no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be issued on one date;
- (i) the terms of the Performance Rights are in accordance with the Performance Rights Plan subject to the key terms and conditions of the Performance Rights summarised in Schedule 5;
- (j) the value of the Performance Rights and the pricing methodology is set out in Schedule 6;
- (k) the relevant interests of Mathew Ratty in the securities of the Company are set out below:

Director	Shares	Options	Performance Rights
Mathew Ratty	10,482,682 <sup>1</sup>	3,946,242 <sup>2</sup>	Nil

**Notes:**

- 1. The Shares are held by MC Management Group Pty Ltd. Mathew Ratty is a Director and shareholder of that entity and a beneficiary of the account.
  - 2. 3,446,242 quoted Options, exercisable at \$0.10 each on or before 25 October 2021 are held by MC Management Group Pty Ltd. 500,000 unlisted Options exercisable at \$0.45 each expiring on 30 March 2020 are held by Mathew Ratty.
- (l) the remuneration and emoluments from the Company to Mathew Ratty for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Director	Current Financial Year	Financial Year ended 30 June 2018
Mathew Ratty	\$369,504 <sup>1</sup>	\$174,620 <sup>2</sup>

**Notes:**

- 1. Effective 9 November 2018, Mr Ratty's remuneration is \$265,000, plus superannuation guarantee contribution on this amount, which will be reviewed by the Board on an annual basis. Mr Ratty is also eligible for a grant of a short-term incentive award of up to a maximum of 50% of the base salary, depending on the achievement of targets to be agreed by the Board. Mr Ratty has received cash bonuses of \$105,000 in the current financial year.
  - 2. Remuneration includes salary and fees of \$114,315, a cash bonus of \$45,000, long-term benefits (long service leave) of \$170 and superannuation of \$15,135.
- (m) if the maximum number of Director Performance Rights to be issued to Mathew Ratty vest, a total of 8,250,000 Shares would be issued. This will increase the number of Shares on issue from 158,898,924 Shares to 167,148,924 Shares (assuming that no Options are exercised, and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.94%.
  - (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price (cents)	Date
Highest	19.5	1 April 2019
Lowest	3.3	25 June 2018
Last	12.5	20 May 2019

- (o) the Board acknowledges the grant of Performance Rights to Mathew Ratty is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Performance Rights to Mathew Ratty is reasonable in the circumstances for the reason set out in paragraph (o);
- (p) the primary purpose of the issue of the Director Performance Rights to Mathew Ratty is to provide a performance linked incentive component in the remuneration package for Mathew Ratty and to motivate and reward the performance of Mathew Ratty in his role as CEO and an Executive Director;
- (q) Stephen Belben, Renaud Besnard, Mark McConnell and Andrew Stott each recommend that Shareholders vote in favour of Resolution 10 for the following reasons:
- (i) the issue of Director Performance Rights to Mathew Ratty will further align the interests of Mathew Ratty with those of Shareholders;
  - (ii) the issue of the Director Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Director; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Performance Rights upon the terms proposed;
- (r) Mathew Ratty declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution.
- (s) in forming their recommendations, each Director considered the experience of Mathew Ratty, the existing and proposed contribution of Mathew Ratty to the Company and the current market practices when determining the provision of the performance rights and the terms proposed; and
- (t) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 10.

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## GLOSSARY

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**\$** means Australian dollars.

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

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

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

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

**Board** means the current board of directors of the Company.

**Chair** means the chair of the Meeting.

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

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

**Company** means Adveritas Limited (ACN 156 377 141).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Performance Rights Plan** means the Company's Performance Rights and Options Plan adopted at the annual general meeting held on 30 November 2018.

**Performance Right** means a right to acquire a Share, subject to satisfaction of any vesting conditions, and the corresponding obligation of the Company to provide the Share.

**Proxy Form** means the proxy form accompanying the Notice.

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

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**Tier 1 Client** means any client which is considered an enterprise level client generating revenue or more than \$5,000 per month.

**VWAP** means volume weighted average Share price on the ASX.

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

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**SCHEDULE 1 – TERMS AND CONDITIONS OF THE 1,000,000 OPTIONS THE SUBJECT OF RESOLUTION 2**

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The terms and conditions of the 1,000,000 Options the subject of Resolution 2 are as follows:

- a) Each Option gives the holder the right to subscribe for one (1) Share.
- b) The exercise price of each Option is \$0.10 (Exercise Price).
- c) The Options are not subject to any vesting conditions.
- d) The Options are exercisable at any time on or prior to a date that is 2 years from the date of issue, being 7 December 2018.
- e) The Options are freely transferable.
- f) The Options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the holder to exercise a specified number of Options, accompanied by an Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the holder's right to exercise the balance of any Options remaining.
- g) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares.
- h) The Options are not to be quoted on ASX and the Company is under no obligation to apply for quotation of the Options on ASX.
- i) The Company will apply for quotation on ASX of all Shares issued upon exercise of the Options within 10 days from the date of exercise of the Options.
- j) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the Company will give each Option holder prior notice as required by the Listing Rules of the Record Date (as defined in the Listing Rules) of any proposed issue of Shares or other securities or entitlements made available to the holders of Shares generally to enable the Option holder to exercise its Options and participate in the new issue.
- k) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- l) If there is a bonus issue of Shares, the number of Shares over which an Option can be exercised increases by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
- m) In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date, all rights of the Option holder will be varied in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

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**SCHEDULE 2 – TERMS AND CONDITIONS OF THE 600,000 OPTIONS THE SUBJECT OF RESOLUTION 3**

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The terms and conditions of the 600,000 Options the subject of Resolution 3 are as follows:

- a) Each Option gives the holder the right to subscribe for one (1) Share.
- b) The exercise price of each Option is \$0.15 (Exercise Price).
- c) The Options are not subject to any vesting conditions.
- d) The Options are exercisable at any time on or prior to the date that that is 2 years from the date of issue being 24 December 2018.
- e) The Options are freely transferable.
- f) The Options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the holder to exercise a specified number of Options, accompanied by an Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the holder's right to exercise the balance of any Options remaining.
- g) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares.
- h) The Options are not to be quoted on ASX and the Company is under no obligation to apply for quotation of the Options on ASX.
- i) The Company will apply for quotation on ASX of all Shares issued upon exercise of the Options within 10 days from the date of exercise of the Options.
- j) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the Company will give each Option holder prior notice as required by the Listing Rules of the Record Date (as defined in the Listing Rules) of any proposed issue of Shares or other securities or entitlements made available to the holders of Shares generally to enable the Option holder to exercise its Options and participate in the new issue.
- k) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- l) If there is a bonus issue of Shares, the number of Shares over which an Option can be exercised increases by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
- m) In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date, all rights of the Option holder will be varied in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

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**SCHEDULE 3 – TERMS AND CONDITIONS OF THE RELATED PARTY OPTIONS THE SUBJECT OF RESOLUTIONS 6 TO 9**

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The terms and conditions of the Options the subject of Resolutions 6 to 8 are as follows:

- a) Each Option gives the holder the right to subscribe for one (1) Share.
- b) The exercise price of each Option is \$0.20 (Exercise Price).
- c) The Options are not subject to any vesting conditions.
- d) The Options are exercisable at any time on or prior to the 27 March 2022.
- e) The Options are freely transferable.
- f) The Options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the holder to exercise a specified number of Options, accompanied by an Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the holder's right to exercise the balance of any Options remaining.
- g) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares.
- h) The Options are not to be quoted on ASX and the Company is under no obligation to apply for quotation of the Options on ASX.
- i) The Company will apply for quotation on ASX of all Shares issued upon exercise of the Options within 10 days from the date of exercise of the Options.
- j) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the Company will give each Option holder prior notice as required by the Listing Rules of the Record Date (as defined in the Listing Rules) of any proposed issue of Shares or other securities or entitlements made available to the holders of Shares generally to enable the Option holder to exercise its Options and participate in the new issue.
- k) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- l) If there is a bonus issue of Shares, the number of Shares over which an Option can be exercised increases by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
- m) In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date, all rights of the Option holder will be varied in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.



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**SCHEDULE 4 – VALUATION OF RELATED PARTY OPTIONS**

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Using the Black & Scholes option pricing model and based on the assumptions set out below, the Related Party Options to be issued to the Related Parties pursuant to Resolutions 6 to 9 were ascribed the following value range:

<b>Assumptions:</b>	
Valuation date	27 March 2019
Market price of Shares	16 cents
Exercise price	20 cents
Expiry date (length of time from issue)	3 years
Risk free interest rate	1.4%
Volatility (discount)	110.27%
<b>Indicative value per Related Party Option</b>	10.07 cents
<b>Total Value of Related Party Options</b>	\$302,100
- Stephen Belben	\$75,525
- Renaud Besnard	\$75,525
- Mark McConnell	\$75,525
- Andrew Stott	\$75,525

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

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**SCHEDULE 5 – TERMS AND CONDITIONS OF DIRECTOR PERFORMANCE RIGHTS**

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The following is a summary of the key terms and conditions of the Director Performance Rights that have been adopted by the Company:

- (a) **(Milestones)**: The Performance Rights shall have the following milestones attached to them:

Tranche	Milestone	Quantum of Performance Rights to vest upon achievement of hurdle
1	First 10 clients that sign on using TrafficGuard	250,000
2	First 3 Tier 1 Clients who the Board consider to be enterprise level i.e. > 1 billion clicks per month	500,000
3	First achievement of revenue producing twelve month contracts to the amount of \$1m <sup>1</sup>	500,000
4	First achievement of revenue producing twelve month contracts to the amount of \$3m <sup>1</sup>	1,000,000
5	First achievement of revenue producing twelve month contracts to the amount of \$5m <sup>1</sup>	1,500,000
6	First achievement of break-even cash flow in a financial year	1,000,000
7	First achievement of audited \$1m earnings before interest tax, depreciation and amortization (EBITDA)	1,500,000
8	First achievement of audited \$3m EBITDA	2,000,000
	<b>Total</b>	<b>8,250,000</b>

<sup>1</sup> Tranches 3, 4 and 5 are based on the successful signing of revenue producing contracts with a minimum twelve month term and are cumulative over multiple contracts based on the total value of each contract.

- (b) **(Notification to holder)**: The Company shall notify the holder in writing when the relevant Milestones have been satisfied.
- (c) **(Vesting)**: Performance Rights, that have not lapsed shall vest on
- (i) the date that the Milestone relating to that Performance Right has been satisfied; and
  - (ii) the date that the holder gives a notice to the Company confirming that the holder would like the Performance Rights to vest.
- (d) **(Consideration)**: The Performance Rights will be issued for nil consideration and no consideration will be payable upon the vesting of the Performance Rights.

- (e) **(Conversion)**: Upon satisfaction of the relevant Performance Rights vesting, each Performance Right will, at the election of the holder, vest and convert into one (1) Share.
- (f) **(Lapse of a Performance Right)**: The Performance Rights will automatically lapse if the Milestone attaching to a Performance Right has not been satisfied by 30 June 2021;
- (g) **(Share ranking)**: All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (h) **(Listing of Shares on ASX)**: The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
- (i) **(Transfer of Performance Rights)**: A Performance Right is only transferable:
- (i) with the consent of the Board; or
  - (ii) by force of law upon death to the holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy.
- (j) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (k) **(Adjustment for bonus issue)**: If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (l) **(Adjustment for reconstruction)**: If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right (including the vesting conditions) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (m) **(Dividend and Voting Rights)**: A Performance Right does not confer upon the holder an entitlement to vote or receive dividends.
- (n) **(Change in Control)**: Subject to paragraph (o), upon:
- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
    - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
    - (B) having been declared unconditional by the bidder; or
  - (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the

reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Milestone, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

- (o) **(Deferral of conversion if resulting in a prohibited acquisition of Shares):** If the conversion of a Performance Right under paragraph (c) or (n) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) **(General Prohibition)** then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition;
  - (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (o)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- (p) **(No rights to return of capital)** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (q) **(Rights on winding up)** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- (r) **(No other rights)** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (s) **(Subdivision 83AC-C):** Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Performance Right.
- (t) **(Ceasing to be engaged by the Company):** If a holder's services agreement with the Company is terminated, the holder will continue to have legal ownership of all Performance Rights that remain unvested from the date of termination until the date which is 6 months from the date of termination. On the date which is 6 months from the date of termination, any Performance Rights that remain unvested will be forfeited by the holder and cancelled by the Company. For the avoidance of doubt, if any Performance Rights vest during the 6-month period, those Performance Rights will be converted into fully paid ordinary shares on a one-for-one basis.

## SCHEDULE 6 – VALUATION OF THE DIRECTOR PERFORMANCE RIGHTS

The indicative value of the Director Performance Rights set out below is the maximum value assuming that all Milestones will be achieved by 30 June 2021. The Black & Scholes option pricing model and the assumptions set out below have been used to determine the indicative values of the Director Performance Rights

<b>Assumptions:</b>		
Valuation date	17 April 2019	
Market price of Shares	16.5 cents	
Exercise price	Nil	
Expiry date	30 June 2021	
Risk free interest rate	1.51%	
Expiration period	2.21 years	
	<b>Indicative value per Performance Right</b>	<b>Total indicative value of Performance Rights</b>
<b>Tranche 1</b>	16.49 cents	\$41,225
<b>Tranche 2</b>	16.49 cents	\$82,450
<b>Tranche 3</b>	16.49 cents	\$82,450
<b>Tranche 4</b>	16.49 cents	\$164,900
<b>Tranche 5</b>	16.49 cents	\$247,350
<b>Tranche 6</b>	16.49 cents	\$164,900
<b>Tranche 7</b>	16.49 cents	\$247,350
<b>Tranche 8</b>	16.49 cents	\$329,800
<b>Total Combined Value</b>		<b>\$1,360,425</b>

Note: The indicative valuations noted above are not necessarily the market prices that the Director Performance Rights could be traded at and they are not automatically the market prices for taxation purposes.

«EFT\_REFERENCE\_NUMBER»

«Holder\_name»  
 «Address\_line\_1»  
 «Address\_line\_2»  
 «Address\_line\_3»  
 «Address\_line\_4»  
 «Address\_line\_5»

«Company\_code» «Sequence\_number»

Code: **AV1**

Holder Number: **«HOLDER\_NUM**

**PROXY FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE ONLINE** Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

**«ONLINE**

**SECTION A: Appointment of Proxy**

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 10:00am WST on Wednesday 26 June 2019 at Technology Park Function Centre, 2 Brodie Hall Drive, Bentley, Western Australia and at any adjournment of that meeting.

**SECTION B: Voting Directions**

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 6 to 10 (except where I/we have indicated a different voting intention below) even though Resolutions 6 to 10 are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairman.

RESOLUTION	For	Against	Abstain*	For	Against	Abstain*	
1. Ratification of prior issue - 3,333,334 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. Issue of Options to Related Party - Mr Stephen Belben	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Ratification of prior issue - 1,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Issue of Options to Related Party - Mr Renaud Besnard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of prior issue - 600,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Issue of Options to Related Party - Mr Mark McConnell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of prior issue - 12,592,968 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Issue of Options to Related Party - Mr Andrew Stott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of prior issue - 858,523 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Issue of Director Performance Rights to Mathew Ratty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**If no directions are given my proxy may vote as the proxy thinks fit or may abstain.**

\* 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.

**SECTION C: Signature of Security Holder(s)**

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

Individual or Security Holder  Sole Director & Sole Company Secretary  
 My/Our contact details in case of enquiries are:  
 Name:

Security Holder 2  Director  
 Number: (  )

Security Holder 3  Director/Company Secretary

**Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:00am WST on Monday 24 June 2019.**

## 1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

## 2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

## 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

## 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) 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 contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, 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 of your votes; and
- b) Return both forms in the same envelope.

## 5. SIGNING INSTRUCTIONS

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

**Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

## 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

### Security Transfer Australia Pty Ltd

<b>Online</b>	<a href="http://www.securitytransfer.com.au">www.securitytransfer.com.au</a>
<b>Postal Address</b>	PO BOX 52 Collins Street West VIC 8007
<b>Street Address</b>	Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000
<b>Telephone</b>	1300 992 916
<b>Facsimile</b>	+61 8 9315 2233
<b>Email</b>	<a href="mailto:registrar@securitytransfer.com.au">registrar@securitytransfer.com.au</a>

## PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.