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LiveTiles Limited

Notice of 2018 Annual General Meeting

Explanatory Statement | Proxy Form

15 November 2018

11:00AM AEDT

Address

Automic Group
Level 5, 126 Phillip Street
Sydney NSW 2000

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.



A COMPLETE PROFESSIONAL SERVICES OFFERING:
REGISTRY, COMPANY SECRETARIAL, LEGAL, CFO AND ACCOUNTING

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Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00am AEDT on 15 November 2018 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000.

Your vote is important

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

Voting in person

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

Voting by proxy

To vote by proxy, please use one of the following methods:

1. Deliver the Proxy Form:
 - (a) by hand to:
Link Market Services
1A Homebush Bay Drive, Rhodes NSW 2138; or
 - (b) by post to:
LiveTiles Limited
c/- Link Market Services Limited
Locked Bag A14, Sydney South NSW 1235; or
2. By facsimile to: +61 2 9287 0309; or
3. Lodge online at www.linkmarketservices.com.au, instructions as follows:

Select 'Investor Login' and enter LiveTiles Limited or the ASX code LVT in the Issuer name field your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your Proxy Form), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of LiveTiles Limited ACN 066 139 991 will be held at 11:00am AEDT on 15 November 2018 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm AEDT on 13 November 2018. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Agenda

Ordinary business

Financial statements and reports

"To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for that financial year."

Note: This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

Resolutions

Part A: Remuneration Report

1. **Resolution 1** – Adoption of Remuneration Report

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

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2018.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as **Restricted Voter**). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

Part B: Re-election of Directors

2. **Resolution 2** – Re-election of Matthew Brown as Director

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

"That Matthew Brown, a Director who retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.5, and being eligible offers himself for re-election as a Director of the Company, effective immediately."

3. **Resolution 3** – Re-election of David Lemphers as Director

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

"That David Lemphers, a Director appointed as an additional Director and holding office until the next annual general meeting after his appointment in accordance with the Company's Constitution and ASX Listing Rule 14.4 and being eligible offers himself for re-election as a Director of the Company, effective immediately."

Part C: ASX Listing Rule 7.1A

4. **Resolution 4** – ASX Listing Rule 7.1A Approval of Future Issue of Securities

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

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) 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
- (ii) 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.

Part D: Ratification of Prior Issue of Equity Securities

5. **Resolution 5** – Ratification of Prior Issue of February Placement Shares

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 44,444,444 fully paid ordinary shares issued on 21 February 2018 (**February Placement Shares**), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person who participated in the issue and received February Placement Shares; or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) 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
- (ii) 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.

6. **Resolution 6** – Ratification of Prior Issue of March SPP Shares

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 1,482,185 fully paid ordinary shares on 22 March 2018 (**March SPP Shares**), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) a person who participated in the issue and received March SPP Shares; or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) 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
- (ii) 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.

7. **Resolution 7** – Ratification of Prior Issue of June Consideration Shares

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 8,633,548 fully paid ordinary shares on 8 June 2018 (**June Consideration Shares**), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- (a) a person who participated in the issue and received June Consideration Shares; or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) 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
- (ii) 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.

8. **Resolution 8** – Ratification of Prior Issue of August Placement Shares

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 42,372,882 fully paid ordinary shares on 14 August 2018 (**August Placement Shares**), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

- (a) a person who participated in the issue and received August Placement Shares; or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) 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
- (ii) 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.

Part E: Adoption of Employee Incentive Scheme

9. Resolution 9 – Adoption of Long Term Incentive Plan

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)), sections 259B(2) and 260C(4) of the Corporations Act and for all other purposes, the Shareholders of the Company approve the adoption of the Long Term Incentive Plan (LTIP) and approve the issue of securities under the LTIP to eligible and invited participants, on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of:

- (a) any Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) 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
- (ii) 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.

Part F: Renewal of Provisions in Constitution

10. Resolution 10 – Renewal of Proportional Takeover Provisions

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 136 of the Corporations Act and for all other purposes, the constitution of the Company be repealed and replaced with a constitution in the form of the document tabled at this Meeting and signed by the Chair for the purposes of identification, effective immediately."

BY ORDER OF THE BOARD

Andrew Whitten
Company Secretary

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 11:00am AEDT on 15 November 2018 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

Agenda

Ordinary business

Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at <https://www.livetiles.nyc/company/investors>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

Written questions of the auditor

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by 8 November 2018.

Resolutions

Part A: Remuneration Report

Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at <https://www.livetiles.nyc/company/investors>.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2019 Annual General Meeting (**2019 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2019 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2019 AGM. All of the Directors who were in office when the 2019 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed her to vote in accordance with her stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

Part B: Re-election of Directors

Resolution 2 – Re-election of Matthew Brown as Director

The Company's Constitution requires that if the Company has 3 or more Directors, a third (or the number of Directors nearest to one third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. Where 2 or more Directors have served equally the longest, the retiring Director is determined either amongst the Directors, or by drawing lots. In determining the number of Directors to retire, no account is to be taken of a Director who only holds office until the next annual general meeting pursuant to clause 14.4, and a Managing Director.

ASX Listing Rule 14.5 provides that an entity which has Directors must hold an election of directors at each annual general meeting.

Mr Brown was last re-elected as a Director at the Annual General Meeting which took place on 10 November 2016.

Under this Resolution, Mr Brown has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Mr Brown joined LiveTiles as the Company's Chief Financial Officer in January 2015. Mr Brown was previously a Division Director with Macquarie Capital in Sydney and New York. During his 12 years at Macquarie Capital, Mr Brown advised on over \$10 billion of mergers, acquisitions, divestments and capital raising transactions. Mr Brown holds a Bachelor of Commerce degree and a Bachelor of Laws degree from the University of Sydney.

Directors' recommendation

The Directors (excluding Mr Brown) recommend that Shareholders vote for this Resolution.

Resolution 3 – Re-election of David Lemphers as Director

The Company's Constitution provides that the Directors may at any time appoint a person to be a Director as an addition to the existing Directors. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

ASX Listing Rule 14.4 also provides that each additional director appointed during the year is to hold office until the next general meeting and is then eligible for election as a Director of the Company.

David Lemphers was appointed as an additional Director of the Company on 1 September 2018 and has since served as a Director of the Company.

Under this Resolution, Mr Lemphers seeks re-election as a Director of the Company at this AGM.

Based in USA in Austin, Texas, David is a software engineering and technology expert with deep experience founding and running early-stage technology companies. His extensive experience includes multiple roles held at Microsoft, most recently as Principal Software Development Engineer Lead, where he was responsible for Microsoft's design and development of cognitive (self-learning) systems using artificial intelligence (AI) and machine learning (ML). Previously, as Director of Cloud Computing and SaaS at Pricewaterhouse Coopers, David was responsible for developing cloud strategies for Fortune

100 clients.

David is founder and co-founder of several AI and ML-based tech companies, including Code Pilot, Super, Hyperplane Research and ZenDeals – a machine learning based validation system for online coupons that was acquired by RetailMeNot in 2013. David is CTO in Residence and mentor at tech startup accelerator Techstars and holds degrees in Computer Science and Software Engineering from Swinburne University of Technology, Melbourne and a degree in Law from Monash University, Melbourne.

Directors' recommendation

The Directors (excluding Mr Lemphers) recommend that Shareholders vote for this Resolution.

Part C: ASX Listing Rule 7.1A

Resolution 4 – ASX Listing Rule 7.1A Approval of Future Issue of Securities

ASX Listing Rule 7.1A enables eligible entities to seek Shareholder approval by Special Resolution passed at an annual general meeting to issue equity securities (which must be in the same class as an existing quoted class of equity securities of the Company) which do not exceed 10% of the existing ordinary share capital without further Shareholder approval. The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million).

As of the date of this Notice of Meeting, the Company is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

Approval under this Resolution is sought for the Company to issue equity securities under Listing Rule 7.1A.

If this Resolution is approved the Company may make an issue of equity securities under Listing Rule 7.1A at any time (either on a single date or progressively) up until the earlier of:

- (a) the date which is 12 months after the date of the 2018 Annual General Meeting; or
- (b) the date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking);

or such longer period if allowed by the ASX.

Accordingly, the approval given if this Resolution is passed will cease to be valid on the earlier of 15 November 2019 or the date on which holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.

The maximum number of equity securities which may be issued in the capital of the Company under the approval sought by this Resolution will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

(A x D) – E

where:

- A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue:
- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
 - (iii) plus the number of fully paid ordinary securities issued in the 12 months with approval of the holders of ordinary securities under Listing Rules 7.1 and 7.4 (this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval); and
 - (iv) less the number of fully paid ordinary securities cancelled in the 12 months.
- D** is 10%.
- E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rules 7.1 or 7.4.

The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1. The effect of this Resolution will be to allow the Company to issue equity securities under Listing Rule 7.1A without using the Company's 15% placement capacity under Listing Rule 7.1.

As at 26 September 2018, the Company has on issue 551,572,207 ordinary shares and therefore has capacity to issue:

- (a) Subject to shareholder approval being sought under Resolutions 5, 6, 7 and 8 of this Notice, 70,115,831 equity securities under Listing Rule 7.1 (which takes into account the 12,620,000 shares agreed to be issued as part of the first earn-out and second earn-out of the Hyperfish, Inc. acquisition if certain conditions are satisfied); and
- (b) subject to Shareholder approval being sought under this Resolution, 55,157,220 equity securities under Listing Rule 7.1A.

The issue price of the equity securities issued under Listing Rule 7.1A will be determined at the time of issue. The minimum price at which the equity securities, the subject of this Resolution, will be issued is 75% of the volume weighted average market (closing) price (**VWAP**) of the Company's equity securities over the 15 days on which trades in that class were recorded immediately before either:

- (a) the date on which the price at which the equity securities are to be issued is agreed; or
- (b) if the equity securities are not issued within 5 ASX trading days of the date in paragraph (a) the date on which the securities are issued.

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' economic and voting power in the Company will be diluted. There is a risk that:

- (a) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of the approval of this Resolution; and
- (b) the equity securities issued under Listing Rule 7.1A may be issued at a price that is at a discount (as described above) to the market price for the Company's equity securities on the issue date;

which may have an effect on the amount of funds raised by the issue.

The table set out below shows the dilution of existing Shareholders on the basis of:

- The market price of the Company's ordinary shares and the number of ordinary shares as at 26 September 2018.
- Two examples where the number of ordinary shares on issue ("A") has increased, by 50% and 100%. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require Shareholder approval (for example, pro-rata entitlements issues) or as a result of future specific placements under Listing Rule 7.1 that are approved by Shareholders.
- Two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the market price as at 26 September 2018.

Variable "A" ASX Listing Rule 7.1A.2		Dilution		
		\$0.26 50% decrease in issue price	\$0.52 issue price **	\$1.04 100% increase in issue price
"A" is the number of shares on issue, being 551,572,207 *** shares	10% voting dilution	55,157,220	55,157,220	55,157,220
	Funds raised	\$14,340,877	\$28,681,754	\$57,363,509
"A" is a 50% increase in shares on issue, being 827,358,311 *** shares	10% voting dilution	82,735,831	82,735,831	82,735,831
	Funds raised	\$21,511,316	\$43,022,632	\$86,045,264
"A" is a 100% increase in shares on issue, being 1,103,144,414 *** shares *	10% voting dilution	110,314,441	110,314,441	110,314,441
	Funds raised	\$28,681,755	\$57,363,509	\$114,727,019

Notes:

- (i) The table assumes that the Company issues the maximum number of equity securities available under Listing Rule 7.1A.
- (ii) The table assumes that no options are exercised in ordinary shares before the date of the issue of equity securities under Listing Rule 7.1A.
- (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (iv) The table shows the effect of an issue of equity securities under Listing Rule 7.1A, not under the Company's 15% placement capacity under Listing Rule 7.1.
- (v) The issue of equity securities under the Listing Rule 7.1A consists only of ordinary shares. If the issue of equity securities includes options, it is assumed that those options are exercised to ordinary shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- * Any issue of equity securities is required to be made in accordance with the Listing Rules. Any issue made other than under the Company's 15% capacity (Listing Rule 7.1) or the

Company's additional 10% capacity (Listing Rule 7.1A) and not otherwise made under an exception in Listing Rule 7.2 (for example, a pro-rata rights issue) would require Shareholder approval.

** Based on the closing price of the Company's Shares on ASX on 26 September 2018.

*** Based on the Company's Share structure as at 26 September 2018.

If this Resolution is approved the Company will have the ability to issue up to 10% of its issued capital without further Shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

As at the date of this Explanatory Statement, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A to any particular person or at any particular time. The total amount that may be raised by the issue of equity securities under Listing Rule 7.1A will depend on the issue price of the equity securities which will be determined at the time of issue. In some circumstances, the Company may issue equity securities under Listing Rule 7.1A for non-cash consideration (for example, in lieu of cash payments to consultants, suppliers or vendors). While the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A, some of the purposes for which the Company may issue equity securities under Listing Rule 7.1A include (but are not limited to):

- (a) raising funds to further develop the Company's business;
- (b) raising funds to be applied to the Company's working capital requirements;
- (c) acquiring assets. In these circumstances, the issue of the ordinary shares may be made in substitution for the Company making a cash payment for the assets; and
- (d) paying service providers or consultants of the Company.

Details regarding the purposes for which any particular issue under Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to Listing Rule 7.1A.4 and Listing Rule 3.10.5A at the time the issue is made. The identity of the allottees of equity securities under Listing Rule 7.1A will be determined at the time the Company decides to make an issue having regard to a number of factors including:

- (a) the capital raising and acquisition opportunities available to the Company and any alternative methods for raising funds or acquiring assets that are available to the Company;
- (b) the potential effect on the control of the Company;
- (c) the Company's financial situation and the likely future capital requirements; and
- (d) advice from the Company's corporate or financial advisors.

Offers made under Listing Rule 7.1A may be made to parties including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

The allocation policy the Company may adopt for a particular issue of equity securities under Listing Rule 7.1A and the terms on which those equity securities may be offered will depend upon the circumstances existing at the time of the proposed capital raising under Listing Rule 7.1A. Subject to the requirements of the Listing Rules and the Corporations Act, the Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, it is required by Listing Rule 7.3A.6 to provide details of all issues of equity securities in the 12 months preceding the

date of the Meeting. The details of all issues of equity securities by the Company during the 12 months preceding the date of the Meeting are detailed below:

Number/Class of equity securities issued	Terms of the securities issued	Price and discount to closing market price on the date of issue (if any)	Consideration details	Allottees of the Securities
<i>Securities issued on 20 November 2017</i>				
600,000 fully paid ordinary shares.	Shares issued under the Company's Management Incentive Plan. The Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.	Deemed issue price of 25 cents per share. Share price on the date of issue was 27 cents, which represents a discount of 7.41%.	N/A – issued for nil cash consideration.	Invited participants under the Company's Management Incentive Plan.
<i>Securities issued on 19 December 2017</i>				
2,222,222 fully paid ordinary shares	As approved by Shareholders at the 2017 AGM, subscription of shares by certain Directors of the Company under the second tranche of the placement announced on 2 August 2017. The Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid	Issue price of 18 cents per share, which was at the same price as offered and completed to non-related party investors, as announced on 2 August 2017. Due to the requirement of shareholder approval, share price on the date of issue was 38.5 cents, which represents a discount of 53.25%, however the directors agreed to the subscription on 2 August 2017.	Total cash consideration of \$400,000. All of these funds have been used by the Company for working capital purposes.	Directors of the Company for whom Shareholder approval was obtained at the 2017 AGM.

	ordinary shares previously issued by the Company.			
<i>Securities issued on 21 February 2018</i>				
44,444,444 fully paid ordinary shares.	Placement of shares to sophisticated and professional investors as announced on 15 February 2018. The Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.	Issue price of 45 cents per share. No discount.	Total cash consideration of \$20,000,000. All of the funds have been, or will be, used to accelerate investment in the Company's sales, marketing and customer success teams to drive customer and revenue growth.	Sophisticated and professional investors.
<i>Securities issued on 22 March 2018</i>				
1,482,185 fully paid ordinary shares	Shares issued under the Share Purchase Plan pursuant to the Share Purchase Plan Offer Booklet lodged with ASX on 22 February 2018. The Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously	Issue price of 45 cents per share. No discount.	Total cash consideration of \$667,000. All of the funds have been used to accelerate investment in the Company's sales, marketing and customer success teams to drive customer and revenue growth.	Eligible Shareholders under the Share Purchase Plan.

	issued by the Company.			
<i>Securities issued on 8 June 2018</i>				
8,633,548 fully paid ordinary shares.	Shares issued (subject to a voluntary escrow period of 12 months) to part-fund the acquisition of shares in Hyperfish, Inc. pursuant to the announcement lodged with ASX on 25 May 2018. The Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.	Deemed issue price of 41.9 cents per share. Share price on the date of issue was 45 cents, which represents a discount of 6.89%.	Deemed consideration value of \$3,617,456.61, to part-fund the acquisition of shares in Hyperfish, Inc.	Shareholders of Hyperfish, Inc.
<i>Securities issued on 14 August 2018</i>				
42,372,882 fully paid ordinary shares.	Placement of shares to sophisticated and professional investors as announced on 9 August 2018. The Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares	Issue price of 59 cents per share. Share price on the date of issue was 61 cents, which represents a discount of 3.28%.	Total cash consideration of \$25 million. None of the funds have been used. All of the funds will be used to accelerate the Company's investment in direct sales and customer success teams, further development of the Microsoft and	Sophisticated and professional investors.

	previously issued by the Company.		partner channels and marketing	
<i>Securities issued on 17 September 2018</i>				
3,389,853 fully paid ordinary shares	Shares issued under the Share Purchase Plan pursuant to the Share Purchase Plan Offer Booklet lodged with ASX on 16 August 2018. The Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.	Issue price of 59 cents per share. No discount.	Total cash consideration of \$667,000. None of the funds have been used. All of the funds will be used to accelerate the Company's investment in direct sales and customer success teams, further development of the Microsoft and partner channels and marketing.	Eligible Shareholders under the Share Purchase Plan.

Total equity securities issued in previous 12 months* ("A")	103,145,134
Percentage that "A" represents based on the total number of equity securities on issue at the commencement of that 12 month period	22.97%

*Based on Company's fully diluted capital structure as at the date of the 2017 Annual General Meeting

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

Directors' recommendation

The Board of Directors recommend that Shareholders vote for this Resolution.

Part D: Ratification of Prior Issue of Equity Securities

Resolutions 5-8 – Ratification of Prior Issue of Equity Securities

Background to Resolutions 5 and 6

On 15 February 2018, the Company announced that:

- (a) it had received commitments for \$20m to be raised via the issue of 44,444,444 fully paid ordinary shares (**February Placement Shares**) at an issue price of 45 cents per share; and
- (b) it would launch a Share Purchase Plan to raise up to \$3m from existing eligible shareholders.

On 21 February 2018, the Company completed the issue of 44,444,444 February Placement Shares to sophisticated and professional investors by utilising the Company's existing capacity under Listing Rule 7.1.

On 21 March 2018, the Company announced that it had raised \$667,000 under the Share Purchase Plan, which would result in the issue and allotment of 1,482,185 fully paid ordinary shares (**March SPP Shares**) at a price of \$0.45 per share. The March SPP Shares were issued on 8 June 2018 by utilising the Company's existing capacity under Listing Rule 7.1.

Background to Resolution 7

On 25 May 2018, the Company announced that it had agreed to acquire Hyperfish, Inc., a leading next generation employee profile and directory management software company.

As part of the consideration, on 8 June 2018, the Company issued 8,633,548 fully paid ordinary shares (**June Consideration Shares**) at a deemed issue price of 41.9 cents per share to the shareholders of Hyperfish, Inc. by utilising the Company's existing capacity under Listing Rule 7.1.

Background to Resolution 8

On 9 August 2018, the Company announced that:

- (a) it had received commitments for \$25m to be raised via the issue of 42,372,882 fully paid ordinary shares (**August Placement Shares**) at an issue price of 59 cents per share; and
- (b) it would launch a Share Purchase Plan to raise up to \$2m from existing eligible shareholders.

On 14 August 2018, the Company completed the issue of 42,372,882 August Placement Shares to sophisticated and professional investors by utilising the Company's existing capacity under Listing Rules 7.1 and 7.1A – 507,217 August Placement Shares were issued utilising the Company's existing capacity under Listing Rule 7.1 and 41,865,665 August Placement Shares were issued utilising the Company's existing capacity under Listing Rule 7.1A.

ASX Listing Rule 7.4

Resolutions 5-8 of this Notice proposes that Shareholders of the Company approve and ratify the prior issue and allotment of the following Shares:

- (a) Resolution 5: 44,444,444 February Placement Shares;
- (b) Resolution 6: 1,482,184 March SPP Shares;
- (c) Resolution 7: 8,633,548 June Consideration Shares; and
- (d) Resolution 8: 42,372,882 August Placement Shares.

All of the February Shares, March SPP Shares and June Consideration Shares were issued by utilising the Company's existing capacity under Listing Rule 7.1.

All of the August Placement Shares were issued by utilising the Company's existing capacity under Listing Rules 7.1 and 7.1A.

Listing Rule 7.1 allows the Board of an ASX listed entity to issue up to 15% of the Company's issued capital in any 12 month period without the approval of the Shareholders of the Company. Separately, the Company sought and obtained Shareholder approval at its 2017 AGM to issue up to a further 10% (in addition to the 15% under Listing Rule 7.1) of the Company's issued capital under Listing Rule 7.1A.

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

The effect of approval of Resolutions 5-8 are to allow the Board of the Company to issue additional securities within the 15% limit under Listing Rule 7.1 after each of the Resolutions are approved by Shareholders of the Company, instead of having to wait 12 months after the respective issue dates (insofar as Listing Rule 7.1 is concerned).

Information required by ASX Listing Rule 7.5

For Resolutions 5-8, the following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The Company issued:
 - (i) 44,444,444 February Placement Shares on 21 February 2018
 - (ii) 1,482,184 March SPP Shares on 21 March 2018
 - (iii) 8,633,548 June Consideration Shares on 8 June 2018
 - (iv) 42,372,882 August Placement Shares on 14 August 2018
- (b) The issue prices of each of the Shares were as follows:
 - (i) February Placement Share: 45 cents
 - (ii) March SPP Shares: 45 cents
 - (iii) June Consideration Shares: 41.9 cents (deemed value)
 - (iv) August Placement Shares: 59 cents
- (c) Each of the February Placement Shares, March SPP Shares, June Consideration Shares and August Placement Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) The allottees of each of the Shares were as follows:
 - (i) February Placement Shares: Institutional, sophisticated and professional investors
 - (ii) March SPP Shares: Eligible Shareholders of the Company whose applications were accepted by the Company
 - (iii) June Consideration Shares: Shareholders of Hyperfish, Inc.
 - (iv) August Placement Shares: Institutional, sophisticated and professional investors
- (e) The use of funds for the prior issue of Shares were as follows:
 - (i) February Placement Shares: to accelerate the Company's investment in sales and marketing to drive customer and revenue growth
 - (ii) March SPP Shares: to accelerate investment in the Company's sales, marketing and

customer success teams to drive customer and revenue growth

- (iii) June Consideration Shares: as part of the consideration to acquire 100% of the issued capital of Hyperfish, Inc.
- (iv) August Placement Shares: to accelerate the Company's investment in direct sales and customer success teams, further development of the Microsoft and partner channels and marketing

Directors' recommendation

The Board of Directors recommend that Shareholders vote for Resolutions 5-8.

Part H: Adoption of Employee Incentive Scheme

Resolution 9 – Adoption of Long Term Incentive Plan

Background

This Resolution seeks Shareholder approval for the Company to adopt an employee incentive scheme entitled the "Long Term Incentive Plan" (**LTIP**).

The LTIP has been designed to allow the Board to make grants of awards under the LTIP (**Awards**) to eligible participants with the purpose of:

- (a) attracting, motivating and retaining eligible participants;
- (b) delivering rewards to eligible participants for individual and Company performance; and
- (c) aligning the interests of eligible participants with those of Shareholders of the Company.

A summary of the key terms of the LTIP is set out in Annexure A, and a copy of the rules of the LTIP is available upon request from the Company.

ASX Listing Rules

Shareholder approval of the LTIP is sought for all purposes under the Corporations Act and the ASX Listing Rules, including ASX Listing Rule 7.2 (exception 9(b)), so that Shares issued in accordance with the LTIP will be excluded from the calculation of the maximum number of new shares that can be issued by the Company in any 12 month period (currently 15% of shares previously on issue) for a period of three years from the date of approval.

If this Resolution is approved by Shareholders, it will have the effect of enabling the securities issued by the Company under the LTIP to be automatically excluded from the formula to calculate the number of securities which the Company may issue in any 12 month period under Listing Rule 7.1 (the 15% placement capacity) during the next three-year period.

The Company advises that approval for the LTIP has not previously been sought from Shareholders under ASX Listing Rule 7.2 (exception 9(b)), accordingly, this would be the first time that the Company has sought approval for the LTIP for the purposes of ASX Listing Rule 7.2 (exception 9(b)).

Employee loans

Pursuant to the terms of the LTIP, the Board may, in its discretion, allow the Company to advance a loan to a participant to facilitate the exercise of an Award, on any terms and conditions that the Board decides.

Permit the Company to take security over its own Shares

Section 259B(1) of the Corporations Act prohibits a company taking security over shares in itself or in a company that controls it, unless one of the exceptions in subsections 259B(2) or 259(3) applies. Section 259(2) of the Corporations Act permits the taking of security by a Company over its own Shares, if the security is taken over shares issued under an employee share scheme approved at a meeting of shareholders via an Ordinary Resolution.

Employee share scheme is defined widely by the Corporations Act and includes the LTIP.

Accordingly, Shareholder approval is being sought under this Resolution to approve the LTIP in order for the Company to take security over its own Awards issued under the LTIP if required to do so.

Exemption for financial assistance

Section 260A of the Corporations Act provides that a company may financially assist a person to acquire shares in the company or a holding company of the company only if:

- (a) giving of the assistance does not materially prejudice the interests of the company or its shareholders, or the company's ability to pay its creditors;
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

Section 260C(4) of the Corporations Act provides an exemption to financial assistance, if the financial assistance is given under an employee share scheme approved at a meeting of shareholders via an Ordinary Resolution.

As noted above and set out in Annexure A, the terms of the LTIP envisages the giving of financial assistance by the Company to a participant to facilitate the exercise of an Award, on any terms and conditions that the Board decides.

Although the Board does not consider that the giving of financial benefit under the LTIP will materially prejudice the interests of the company or its shareholders, or the company's ability to pay its creditors, Shareholder approval is being sought under this Resolution to enable the Company to qualify for the special exemption offered by section 260C(4) of the Corporations Act.

Directors Recommendation

The Board of Directors recommend that Shareholders vote for this Resolution.

Part F: Renewal of Provisions in Constitution

Resolution 10 – Renewal of Provisions in Constitution

The Company's current constitution was adopted on 30 July 2015.

The Company wishes to renew the proportional takeovers provisions in its current Constitution.

Further details in relation to this renewal are set out as follows:

Renewal of proportional takeover provisions

The Company's Constitution contains provisions concerning "Partial Takeover Plebiscites" in clause 36 (**Proportional Takeover Provisions**). The Proportional Takeover Provisions provide that the Company can refuse to register Shares acquired under a proportional takeover bid unless an approving resolution is passed by Shareholders.

Section 648G(1) of the Corporations Act provides that a company's proportional takeover provisions will cease to have effect at the end of three years from the date of adoption (or renewal, as the case may be). Clause 36 of the Company's Constitution was adopted by on 30 July 2015. The Company accordingly seeks the Shareholder approval of this Resolution for the renewal of the Proportional Takeover Provisions, which, for the purposes of the Corporations Act, requires the same process to amend or adopt a new constitution for the purposes of 136(2) of the Corporations Act. Shareholder approval will not result in a change to the wording of clause 36 of the Company's current Constitution.

The following information is provided for the purposes of Section 648G of the Corporations Act.

Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of the Shareholder's Shares. If a Shareholder accepts, in full, an offer under a proportional takeover bid, the Shareholder will only dispose of a specified portion of their Shares in the Company and retain the balance of the Shares.

The Proportional Takeover Provisions are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company by providing, in the Constitution, that:

- (a) in the event of a proportional takeover bid being made for Shares in the Company, Shareholders are required to vote and collectively decide whether to accept or reject the offer; and
- (b) the majority decision of the Company's members will be binding on all Shareholders.

Effect of the proposed provisions

Where offers have been made under a proportional takeover bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional takeover bid is prohibited unless and until a resolution to approve the proportional takeover bid is passed by Shareholders or otherwise, as pursuant to the terms of the Proportional Takeover Provisions.

In more detail, the effect of the Proportional Takeover Provisions is as follows:

- (a) if a proportional takeover bid is made for Securities of the Company, the Directors must ensure that a meeting of Shareholders is convened to vote on a resolution to approve that bid;
- (b) the bidder and persons associated with the bidder may not vote;
- (c) approval of the bid will require a simple majority of the votes cast;

- (d) the meeting must take place more than 14 days before the last day of the bid period (**Resolution Deadline**);
- (e) if the resolution is rejected before the Resolution Deadline, the bid cannot proceed and any transfers giving effect to takeover contracts for the bid will not be registered;
- (f) the bid will be taken to have been approved if, as at the end of the day before the Resolution Deadline, the resolution has not been voted on;
- (g) if the resolution is approved, the transfers must be registered (subject to other provisions of the Corporations Act and the Constitution); and
- (h) the Directors will breach the Corporations Act if they fail to ensure the resolution is voted on. However, the bid will still be taken to have been approved if it is not voted on within the Resolution Deadline.

The Proportional Takeover Provisions do not apply to full takeover bids. If the Proportional Takeover Provisions are renewed, they will cease to apply at the end of three years after renewal unless renewed by a Special Resolution of Shareholders.

Reasons for the proposed provisions

In the absence of the Proportional Takeover Provisions, a proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders could be exposed to the risks of passing control to the bidder without payment of an adequate control premium for all their Shares and being left with a minority interest in the Company. Such Shareholders could suffer potential further loss if the takeover bid were to cause a decrease in the Share price or otherwise make the Shares less attractive and, therefore, more difficult to sell.

Knowledge of any acquisition proposals

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

Advantages and disadvantages during the period in which they have been in effect

The Directors consider that the Proportional Takeover Provisions had no advantages or disadvantages for them during the period in which they have been in effect.

The advantages and disadvantages of the Proportional Takeover Provisions for Shareholders include those set out below, which were applicable during the period in which they have been in effect.

Potential advantages and disadvantages

The renewal of the Proportional Takeover Provisions will enable the Directors to formally ascertain the views of the Shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that the Proportional Takeover Provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the Proportional Takeover Provisions for Shareholders include:

- (a) providing the right to discuss, in a meeting called specifically for that purpose, and then decide, by majority vote, whether an offer under a proportional takeover bid should proceed;
- (b) assisting the prevention of Shareholders being locked in as a minority;

- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced;
- (d) potentially increasing the likelihood of a full takeover bid rather than a proportional takeover bid; and/or
- (e) enabling individual Shareholders to better assess the likely outcome of the proportional takeover bid, by knowing the view of the majority of Shareholders, which may assist in deciding whether to accept or reject an offer under the bid;

The potential disadvantages of the Proportional Takeover Provisions for Shareholders include:

- (a) imposing a hurdle to, and potentially discouraging the making of, provisional takeover bids which, in turn, may reduce any takeover speculation element in the price of Shares;
- (b) potentially reducing the likelihood of success of a proportional takeover bid;
- (c) possible reduction or loss of opportunities for Shareholders sell some or all of their Shares at a premium; and/or
- (d) potentially causing some Shareholders to form the view that the Proportional Takeover Provisions impose an unreasonable restriction on their ability to freely deal with their Shares.

Accordingly, the Company has prepared an updated Constitution (**New Constitution**) which renews clause 36, which prescribes the procedure to be followed when a proportional off-market bid is made.

Prior to the Meeting, a copy of the New Constitution is available for review by Shareholders at the Company's registered office during normal business hours. A copy of the New Constitution can also be sent to Shareholders of the Company upon a request being made to the Company Secretary on (02) 8072 1400.

A complete signed copy of the New Constitution will be tabled at the Meeting.

Pursuant to section 136(2) of the Corporations Act, a modification to the Company's Constitution (which includes renewal of the Proportional Takeover Provisions) can only be effected by way of a Special Resolution passed by its Shareholders. Therefore, this Resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on this Resolution are voted in its favour.

Professional Advice

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from a solicitor or other professional advisor.

Directors' Recommendation

The Board of Directors recommend Shareholders vote for this Resolution.

Enquiries

Shareholders are asked to contact the Company's Share Registry on 1300 554 474 if they have any queries in respect of the matters set out in these documents

Glossary

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Annual Financial Report means the 2018 Annual Report to Shareholders for the period ended 30 June 2018 as lodged by the Company with ASX on 8 October 2018.

Annual General Meeting or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

ASIC means Australian Securities and Investment Commission.

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Auditor's Report means the auditor's report of BDO East Coast Partnership dated 27 August 2018 as included in the Annual Financial Report.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of 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 dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

Company means LiveTiles Limited ACN 066 139 991.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Directors' Report means the report of Directors as included in the Annual Financial Report.

Dollar or "\$" means Australian dollars.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

KMP means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting

dated 16 October 2018 including the Explanatory Statement.

Option means an option to acquire a Share.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Proxy Form means the proxy form attached to this Notice of Meeting.

Remuneration Report means the remuneration report as set out in the Annual Financial Report.

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

Restricted Voter means a member of the Company's KMP and any Closely Related Parties of those members.

Securities mean Shares and/or Options (as the context requires).

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

Shareholder means a holder of a Share.

Share Registry means Link Market Services Limited.

Special Resolution means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Spill Meeting means the meeting that will be convened within 90 days of the 2019 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2019 AGM.

Spill Resolution means the resolution required to be put to Shareholders at the 2019 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2019 AGM.

Trading Day has the meaning given to that term in ASX Listing Rule 19.12.

VWAP means the volume weighted average market (closing) price, with respects to the price of Shares.

Annexures

Annexure A – Summary of Long Term Incentive Plan

The Company intends to adopt the LTIP to assist in the reward, retention and motivation of the Company's Directors, senior management and other employees.

Under the rules of the LTIP, the Board has a discretion to offer any of the following awards to employees:

- performance rights to acquire Shares; and/or
- options to acquire Shares,

in each case subject to vesting conditions and/or performance hurdles (collectively, the **Awards**).

The terms and conditions of the LTIP are set out in comprehensive rules. A summary of the rules of the LTIP is set out below:

- The LTIP is open to any employee of the Company, including any executive director, as determined by the Board. Participation is voluntary.
- The Board may determine the type, number and value of Awards to be issued under the LTIP to each participant and other terms of the issue of the Awards, including:
 - the amount payable (if any) upon the grant of Awards;
 - any conditions, including performance and/or service conditions, which must be met by a participant in order for an Award to vest;
 - the period during which a vested Award may be exercised and the manner of exercise;
 - whether Awards may be settled by a Cash Equivalent Value or Share Equivalent Number;
 - any trading restrictions applying to any Shares allocated following the exercise of Awards; and
 - the time and circumstances when Awards will lapse.
- The Board may, in its discretion, allow the Company to advance a loan to a participant to facilitate the exercise of an Award, on any terms and conditions that the Board decides.
- When the Board, in its discretion, determines that any relevant vesting conditions have been satisfied, the Board will notify participants of the extent to which Awards will vest, or have vested and become exercisable.
- Each vested option and performance right enables the participant to be issued, or to be transferred, one Share upon exercise, subject to the rules governing the LTIP and the terms of any particular offer.
- Participants who have been allocated Awards, until those Awards have vested and (if applicable) have been exercised in accordance with the rules of the LTIP, are not permitted to participate in new issues of securities by the Company but adjustments may be made to the exercise price (if applicable) and/or the number of Awards to which each participant is entitled to take into account changes in the capital structure of the Company that occur by way of pro-rata and bonus issues in accordance with the rules of the LTIP and the ASX Listing Rules. If there is a reorganisation (including consolidation, subdivision, reduction, return or special dividend) of capital, the rights of each Participant who has been allocated Awards will be adjusted in the manner required by the ASX Listing Rules applying at the time of reorganisation.
- The Board may delegate the exercise of any of its powers or discretions under the LTIP to any person for the period and on the terms that it decides.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

LiveTiles 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

LODGE 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 **11:00am (AEDT) on Tuesday, 13 November 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

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, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares 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 shareholder 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 Resolutions are 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 shares 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 shares 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 share 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 shares 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 shareholder 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 share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL 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



X99999999999

PROXY FORM

I/We being a member(s) of LiveTiles 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 Annual General Meeting of the Company to be held at **11:00am (AEDT) on Thursday, 15 November 2018 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 and 9: 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 Resolutions 1 and 9, even though the Resolutions are 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 Adoption of remuneration report	☐	☐	☐	9 Adoption of Long Term Incentive Plan	☐	☐	☐
2 Re-election of Matthew Brown as Director	☐	☐	☐	10 Renewal of Proportional Takeover Provisions	☐	☐	☐
3 Re-election of David Lemphers as Director	☐	☐	☐				
4 ASX Listing Rule 7.1A Approval of Future Issue of Securities	☐	☐	☐				
5 Ratification of Prior Issue of Equity Securities	☐	☐	☐				
6 Ratification of Prior Issue of Equity Securities	☐	☐	☐				
7 Ratification of Prior Issue of Equity Securities	☐	☐	☐				
8 Ratification of Prior Issue of Equity Securities	☐	☐	☐				



* 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 SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder'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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