

ASX Announcement

31 May 2019

Terms of Employment and Appendix 3X for Mr Andrew Grover

Veriluma Limited (ASX: VRI, Veriluma or Company), one of Australia's leading Artificial Intelligence companies providing prescriptive analytics software solutions, refers to the appointment of Mr Andrew Grover as Executive Chairman. The material terms of Mr Grover's employment are detailed below.

- **Salary** – \$120,000 per annum, exclusive of superannuation.
 - Subject to shareholder approval being obtained, the Company will issue 40,000,000 fully paid ordinary shares at a deemed issue price of \$0.003 to Mr Grover (or his nominee/s) in lieu of cash payments for his director's remuneration (excluding superannuation) for the financial year ending 30 June 2020. The Company intends to seek approval at its next general meeting of shareholders to issue these shares after the remuneration liability has accrued.
- **Securities** – subject to shareholder approval, and in addition to the above proposed issue of shares in lieu of payment of his director's remuneration, it is proposed to issue the following securities to Mr Grover (or his nominee/s) as part of his remuneration.
 - 30,000,000 options exercisable at \$0.004 on or before 30 June 2022.
 - 30,000,000 options exercisable at \$0.008 on or before 30 June 2023.
 - 25,000,000 performance shares convertible into shares if the Company's 30 trading day VWAP of shares traded on ASX is not less than \$0.008 on or before 3 years after the date of issue.
 - 25,000,000 performance shares convertible into shares if the Company's 30 trading day VWAP of shares traded on ASX is not less than \$0.012 on or before 3 years after the date of issue.
- **Notice** – either party may terminate Mr Grover's employment on one (1) months' notice, unless agreed otherwise.

An Appendix 3X Initial Director's Interest Notice for Mr Grover is attached.

For more information, please contact

investor@veriluma.com

VERILUMA LIMITED

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About Veriluma

Veriluma has developed and patented an advanced algorithmic approach to deliver decisive insight to decision makers. Veriluma's software, Intelfuze, augments the available data and human knowledge with artificial speed and unbiased accuracy. Intelfuze is a form of advanced, forward-looking analytics, which provides assessments about future outcomes and a preferred course of action. Originally developed for the Australian Defence Intelligence Organisation, Veriluma's software provides a rapid and accurate assessment about situations of national interest.

In complex decision making situations, the ability to comprehensively manage incomplete or uncertain inputs is highly valuable for businesses, governments and individuals. Orbis Research estimates that the Artificial Intelligence/Prescriptive Analytics market is currently worth US\$4.6b, and will grow at a CAGR of 22%, to reach an estimated US\$20b by 2020. Currently, 10% of organisations have some form of prescriptive analytics and this is expected to grow to 35% by 2020. ¹Source: Gartner Forecast Snapshot: Prescriptive Analytics, Worldwide, 2016; 5 February 2016.

Veriluma's software has wide application across multiple industries including banking and financial services, insurance, defence and national security, legal and health.

www.veriluma.com

Appendix 3X

Initial Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	Veriluma Limited
ABN	48 142 901 353

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Mr Andrew Grover
Date of appointment	24 May 2019

Part 1 - Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities
Nil
A22 Pty Ltd, a company wholly owned and controlled by Mrs Robyn Grover, whose husband is Mr Andrew Grover, directly holds 16,666,667 fully paid ordinary shares. Mr Andrew Grover has no relevant interest in the shares held by A22 Pty Ltd, and this disclosure is made in the interest of good corporate governance practices.

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest Note: Provide details of the circumstances giving rise to the relevant interest.	Number & class of Securities
N/A	Nil

Appendix 3X

Initial Director's Interest Notice

Part 3 – Director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of “notifiable interest of a director” should be disclosed in this part.

Detail of contract	Employment as Executive Chairman
Nature of interest	Direct
Name of registered holder (if issued securities)	N/A
No. and class of securities to which interest relates	<p>Subject to the receipt of shareholder approval, Mr Grover (or his nominee/s) will be issued the following securities as part of his remuneration.</p> <ul style="list-style-type: none">• 40,000,000 fully paid ordinary shares at a deemed issue price of \$0.003 in lieu of cash payments for his director's remuneration (\$120,000 excluding superannuation) for the financial year ending 30 June 2020. The Company intends to issue these shares after the remuneration liability has accrued.• 30,000,000 options exercisable at \$0.004 on or before 30 June 2022.• 30,000,000 options exercisable at \$0.008 on or before 30 June 2023.• 25,000,000 performance shares convertible into shares if the Company's 30 trading day VWAP of shares traded on ASX is not less than \$0.008 on or before 3 years after the date of issue.• 25,000,000 performance shares convertible into shares if the Company's 30 trading day VWAP of shares traded on ASX is not less than \$0.012 on or before 3 years after the date of issue.

+ See chapter 19 for defined terms.