

Veriluma Limited
ACN 142 901 353

Notice of Annual General Meeting

Notice is given that the Meeting will be held at:

Time: 10:00am AEST
Date: 9 August 2019
Place: KPMG
Level 38, Tower Three, 300 Barangaroo Avenue
Sydney NSW 2000

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 7:00pm AEST on 7 August 2019.

Business of the Meeting

Agenda

1. Financial Statements and Reports

To table and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2018, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

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

"That, for the purposes 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 Annual 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 Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Election of Director – Steve Formica

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

"That, for the purposes of clause 11.11 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Steve Formica, a Director who was appointed as an additional Director on 2 July 2018, retires, and being eligible, is elected as a Director."

4. Resolution 3 – Election of Director – Andrew Grover

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

"That, for the purposes of clause 11.11 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Andrew Grover, a Director who was appointed as an additional Director on 24 May 2019, retires, and being eligible, is elected as a Director."

5. Resolution 4 – Re-election of Director – Arunava Sengupta

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

“That, for the purposes of clause 11.3 of the Constitution, and for all other purposes, Arunava Sengupta, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

6. Resolution 5 – Ratification of prior issue of Shares under ASX Listing Rule 7.1

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 prior issue of 17,334,626 Shares 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.

7. Resolution 6 – Ratification of prior issue of Shares and Advisor Options under ASX Listing Rule 7.1

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 prior issue of 10,000,000 Shares and 20,000,000 Advisor Options 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.

8. Resolution 7 – Approval to issue Convertible Notes

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 7.1 and for all other purposes, approval is given for the issue of Convertible Notes in the Company, 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 any 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 entity) 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.

9. Resolution 8 – Consolidation of capital

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

"That, pursuant to section 254H of the Corporations Act, ASX Listing Rules 7.20, 7.21 and 7.22.1 and for all other purposes, all Securities be consolidated at a ratio of 10:1 and where this Consolidation results in a fraction of a Security being held, the Company be authorised to round that fraction up to the nearest whole Security."

10. Resolution 9 – Issue of Shares – Capital Raising

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

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 1,800,000,000 Shares at \$0.003 per Share (on a pre-Consolidation basis) or up to 180,000,000 Shares at \$0.03 per Share (on a post-Consolidation basis) to raise up to approximately \$5,400,000 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 any 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 entity) 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.

11. Resolution 10 – Related party participation in Capital Raising – Andrew Grover

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 10.11 and for all other purposes, approval is given for the Company to issue up to 116,666,666 Shares (on a pre-Consolidation basis) or up to 11,666,666 Shares at \$0.03 per Share (on a post-Consolidation basis) to Andrew Grover (or his nominee/s) under the Capital Raising on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by Andrew Grover (and his nominee/s) or any of their associates. 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.

12. Resolution 11 – Related party participation in Capital Raising – Steve Formica

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 10.11 and for all other purposes, approval is given for the Company to issue up to 41,666,667 Shares at \$0.003 per Share (on a pre-Consolidation basis) or up to 4,166,667 Shares at \$0.03 per Share (on a post-Consolidation basis) to Steve Formica."

Formica (or his nominee/s) under the Capital Raising on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour this Resolution by Steve Formica (and his nominee/s) or any of their associates. 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.

13. Resolution 12 – Related party participation in Capital Raising – relative of Steve Formica

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 10.11 and for all other purposes, approval is given for the Company to issue up to 8,333,333 Shares at \$0.003 per Share (on a pre-Consolidation basis) or up to 833,333 Shares at \$0.03 per Share (on a post-Consolidation basis) to TJF Investments Pty Ltd as trustee for Tyler Formica Family Trust, an entity controlled by the son of Steve Formica) (or its nominee/s) under the Capital Raising on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour this Resolution by TJF Investments Pty Ltd as trustee for Tyler Formica Family Trust (and its nominee/s) or any of their associates. 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.

14. Resolution 13 – Related party participation in Capital Raising – relative of Steve Formica

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 10.11 and for all other purposes, approval is given for the Company to issue up to 8,333,333 Shares at \$0.003 per Share (on a pre-Consolidation basis) or up to 833,333 Shares at \$0.03 per Share (on a post-Consolidation basis) to Fallon Formica, daughter of Steve Formica, (or her nominee/s) under the Capital Raising on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour this Resolution by Fallon Formica (and his nominee/s) or any of their associates. 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.

15. Resolution 14 – Issue of Options – Placement

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 520,000,000 Placement Options (on a pre-Consolidation basis) or up to 52,000,000 Placement Options (on a post-Consolidation basis) 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 any 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 entity) 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.

16. Resolution 15 – Issue of Options to related party – Elizabeth Whitelock

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

“That, for the purposes of section 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 20,000,000 Class A Related Party Options and 20,000,000 Class B Related Party Options (on a pre-Consolidation basis) or 2,000,000 Class A Related Party Options and 2,000,000 Class B Related Party Options (on a post-Consolidation basis) to Elizabeth Whitelock (or her nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by or on behalf of Elizabeth Whitelock (or her nominee) and any of their associates (**Resolution 15 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 15 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: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 15 Excluded Party, this prohibition does not apply if the proxy is the Chair and 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.

17. Resolution 16 – Issue of Options to related party – Andrew Grover

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

“That, for the purposes of section 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 30,000,000 Class A Related Party Options and 30,000,000 Class B Related Party Options (on a pre-Consolidation basis) or 3,000,000 Class A Related Party Options and 3,000,000 Class B Related Party Options to Andrew Grover (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by or on behalf of Andrew Grover (or his nominee) and any of their associates (**Resolution 16 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 16 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: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 16 Excluded Party, this prohibition does not apply if the proxy is the Chair and 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.

18. Resolution 17 – Issue of Options to related party – Steve Formica

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

“That, for the purposes of section 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 20,000,000 Class A Related Party Options and 20,000,000 Class B Related Party Options (on a pre-Consolidation basis) or 2,000,000 Class A Related Party Options and 2,000,000 Class B Related Party Options (on a post-Consolidation basis) to Steve Formica (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by or on behalf of Steve Formica (or his nominee) and any of their associates (**Resolution 17 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 17 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: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 17 Excluded Party, this prohibition does not apply if the proxy is the Chair and 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.

19. Resolution 18 – Issue of Options to related party – Arun Sengupta

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

“That, for the purposes of section 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 20,000,000 Class A Related Party Options and 20,000,000 Class B Related Party Options (on a pre-Consolidation basis) or 2,000,000 Class A Related Party Options and 2,000,000 Class B Related Party Options (on a post-Consolidation basis) to Arun Sengupta (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by or on behalf of Arun Sengupta (or his nominee) and any of their associates (**Resolution 18 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 18 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: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 18 Excluded Party, this prohibition does not apply if the proxy is the Chair and 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.

20. Resolution 19 – Issue of Performance Shares to related party – Elizabeth Whitelock

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 10.11 and for all other purposes, approval is given for the Company to issue 50,000,000 Performance Shares (on a pre-Consolidation basis) or up

to 5,000,000 Performance Shares (on a post-Consolidation basis) to Elizabeth Whitelock (or her nominee/s) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour this Resolution by Elizabeth Whitelock (and her nominee/s) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, this prohibition does not apply if the proxy is the Chair and 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.

21. Resolution 20 – Issue of Performance Shares to related party – Andrew Grover

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 10.11 and for all other purposes, approval is given for the Company to issue up to 50,000,000 Performance Shares (on a pre-Consolidation basis) or up to 5,000,000 Performance Shares (on a post-Consolidation basis) to Andrew Grover (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour this Resolution by Andrew Grover (and his nominee/s) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, this prohibition does not apply if the proxy is the Chair and 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.

22. Resolution 21 – Approval to issue Shares to Steve Formica in lieu of directors’ fees

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 10.11 and for all other purposes, approval is given for the Company to issue 3,333,334 Shares (on a pre-Consolidation basis) or 333,334 Shares (on a post-Consolidation basis) to Steve Formica (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by Steve Formica (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, this prohibition does not apply if the proxy is the Chair and 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.

23. **Resolution 22 – Approval to issue Shares to Arunava Sengupta in lieu of directors’ fees**

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 10.11 and for all other purposes, approval is given for the Company to issue 4,368,000 Shares (on a pre-Consolidation basis) or 436,800 Shares (on a post-Consolidation basis) to Arunava Sengupta (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by Arunava Sengupta (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, this prohibition does not apply if the proxy is the Chair and 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.

24. **Resolution 23 – Approval to issue Shares to John Welsh in lieu of directors’ fees**

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 10.11 and for all other purposes, approval is given for the Company to issue 4,000,000 Shares (on a pre-Consolidation basis) or 400,000 Shares (on a post-Consolidation basis) to John Welsh (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by John Welsh (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, this prohibition does not apply if the proxy is the Chair and 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.

25. **Resolution 24 – Approval to issue Shares to Andrew Grover in lieu of directors’ fees**

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 10.11 and for all other purposes, approval is given for the Company to issue 40,000,000 Shares (on a pre-Consolidation basis) or 4,000,000 Shares

(on a post-Consolidation basis) to Andrew Grover (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by Andrew Grover (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, this prohibition does not apply if the proxy is the Chair and 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.

26. Resolution 25 – Enable the issue of Options under an Employee Incentive Scheme – Incentive Option Plan

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 7.2 (Exception 9(b)) and for all other purposes, approval is given to enable the Company to issue Options under the employee incentive scheme titled Incentive Option Plan, on the terms and conditions set out in the Explanatory Statement.”

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

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, this prohibition does not apply if the proxy is the Chair and 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.

27. Resolution 26 – Replacement of Constitution

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

“That, in accordance with sections 136(2) and 136(1)(b) of the Corporations Act, and for all other purposes, approval be given for the repeal of the Company’s existing Constitution and adoption of the Proposed Constitution as the Constitution of the Company.”

28. Resolution 27 – Approval of 10% Placement Capacity

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities totalling 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.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the issue of Equity

Securities under this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their associates. However, the Company will not disregard a vote cast in favour of this Resolution 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.

Dated: 25 June 2019

By order of the Board

Andrew Grover
Chairman

Voting in person

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

Voting by proxy

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:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) 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:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) 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 on +61 2 9146 4742.

Explanatory Statement

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.

1. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. The Company will not provide a hard copy of the Annual Report to Shareholders unless specifically requested to do so. The Annual Report is available on its website at www.veriluma.com.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Annual Report and the management of the Company. Shareholders will also be given an opportunity to ask the auditor questions as permitted by the Corporations Act.

2. Resolution 1 – Adoption of Remuneration Report

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

The vote on Resolution 1 is advisory only and does not bind the Company or its directors. However, the Board will actively consider the outcome of the vote and comments made by Shareholders on the Remuneration Report when reviewing the Company's future remuneration policies and practices.

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. Resolution 2 – Election of Director – Steve Formica

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Steve Formica, having been appointed by other Directors on 2 July 2018 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

Mr Formica brings to the Company practical management and business development experience. He has been a successful businessman and operations manager for over 30 years in a number of privately held business ventures including manufacturing, construction, landscape contracting, property development, and integrated wholesale and retail businesses.

More recently he has been a successful investor and non- executive director in mineral resource companies. Mr Formica is currently a non- executive director of ASX-listed companies High Grade Metals Limited (ASX: HGM) Bowen Coking Coal Limited (ASX: BCB) and Lindian Resources Limited (ASX: LIN).

3.3 Independence

Mr Formica has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the Board considers Mr Formica will be an independent director.

3.4 Board recommendation

The Board supports the re-election of Mr Formica and recommends that Shareholders vote in favour of Resolution 2.

4. Resolution 3 – Election of Director – Andrew Grover

4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but

shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Andrew Grover, having been appointed by other Directors on 24 May 2019 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

4.2 Qualifications and other material directorships

Andrew has 25 years' experience in management, business development, sales & marketing, administration and technology across a diverse range of industries.

As a founder and investor in numerous innovative companies, Andrew's businesses have been featured in BRW fast 100 and Deloitte's Fast 50 over several years. Andrew has had several successful exits and has consulted to medium and top 100 companies.

Andrew was CEO of a subsidiary of an ASX listed company in 2008 – 2011.

4.3 Independence

If elected the Board does not consider Mr Grover will be an independent director given that he has been appointed Executive Chairman of the Company.

4.4 Board recommendation

The Board supports the re-election of Mr Grover and recommends that Shareholders vote in favour of Resolution 3.

5. Resolution 4 – Re-election of Director – Arunava Sengupta

5.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Arunava Sengupta, who has served as a Director since 12 March 2018 and was last re-elected on 8 June 2018, retires by rotation and seeks re-election.

5.2 Qualifications and other material directorships

Mr Sengupta has over 30 years' experience working in the financial markets, private equity and corporate finance sector. He started his career in 1987 working in Treasury at Westpac Banking Corporation before starting his own trading business in 1992.

5.3 Independence

If elected the Board considers Mr Sengupta will not be an independent director given that he is an executive director of Canary Capital, which is a corporate adviser to the Company and proponent of the Joint Deed of Company Arrangement executed by the Company and Veriluma Software Pty Ltd entered into on 12 March 2018 and wholly effectuated on 28 June 2018.

5.4 Board recommendation

The Board supports the re-election of Mr Sengupta and recommends that Shareholders vote in favour of Resolution 4.

6. Resolution 5 – Ratification of prior issue of Shares

6.1 General

On 22 November 2018, the Company issued 17,334,626 Shares at an issue price of \$0.003 per Share to raise approximately \$52,000.

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

6.2 ASX Listing Rules 7.1 and 7.4

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 this issue, 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.

6.3 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 Resolution 5:

- (a) 17,334,626 Shares were issued;
- (b) the issue price was \$0.003 per Share;
- (c) the Shares issued were 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 various sophisticated and professional investors introduced by Canary Capital Pty Limited; and
- (e) the funds raised from the issue were used together with funds raised from the issue in July 2018, to enable the Company to satisfy an obligation under the Joint Deed of Company Arrangement executed by the Company and Veriluma Software Pty Ltd entered into on 12 March 2018 and wholly effectuated on 28 June 2018 and to provide funds for the Company to continue to trade and enable it to execute on the commercialisation of its product development programmes, specifically the advancement of the prescriptive analytic technology.

7. Resolution 6 – Ratification of prior issue of Shares and Advisor Options

7.1 General

On 4 April 2019, the Company issued a total of 10,000,000 Shares and 20,000,000 Options (**Advisor Options**) to King Corporate Pty Ltd (ACN 626 031892) (**King Corporate**) and Redirv Investments Pty Ltd <Redirv Investment A/C> (**Redirv**) (nominee of King Corporate) as consideration for services provided by King Corporate pursuant to a corporate advisory mandate.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares and Advisor Options.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 6.2.

By ratifying this issue, 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.

7.2 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 Resolution 6:

- (a) a total of 10,000,000 Shares and 20,000,000 Advisor Options were issued;
- (b) the deemed issue price was \$0.003 per Share;
- (c) the Advisor Options were issued for nil cash consideration as the consideration was for services provided by King Corporate pursuant to a corporate advisory mandate;
- (d) the Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Advisor Options were issued on the terms and conditions set out in Schedule 1;
- (f) 5,000,000 Shares and 10,000,000 Advisor Options were issued to each of King Corporate and Redirv (nominee of King Corporate), none of whom are related parties of the Company;
- (g) no funds were raised from the issue of the Shares and Advisor Options as they were issued as consideration for services provided by King Corporate pursuant to a corporate advisory mandate.

8. Resolution 7 – Approval to issue Convertible Notes

8.1 General

As announced on 2 April 2019, the Company has obtained commitments for an aggregate of \$500,000 financing by way of a convertible note facility (**Facility**).

Resolution 7 seeks Shareholder approval for the issue of up to 500,000 convertible notes (**Convertible Notes**) to sophisticated and professional investors (**Noteholders**) in relation to the Facility.

Each Convertible Note is convertible into Shares at any time prior to 28 March 2020 at a conversion price equal to the higher of \$0.002 (on a pre-Consolidation basis) or 80% of the volume weighted average price of Shares on ASX immediately prior to the date the Noteholder gives written notice (**Conversion Notice**) of conversion of the Convertible Notes (**Conversion Price**). Each Share issued upon conversion of a Convertible Note will be issued together with one free attaching Option (**Noteholder Options**) for every two Shares issued. The terms and conditions of the Convertible Notes are set out in Schedule 2.

As at 25 June 2019 the Company had drawn down \$430,000 under the Facility.

Notes issued in respect of funds received prior to Shareholder approval of Resolution 7 are loan notes only (i.e. not convertible) and are to be exchanged for convertible notes on that shareholder approval being obtained.

A summary of ASX Listing Rule 7.1 is set out in Section 6.2.

The effect of Resolution 7 will be to allow the Company to issue the Convertible Notes to unrelated parties pursuant to the Facility during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity. Resolution 7 will also allow the Company to issue the Shares and Options on conversion of the Convertible Notes without using the Company's 15% annual placement capacity.

8.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Convertible Notes under the Facility:

- (a) the maximum number of Convertible Notes to be issued is 500,000. The maximum number of Shares and Noteholder Options to be issued upon conversion of the Convertible Notes will be 275,000,000 and 137,500,000 respectively (on a pre-Consolidation basis) or 27,500,000 and 13,750,000 respectively (on a post-Consolidation basis). The final number of Shares and Noteholder Options to be issued will depend on the Conversion Price;
- (b) the Convertible Notes will be issued no later than 3 months 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 Convertible Notes will occur progressively as funds are drawn down under the Facility (or immediately following Shareholder approval for funds that have been drawn down before the date of the Meeting);
- (c) the issue price per Convertible Note will be \$1.00 and for those Convertible Notes issued in exchange for loan notes as funds have been advanced to the Company prior to the Meeting the deemed issue price will be \$1.00. The Shares to be issued upon conversion of each Convertible Note will be issued at the Conversion Price. The Noteholder Options will be issued free attaching with the Shares on a 1:2 basis;
- (d) the Convertible Notes will be issued to several sophisticated and professional investors. None of these subscribers are related parties of the Company;
- (e) the Convertible Notes will be issued on the terms and conditions set out in Schedule 2. The Shares to be issued on conversion of the Convertible Notes will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Noteholder Options to be issued on conversion of the Convertible Notes will be issued on the terms and conditions set out in Schedule 3; and
- (f) funds raised from the issue of the Convertible Notes (combined with the funds already received by the Company for loan notes issued under the Facility) have been and will continue to be used for general working capital.

9. Resolution 8 – Consolidation of capital

9.1 Purpose

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward.

9.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

ASX Listing Rule 7.22.1 provides that, in a consolidation of capital, the number of options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

ASX Listing Rule 7.21 provides that an entity with convertible securities on issue (such as Performance Shares and Convertible Notes) may only reorganise its capital if the number of securities, or the conversion price, or both is reorganised so that the holder of the convertible securities will not receive a benefit that holders of ordinary shares do not receive.

9.3 Fractional entitlements

Not all Security holders will hold that number of Securities (as the case may be) which can be evenly divided by 10. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

9.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

9.5 Holding statements or certificates

From the date two Business Days after the Consolidation is approved by Shareholders, all holding statements or certificates (as applicable) for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements or certificates (as applicable) for Securities to be issued to holders of those Securities.

It is the responsibility of each Security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

9.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure (ignoring the effect of rounding of fractional entitlements on an individual Security holder basis) is set out in the table below which assumes, all Securities contemplated by this Notice are issued (based on the Capital Raising of \$5,400,000) on a pre-Consolidation basis, the Company does not issue any additional Shares whether from a new issue or on conversion of Performance Shares or Convertible Notes, or exercise of Options and no Options expire.

Capital Structure	Shares	Performance Shares	Options ¹	Convertible Notes ²
As at the date of this Notice	741,304,799	30,000,000 ³	21,000,000	-
Issue of Shares under the Capital Raising (Resolutions 9 to 13)	1,800,000,000	-	-	-
Issue of Placement Options (Resolution 14)	-	-	520,000,000 ⁴	-
Issue of Related Party Options (Resolutions 15 to 18)	-	-	180,000,000 ⁵	-
Issue of Performance Shares (Resolutions 19 and 20)	-	100,000,000 ⁶	-	-
Issue of Shares in lieu of Directors' Fees (Resolutions 21 to 24)	51,701,334			
Issue of Convertible Notes (Resolution 7)	-	-	-	500,000
<i>Sub-total</i>	2,593,006,133	130,000,000	721,000,000	500,000
Post 10:1 Consolidation of Securities (Resolution 8)	259,300,613	13,000,000	72,100,000	-
Completion of all Resolutions	259,300,613	13,000,000	72,100,000	-

Notes:

1. The terms of these Options are set out in the table below.

Pre-Consolidation

Terms	Number
Options exercisable at \$0.1093 on or before 13 July 2019	1,000,000
Options exercisable at \$0.003 on or before 5 April 2022	20,000,000
Options exercisable at \$0.004 on or before 30 June 2022	350,000,000
Options exercisable at \$0.008 on or before 30 June 2023	350,000,000
Total	721,000,000

Post-Consolidation

Terms	Number
Options exercisable at \$1.093 on or before 13 July 2019	100,000
Options exercisable at \$0.03 on or before 5 April 2022	2,000,000
Options exercisable at \$0.04 on or before 30 June 2022	35,000,000
Options exercisable at \$0.08 on or before 30 June 2023	35,000,000
Total	72,100,000

2. The terms and conditions of the Convertible Notes are set out in Schedule 2.
3. Comprising 15,000,000 Class B Performance Shares and 15,000,000 Class C Performance Shares. Each Class B Performance Share converts into one Share on the software business operated by Veriluma Software Pty Ltd (ACN 117 490 785) (**Veriluma Software**) achieving sales revenue of not less than \$3,000,000 on or before 8 September 2019. Each Class C Performance Share converts into one Share on the software business operated by Veriluma Software achieving sales revenue of not less than \$10,000,000 on or before 8 September 2020. Alternatively, where these milestones are not satisfied the entire holding of each holder of Class B Performance Shares and Class C Performance Shares (as applicable) is converted into one Share. The Consolidation will have no effect on the performance hurdles, though the number of Performance Shares on issue will be reduced from 30,000,000 to 3,000,000. The full terms and conditions are set out in Schedule 1 of the Notice of Meeting released to ASX on 10 June 2016.
4. Comprising 260,000,000 Class A Placement Options and 260,000,000 Class B Placement Options. The terms and conditions of the Class A Placement Options are set out in Schedule 4 and the terms and conditions of the Class B Placement Options are set out in Schedule 5.
5. Comprising 90,000,000 Class A Related Party Options and 90,000,000 Class B Related Party Options. The terms and conditions of the Class A Related Party Options are set out in Schedule 4 and the terms and conditions of the Class B Related Party Options are set out in Schedule 5.
6. The terms and conditions of the Performance Shares are set out in Schedule 7.

9.7 Indicative timetable*

If Resolution 8 is passed, the reduction of capital will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

Action	Date
Company announces Consolidation and sends out Notice of Meeting.	8 July 2019
Company tells ASX that Shareholders have approved the Consolidation.	9 August 2019 / Day 0
Last day for pre-Consolidation trading.	12 August 2019 / Day 1
Post-Consolidation trading starts on a deferred settlement basis.	13 August 2019 / Day 2
Last day for Company to register transfers on a pre-Consolidation basis.	14 August 2019 / Day 3
First day for Company to send notice to each holder of the change in their details of holdings.	15 August 2019 / Day 4
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	
Change of details of holdings date. Deferred settlement market ends.	21 August 2019 / Day 8
Last day for Securities to be entered into holders' Security holdings.	
Last day for the Company to send notice to each holder of the change in their details of holdings.	

10. Resolution 9 – Issue of Shares – Capital Raising

10.1 General

Resolution 9 seeks Shareholder approval for the issue of up to 1,800,000,000 Shares (on a pre-Consolidation basis) at an issue price of \$0.003 per Share or up to 180,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.03 per Share to raise up to approximately \$5,400,000 (**Capital Raising**). The minimum amount raised by the Company will be that amount necessary for the Company to comply with ASX Listing Rule 12.2 (ie having a financial condition adequate to warrant the continued quotation of its securities and its continued listing) which ASX has advised requires the Company to satisfy the 'assets test' as set out in ASX Listing Rule 1.3.

Resolutions 10 to 13 seek Shareholder approval for participation in the Capital Raising by various related parties of the Company. It is the intention of the Company to raise at least \$4,800,000 and up to a total of \$5,400,000 between issues pursuant to Resolutions 9 to 13, therefore any issues of Shares pursuant to Resolutions 10 to 13 will reduce the total issued pursuant to Resolution 9.

The Company has engaged King Corporate Pty Ltd (**King Corporate**) to assist with the Capital Raising. In consideration for services provided in connection with the Capital Raising, the Company will pay to King Corporate, a capital raising fee of 6% (excluding GST) of the gross proceeds raised under the Capital Raising.

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.

The effect of Resolution 9 will be to allow the Company to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

10.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Capital Raising:

- (a) the maximum number of Shares to be issued is 1,800,000,000 (on a pre-Consolidation basis) or 180,000,000 (on a post-Consolidation basis);
- (b) the Shares will be issued no later than 3 months 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 Shares will occur on the same date;
- (c) the issue price will be \$0.003 per Share (on a pre-Consolidation basis) or \$0.03 per Share (on a post-Consolidation basis);
- (d) the Shares will be issued at the discretion of the Directors to applicants under a disclosure document to be issued by the Company. None of these subscribers will be related parties of the Company (except as detailed in Resolutions 10, 11, 12 and 13);
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Capital Raising as set out in the table below. The below table is a statement of current intentions at the date of this Notice. The actual use of funds may change in response to intervening events or changes in the Company's circumstances. The Board reserves the right to change the way funds raised

from the Capital Raising are used and applied.

Item	Amount (\$5,400,000)
Marketing and sales ¹	\$618,000
Business and product development ²	\$1,400,000
Administration expenses ³	\$1,590,000
Repayment of debt ⁴	\$780,000
Costs of the Capital Raising ⁵	\$324,000
Other general working capital ⁶	\$688,000
Total	\$5,400,000

Notes:

1. The marketing and sales expenditure will be used for outreach and marketing initiatives to target and acquire new clients and partners, including within the government, national security, financial services, automotive and retail sectors.
2. The business & product development expenditure will be used for ongoing development of the Company's patented prescriptive analytics software and new application specific solutions, and to grow the Company's client servicing ability.
3. This amount is the Company's corporate administration expenditure budget for the 24 months following reinstatement of its securities to trading on ASX. This includes wages, director fees, contractor fees, rent and outgoings, insurance, accounting, audit, legal, listing and registry fees, and other items of a general administrative nature.
4. As at the date of this Notice, the Company owes \$520,300 under the Facility (including the drawn down amount and the redemption premium), which includes the applicable redemption amount of the face value of the Convertible Notes. In the event that further amounts are drawn down under the Facility and additional interest accrued and unpaid before completion of the Capital Raising, these amounts will also be repaid out of the proceeds of the Capital Raising, with funds allocated to other general working capital reduced accordingly. This amount also includes the repayment of loans totalling approximately \$247,000 associated with the Joint Deed of Company Arrangement executed by the Company and Veriluma Software Pty Ltd entered into on 12 March 2018 and wholly effectuated on 28 June 2018.
5. The Company has engaged King Corporate to assist with the Capital Raising. In consideration for services provided in connection with the Capital Raising, the Company will pay to King Corporate, a capital raising fee of 6% (excluding GST) of the gross proceeds raised under the Capital Raising.
6. Other general working capital may be used for corporate expenditure items or in connection with any project, investment or acquisition, as determined by the Board at the relevant time.

In the event that the Company raises less than the full subscription under the Capital Raising, the Company will give preference to allocating funds to marketing and sales, followed by business and product development, and then to the other items as the Board sees fit.

The above table is a statement of current intentions as at the date of this Notice. Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including, but not limited to, the success of the Company's marketing and sales and business and product development programs, as well as regulatory developments and economic conditions. In light of this, the Company reserves the right to alter the way the funds are applied.

Assuming no Options are exercised, Convertible Notes converted, Performance Shares converted, or other Shares issued, and the maximum number of Shares as set out above are issued, the number of Shares on issue would increase from 741,304,799 (being the number of Shares on issue as at the date of this Notice) to 2,593,006,133 (each on a pre-Consolidation basis) and the shareholding of existing Shareholders (assuming no participation in the Capital Raising) would be diluted by approximately 71.4%.

10.3 Pro-forma statement of financial position

Set out in Schedule 10 is an unaudited pro-forma statement of financial position of the Company prepared using the audited accounts as at 31 December 2018. The pro-forma statement of financial position shows the effect of the Capital Raising, all issues of securities contemplated by this Notice and debt repayments under the Capital Raising (\$5,400,000).

The unaudited pro-forma statement of financial position has been prepared for illustrative purposes only and gives effect to the transactions described in the notes to the pro-forma statement of financial position and the assumptions described therein as if they had occurred as of 31 December 2018.

The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements. The unaudited pro-forma statement of financial position should be read in conjunction with the historical financial statements of the Company.

11. Resolutions 10 to 13 – Related party participation in Capital Raising – Andrew Grover, Steve Formica and relatives of Steve Formica

11.1 General

Pursuant to Resolution 9, the Company is seeking Shareholder approval for the Capital Raising.

Steve Formica, Andrew Grover and certain relatives of Steve Formica (or their respective nominees) (**Participants**) wish to participate in the Capital Raising on the same terms as other investors.

Resolutions 10 to 13 seek Shareholder approval for the issue of up to a total of 174,999,999 Shares (on a pre-Consolidation basis) or up to a total of 17,499,999 Shares (on a post-Consolidation basis) to the Participants arising from their proposed participation in the Capital Raising (**Participation**).

11.2 Chapter 2E of the Corporations Act

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

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

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

The Participation will result in the issue of Shares which constitutes giving a financial benefit and the Participants are related parties of the Company by virtue of Andrew Grover and Steve Formica being Directors, TJF Investments Pty Ltd as trustee for Tyler Formica Family Trust being an entity controlled by the son of Steve Formica and Fallon Formica being the daughter of Steve Formica. In the event that Steve Formica or Andrew Grover are not re-elected as Directors under Resolutions 2 and 3 (as applicable), they will remain related parties of the Company by virtue of being former Directors and

TJF Investments Pty Ltd as trustee for Tyler Formica Family Trust and Fallon Formica will also remain related parties of the Company.

The Directors (other than Andrew Grover who has a material personal interest in Resolution 10) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 10 because the Shares will be issued to Andrew Grover (or his nominees) on the same terms as Shares issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Steve Formica who has a material personal interest in Resolution 11 and a potential conflict in Resolutions 12 and 13) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolutions 11 to 13 because the Shares will be issued to the relevant parties (or their respective nominees) on the same terms as Shares issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

11.3 ASX Listing Rule 10.11

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.

As the Participation involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

11.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares will be issued to Steve Formica (director), Andrew Grover (director), TJF Investments Pty Ltd as trustee for Tyler Formica Family Trust (an entity controlled by the son of Steve Formica) and Fallon Formica (the daughter of Steve Formica) (or their respective nominees);
- (b) the maximum number of Shares to be issued is:
 - (i) 116,666,666 Shares (on a pre-Consolidation basis) 11,666,666 Shares (on a post-Consolidation basis) to Andrew Grover (or his nominees) (Resolution 10);
 - (ii) 41,666,667 Shares (on a pre-Consolidation basis) or 4,166,667 Shares (on a post-Consolidation basis) to Steve Formica (or his nominees) (Resolution 11);
 - (iii) 8,333,333 Shares (on a pre-Consolidation basis) or 833,333 Shares (on a post-Consolidation basis) to TJF Investments Pty Ltd as trustee for Tyler Formica Family Trust (or its nominees) (Resolution 12);
 - (iv) 8,333,333 Shares (on a pre-Consolidation basis) or 833,333 Shares (on a post-Consolidation basis) to Fallon Formica (or her nominees) (Resolution 13);
- (c) the Shares 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 are proposed to be issued at the same time as Shares are issued pursuant to Resolution 9 to all other investors under the Capital Raising;

- (d) the issue price will be \$0.003 per Share (on a pre-Consolidation basis) or \$0.03 per Share (on a post-Consolidation basis), being the same as all other Shares issued under the Capital Raising;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in Section 10.2(e).

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Participants (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

12. Resolution 14 – Issue of Options – Placement

12.1 General

Resolution 14 seeks Shareholder approval for the issue of up to 520,000,000 Options (on a pre-Consolidation basis) or up to 52,000,000 Options (on a post-Consolidation basis) (**Placement Options**) in consideration for assistance in marketing and product development. (**Placement**).

If issued on a pre-Consolidation basis, 260,000,000 Placement Options will be exercisable at \$0.004 on or before 30 June 2022 (**Class A Placement Options**) and 260,000,000 Placement Options will be exercisable at \$0.008 on or before 30 June 2023 (**Class B Placement Options**).

If issued on a post-Consolidation basis, 26,000,000 Placement Options will be exercisable at \$0.04 on or before 30 June 2022 (**Class A Placement Options**) and 26,000,000 Placement Options will be exercisable at \$0.08 on or before 30 June 2023 (**Class B Placement Options**).

A summary of ASX Listing Rule 7.1 is set out in Section 6.2.

The effect of Resolution 14 will be to allow the Company to issue the Placement Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

12.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Placement Options to be issued is 260,000,000 Class A Placement Options and 260,000,000 Class B Placement Options (on a pre-Consolidation basis) or 26,000,000 Class A Placement Options and 26,000,000 Class B Placement Options (on a post-Consolidation basis);
- (a) the Placement Options will be issued no later than 3 months 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 Placement Options will occur on the same date;
- (b) the Placement Options will be issued for nil cash consideration in satisfaction of assistance in marketing and product development;
- (c) the Directors will determine to whom the Placement Options will be issued but these persons will not be related parties of the Company;

- (d) the Class A Placement Options will be issued on the terms and conditions set out in Schedule 4 and the Class B Placement Options will be issued on the terms and conditions set out in Schedule 5;
- (e) no funds will be raised from the Placement as the Placement Options are being issued in consideration for assistance in marketing and product development.

13. Resolutions 15 to 18 – Issue of Options to related parties – Elizabeth Whitelock, Andrew Grover, Steve Formica and Arun Sengupta

13.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 180,000,000 Options (on a pre-Consolidation basis) or 18,000,000 Options (on a post-Consolidation basis) (**Related Party Options**) to Elizabeth Whitelock, Andrew Grover, Steve Formica and Arun Sengupta (or their respective nominees) on the terms and conditions set out below.

If issued on a pre-Consolidation basis, 90,000,000 Related Party Options will be exercisable at \$0.004 on or before 30 June 2022 (**Class A Related Party Options**) and 90,000,000 Related Party Options will be exercisable at \$0.008 on or before 30 June 2023 (**Class B Related Party Options**).

If issued on a post-Consolidation basis, 9,000,000 Placement Options will be exercisable at \$0.04 on or before 30 June 2022 (**Class B Related Party Options**) and 9,000,000 Related Party Options will be exercisable at \$0.08 on or before 30 June 2023 (**Class B Related Party Options**).

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in Sections 11.2 and 11.3 respectively.

The grant of the Related Party Options constitutes giving a financial benefit and Elizabeth Whitelock, Andrew Grover, Steve Formica and Arun Sengupta are related parties of the Company by virtue of being Directors. In the event that Steve Formica, Andrew Grover and Arun Sengupta are not re-elected as Directors under Resolutions 2, 3 and 4 (as applicable), they will remain related parties of the Company by virtue of being former Directors.

In addition, as the grant of the Related Party Options involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies.

As it is proposed that the Related Party Options be issued to all of the Directors, the Directors have been unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act or ASX Listing Rule 10.12 applies to these issues. Accordingly, Shareholder approval is sought for the issue of the Related Party Options to Elizabeth Whitelock, Andrew Grover, Steve Formica and Arun Sengupta.

13.2 Section 195 of the Corporations Act

Section 195 of the Corporations Act provides that a director of a public company must not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

Elizabeth Whitelock, Andrew Grover, Steve Formica and Arun Sengupta have a material personal interest in the outcome of Resolutions 15 to 18 (as applicable). The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue of the Related Party Options to Shareholders to resolve.

13.3 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 grant of Related Party Options:

- (a) the related parties are Elizabeth Whitelock, Andrew Grover, Steve Formica and Arun Sengupta and they are related parties by virtue of being Directors (**Related Parties**). In the event that Steve Formica, Andrew Grover and Arun Sengupta are not re-elected as Directors under Resolutions 2, 3 and 4 (as applicable), they will be related parties of the Company by virtue of being former Directors;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted is as follows:
 - (i) 20,000,000 Class A Related Party Options and 20,000,000 Class B Related Party Options (on a pre-Consolidation basis) or 2,000,000 Class A Related Party Options and 2,000,000 Class B Related Party Options (on a post-Consolidation basis) to Elizabeth Whitelock (or her nominee) (Resolution 15);
 - (ii) 30,000,000 Class A Related Party Options and 30,000,000 Class B Related Party Options (on a pre-Consolidation basis) or 3,000,000 Class A Related Party Options and 3,000,000 Class B Related Party Options (on a post-Consolidation basis) to Andrew Grover (or his nominee) (Resolution 16);
 - (iii) 20,000,000 Class A Related Party Options and 20,000,000 Class B Related Party Options (on a pre-Consolidation basis) or 2,000,000 Class A Related Party Options and 2,000,000 Class B Related Party Options (on a post-Consolidation basis) to Steve Formica (or his nominee) (Resolution 17);
 - (iv) 20,000,000 Class A Related Party Options and 20,000,000 Class B Related Party Options (on a pre-Consolidation basis) or 2,000,000 Class A Related Party Options and 2,000,000 Class B Related Party Options (on a post-Consolidation basis) to Arun Sengupta (or his nominee) (Resolution 18);
- (c) the Related Party Options will be granted to the Related Parties (or their respective nominees) no later than 1 month 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 Related Party Options will be issued on one date;
- (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Class A Related Party Options are set out in Schedule 4 and the terms and conditions of the Class B Related Party Options are set out in Schedule 5;
- (f) the value of the Related Party Options and the pricing methodology is set out in Schedule 6;

- (g) the relevant interests of the Related Parties in securities (pre-Consolidation) of the Company are set out below:

Director	Shares	Options	Performance Shares
Elizabeth Whitelock	45,156,001	-	9,031,200 ¹
Andrew Grover	- ²	-	-
Steve Formica	33,333,334 ³	-	-
Arun Sengupta	7,607,287 ⁴	-	-

Notes:

1. Comprising 4,515,600 Class B Performance Shares and 4,515,600 Class C Performance Shares. The full terms and conditions of the Class B Performance Shares and Class C Performance Shares are set out in Schedule 1 of the Notice of Meeting released to ASX on 10 June 2016.
 2. A22 Pty Ltd, a company wholly owned and controlled by Mrs Robyn Grover, whose husband is Mr Andrew Grover, directly holds 16,666,667 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.
 3. 16,666,667 Shares held indirectly by Stevsand Investments Pty Ltd and 16,666,667 Shares held indirectly by Formica Investments Pty Ltd.
 4. 1,982,571 held directly by Arun Sengupta and the balance held indirectly as follows: 2,506,961 by Arun & Shannon Sengupta as trustees of the Sengupta Family Superannuation A/C, 1,500,000 by Shannon Sengupta, 1,617,755 by Mersound Pty Ltd.
- (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:

Director	Current Financial Year ending 30 June 2019	Previous Financial Year ended 30 June 2018
Elizabeth Whitelock ¹	\$109,500	\$112,107
Andrew Grover ²	Nil	Nil
Steve Formica ³	\$50,000	Nil
Arun Sengupta ⁴	\$50,000	\$16,091

Notes:

1. Ms Whitelock was appointed as a Director on 8 September 2016. Ms Whitelock is currently paid a fee of \$9,125 per month inclusive of superannuation. Ms Whitelock will be paid a fee of \$12,500 per month exclusive of superannuation for the financial year ending 30 June 2020.
2. Mr Grover was appointed as a Director on 24 May 2019. Mr Grover is not currently paid for his role as Director. Mr Grover will be paid a fee of \$10,000 per month (exclusive of superannuation) commencing on the date of reinstatement of the Company's securities to trading on ASX. The Company has agreed, subject to obtaining Shareholder approval, to issue Shares to Mr Grover (or his nominee) in lieu of cash payments for director's remuneration (excluding superannuation) which will accrue during the financial year ending 30 June 2020. These Shares will be issued at a deemed price of \$0.03 (on a post-Consolidation basis) resulting in the proposed issue of 4,000,000 Shares (on a post-Consolidation basis) subject to Shareholder approval being obtained. The Company is seeking Shareholder approval to issue these Shares pursuant to Resolution 24. The Company intends to issue these Shares after the fees have been accrued, and subject to the terms of a waiver granted by ASX, these Shares will be issued no later than 30 days after the end of the financial year ending 30 June 2020. The Company does not currently intend to change this rate of remuneration for the financial year ending 30 June 2020.
3. Mr Formica was appointed as a Director on 2 July 2018. Mr Formica is currently paid a fee of \$3,333 per month inclusive of superannuation. Mr Formica is also entitled to \$10,000 equivalent per annum in Shares. The Company does not currently intend to change this rate of remuneration for the financial year ending 30 June 2020 except that the Company will pay cash rather than issue Shares to settle Mr Formica's entitlement to \$10,000 worth of Shares per annum.

4. Mr Sengupta was appointed as a Director on 12 March 2018. Mr Sengupta is currently paid a fee of \$3,333 per month inclusive of superannuation. Mr Sengupta is also entitled to \$10,000 equivalent per annum in Shares. The Company does not currently intend to change this rate of remuneration for the financial year ending 30 June 2020 except that the Company will pay cash rather than issue Shares to settle Mr Sengupta's entitlement to \$10,000 worth of Shares per annum.

- (i) if the Related Party Options granted to the Related Parties are exercised, a total of 180,000,000 Shares (on a pre-Consolidation basis) would be issued. This will increase the number of Shares on issue from 741,304,799 (being the number of Shares on issue at the date of this Notice) to 921,304,799 (assuming that no other Options are exercised, Performance Shares converted and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 19.53%, comprising approximately 4.34% by each of Elizabeth Whitelock, Steve Formica and Arun Sengupta, and 6.51% by Andrew Grover.

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 closing price of Shares on ASX on 15 September 2017 was \$0.015, being the trading day prior to the date the Company's securities were placed in trading halt. The Company's securities were subsequently suspended from quotation on 20 September 2017 and remain suspended as at the date of this Notice;
- (k) the Board acknowledges the grant of the Related Party Options to Steve Formica and Arun Sengupta is contrary to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of the Related Party Options is reasonable in the circumstances for the reason set out in paragraph (m);
- (l) the primary purpose of the grant of the Related Party Options to the Related Parties is to provide a performance linked incentive component in their remuneration package to motivate and reward their performance in their respective roles as Directors;
- (m) Ms Whitelock declines to make a recommendation to Shareholders in relation to Resolution 15 due to her material personal interest in the outcome of the Resolution on the basis that she (or her nominee) is to be granted the Related Party Options should Resolution 15 be passed. However, in respect of Resolutions 16, 17 and 18, Ms Whitelock recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of the Related Party Options will align the interests of the Related Parties with those of Shareholders;
 - (ii) the grant 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; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (n) Mr Grover declines to make a recommendation to Shareholders in relation to Resolution 16 due to his material personal interest in the outcome of the Resolution on the basis that

he (or his nominee) is to be granted the Related Party Options should Resolution 16 be passed. However, in respect of Resolutions 15, 17 and 18, Mr Grover recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);

- (o) Mr Formica declines to make a recommendation to Shareholders in relation to Resolution 17 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Options in the Company should Resolution 17 be passed. However, in respect of Resolutions 15, 16 and 18, Mr Formica recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (p) Mr Sengupta declines to make a recommendation to Shareholders in relation to Resolution 18 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Options in the Company should Resolution 18 be passed. However, in respect of Resolutions 15, 16 and 17, Mr Sengupta recommends that Shareholders vote in favour of Resolutions 15 to 17 for the reasons set out in paragraph (m);
- (q) in forming their recommendations, each Director considered the experience of each other Director, the market price of Shares prior to the date the Company's securities were suspended from quotation, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price (relative to the market price of Shares prior to the date the Company's securities were suspended from quotation) and expiry date of those Related Party Options; and
- (r) 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 15 to 18.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties (or their nominees) as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Related Party Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

14. Resolutions 19 and 20 – Issue of Performance Shares to related parties – Elizabeth Whitelock and Andrew Grover

14.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to 50,000,000 Performance Shares (on a pre-Consolidation basis) or up to 5,000,000 Performance Shares (on a post-Consolidation basis) to each of Elizabeth Whitelock and Andrew Grover (or their nominees) on the terms and conditions set out below.

Resolutions 19 and 20 seek Shareholder approval for the issue of the Performance Shares to Elizabeth Whitelock and Andrew Grover (or their respective nominees).

14.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 11.2.

The issue of the Performance Shares constitutes giving a financial benefit and Elizabeth Whitelock and Andrew Grover are related parties of the Company by virtue of being Directors. In the event that Andrew Grover is not re-elected as a Director under Resolution 3, he will remain a related party of the Company by virtue of being a former Director.

The Directors (other than Elizabeth Whitelock who has a material personal interest in Resolution 19) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 19 as the issue of the Performance Shares is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

The Directors (other than Andrew Grover who has a material personal interest in Resolution 20) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 20 as the issue of the Performance Shares is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

14.3 ASX Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out in Section 11.3.

As the issue of the Performance Shares involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

14.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 19 and 20:

- (a) the Performance Shares will be issued to Elizabeth Whitelock and Andrew Grover (or their respective nominees);
- (b) the number of Performance Shares to be issued is:
 - (i) 25,000,000 Class D Performance Shares (on a pre-Consolidation basis) or 2,500,000 Class D Performance Shares (on a post-Consolidation basis) and 25,000,000 Class E Performance Shares (on a pre-Consolidation basis) or 2,500,000 Class E Performance Shares (on a post-Consolidation basis) to Elizabeth Whitelock (or her nominees) (Resolution 19); and
 - (ii) 25,000,000 Class D Performance Shares (on a pre-Consolidation basis) or 2,500,000 Class D Performance Shares (on a post-Consolidation basis) to Andrew Grover (or his nominees) and 25,000,000 Class E Performance Shares (on a pre-Consolidation basis) or 2,500,000 Class E Performance Shares (on a post-Consolidation basis) to Andrew Grover (or his nominees) (Resolution 20);
- (c) the Performance Shares 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 Performance Shares will occur on the same date;
- (d) the Performance Shares will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) the terms and conditions of the Performance Shares are set out in Schedule 7.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Performance Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Performance Shares to Elizabeth Whitelock and Andrew Grover (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

15. Resolutions 21 to 24 – Approval to issue Shares to Steve Formica, Arunava Sengupta, John Welsh and Andrew Grover in lieu of directors’ fees

15.1 General

Resolutions 21 to 23: The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 11,701,334 Shares (on a pre-Consolidation basis, rounded up to the nearest whole Share) at a deemed issue price of \$0.003 per Share or 1,170,134 Shares (on a post-Consolidation basis, rounded up to the nearest whole Share) at a deemed issue price of \$0.03 per Share (**Related Party Shares**) to Steve Formica, Arunava Sengupta and John Welsh (or their respective nominees) (**Related Parties**) in lieu of directors’ fees totalling \$35,104 payable to the Related Parties in respect of the period from the dates of their appointment to 24 May 2019 (in the case of Mr Welsh, being the date of his resignation as a Director) and 30 June 2019 (in the case of Messrs Formica and Sengupta).

Resolution 24: The Company has also agreed, subject to obtaining Shareholder approval, to issue 40,000,000 Related Party Shares on a (pre-Consolidation basis) at a deemed issue price of \$0.003 per Share or 4,000,000 Related Party Shares (on a post-Consolidation basis) at a deemed issue price of \$0.03 per Share to Andrew Grover (or his nominee) (also a Related Party) in lieu of cash payments for director’s fees which will accrue during the financial year ending 30 June 2020 at a rate of \$10,000 per month. The Company has received a waiver of ASX Listing Rule 10.13.3 from ASX to permit it to issue the Shares to Mr Grover more than one month after the after the date of the Meeting, and if Shareholder approval is obtained, these Shares will be issued after the remuneration owing to Mr Grover has accrued and no later than 30 days after the end of the financial year ending 30 June 2020.

15.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 11.2.

The grant of the Related Party Shares constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors. Mr Welsh is a related party of the Company by virtue of being a former Director. In the event that Steve Formica, Andrew Grover and Arunava Sengupta are not re-elected as Directors under Resolutions 2, 3 and 4 (as applicable), they will remain related parties of the Company by virtue of being former Directors.

The Directors (other than Steve Formica who has a material personal interest in Resolution 21) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 21 because the agreement to grant the Related Party Shares, reached as part of his remuneration package on his appointment, is considered reasonable remuneration in the circumstances, was negotiated on an arm’s length basis at the time of his appointment and the deemed issue price of the Related Party Shares is the same as the issue price of Shares under the Capital Raising.

The Directors (other than Arunava Sengupta who has a material personal interest in Resolution 22) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 22 because the agreement to grant the Related Party Shares, reached as part of his remuneration package on his appointment, is considered reasonable remuneration in the circumstances, was negotiated on an arm’s length basis at the time of his appointment and the deemed issue price of the Related Party Shares is the same as the issue price of Shares under the Capital Raising.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 23 because the agreement to grant the Related Party Shares, reached as part of John Welsh’s remuneration package on his appointment, is considered reasonable remuneration in the circumstances, was negotiated on an arm’s length basis at the time of his

appointment and the deemed issue price of the Related Party Shares is the same as the issue price of Shares under the Capital Raising.

The Directors (other than Andrew Grover who has a material personal interest in Resolution 24) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 24 because the agreement to grant the Related Party Shares, reached as part of his remuneration package on his appointment, is considered reasonable remuneration in the circumstances, was negotiated on an arm's length basis at the time of his appointment and the deemed issue price of the Related Party Shares is the same as the issue price of Shares under the Capital Raising.

15.3 ASX Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out in Section 11.3.

As the issue of the Related Party Shares involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

15.4 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 21 to 24:

- (a) the Related Party Shares will be issued to Steve Formica, Arunava Sengupta, John Welsh and Andrew Grover (or their respective nominees);
- (b) the number of Related Party Shares to be issued is:
 - (i) 3,333,334 Related Party Shares (on a pre-Consolidation basis, rounded up to the nearest whole Share) or 333,334 Related Party Shares (on a post-Consolidation basis, rounded up to the nearest whole Share) to Steve Formica (or his nominees) (Resolution 21);
 - (ii) 4,368,000 Related Party Shares (on a pre-Consolidation basis) or 436,000 Related Party Shares (on a post-Consolidation basis) to Arunava Sengupta (or his nominees) (Resolution 22);
 - (iii) 4,000,000 Related Party Shares (on a pre-Consolidation basis) or 400,000 Related Party Shares (on a post-Consolidation basis) to John Welsh (or his nominees) (Resolution 23);
 - (iv) 40,000,000 Related Party Shares (on a pre-Consolidation basis) or 4,000,000 Related Party Shares (on a post-Consolidation basis) to Andrew Grover (or his nominees) (Resolution 24);
- (c) the Related Party Shares 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), except for those Related Party Shares to be issued to Mr Andrew Grover, which will be issued no later than 30 days after the end of the financial year ending 30 June 2020 in accordance with the waiver of Listing Rule 10.13.3 granted by ASX. It is intended that the issue of the Related Party Shares under a resolution will occur on the same date;
- (d) the Related Party Shares will be issued in lieu of directors' fees of:
 - (i) \$10,000 payable to Steve Formica for the period from 2 July 2018 to 30 June

2019;

- (ii) \$13,104 payable to Arunava Sengupta for the period from 12 March 2018 to 30 June 2019;
- (iii) \$12,000 payable to John Welsh for the period from 12 March 2018 to 30 June 2019;
- (iv) \$120,000 which will accrue to Andrew Grover for the financial year ending 30 June 2020 at a rate of \$10,000 per month (excluding superannuation);
- (e) the deemed issue price will be \$0.003 per Share (on a pre-Consolidation basis) or \$0.03 per Share (on a post-Consolidation basis) and no funds will be raised; and
- (f) the Related Party Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Related Party Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Shares to the Related Parties will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Information required by the waiver of listing rule 10.13.3

- The Related Party Shares to be issued to Andrew Grover will be issued at \$0.003 (pre-Consolidation) and \$0.03 (post-Consolidation), being the same price as the Capital Raising, and will be issued no later than 30 days after the end of the financial year ending 30 June 2020.
- If the Related Party Shares to be issued to Andrew Grover are issued, a total of 40,000,000 (pre-Consolidation) and 4,000,000 (post-Consolidation) Shares would be issued. This will increase the number of Shares on issue from 741,304,799 (being the number of Shares on issue as at the date of this Notice) to 781,304,799 with the effect that the shareholding of existing Shareholders would be diluted by approximately 5.1%.
- The Company will disclose the number of Related Party Shares issued to Andrew Grover during a reporting period, the number of Related Party Shares that remain to be issued to Andrew Grover and the basis on which those shares may be issued, in the annual, half year or quarterly report for any reporting period during which any Related Party Shares have been or remain to be issued to Andrew Grover.
- The terms of Andrew Grover's remuneration are set out in Section 13.3(h).
- The terms of the waiver are detailed below.

Based solely on the information provided, ASX Limited ('ASX') grants Veriluma Limited (the 'Company') a waiver from Listing Rule 10.13.3 to the extent necessary to permit the Company's notice of annual general meeting ('Notice') seeking approval to issue fully paid ordinary shares to Mr Andrew Grover (or his nominee) in lieu of the cash payment of remuneration ('Remuneration Shares') to state that those securities will be issued more than one month but less than thirteen months after the date of the meeting at which shareholder approval is obtained, subject to the following conditions.

- The Remuneration Shares must be issued to Mr Grover no later than 30 days after the end of the financial year ending 30 June 2020.
- The Notice states that Remuneration Shares of up to 40,000,000 will be issued at an issue price of \$0.003 (pre-consolidation).
- The Notice states the maximum dilution that will occur to existing shareholders of the Company as a result of the issue of the Remuneration Shares at a fixed issue price.
- For any annual reporting period during which any of the Remuneration Shares are issued or remain to be issued, the Company's annual report must set out in detail the number of Remuneration Shares issued in that annual reporting period, the number of Remuneration Shares that remain to be issued, and the basis on which the Related Party Shares may be issued.
- In any half year or quarterly report for a period during which any of the Remuneration Shares have been issued or remain to be issued, the Company must include a summary statement of the number

of Remuneration Shares issued during the reporting period, and the number of Remuneration Shares that remain to be issued and the basis on which the Remuneration Shares may be issued.

- The Notice sets out the terms of remuneration payable by the Company to Mr Grover.
- The terms of the waiver are disclosed in the Notice.

16. Resolution 25 – Enable the issue of Options under an Employee Incentive Scheme – Incentive Option Plan

16.1 Background

The Company proposes to implement an employee incentive scheme titled 'Incentive Option Plan' (**Option Plan**).

The objective of the Option Plan is to attract, motivate and retain key employees and it is considered by the Company that the implementation of the Option Plan and future issues of Options under the Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

16.2 General

Resolution 25 seeks Shareholders approval to enable the Company to issue Options under the Option Plan in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in Section 6.2.

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

If Resolution 25 is passed, the Company will be able to issue Shares under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Any issues of Options under the Option Plan to a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

16.3 Previous and proposed issues

Shareholders should note that no Shares have previously been issued under the Plan.

No securities have been issued under the Option Plan to date.

16.4 Key terms and conditions of the Option Plan

A summary of the key terms and conditions of the Plan is set out in Schedule 8. In addition, a copy of the Option Plan is available to Shareholders upon request by calling the Company on +61 2 9146 4742.

17. Resolution 26 – Replacement of Constitution

17.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 26 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2010 and not otherwise addressed by the modifications in 2016.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating the name of the Company to that adopted in 2016;
- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available upon request by calling the Company on +61 2 9146 4742.

17.2 Summary of material proposed changes

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an “unmarketable parcel” of shares, being a shareholding that is less than \$500 based on the closing price of the Company’s Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with “unmarketable parcels” outlined in the ASX Listing Rules such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution outlines in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to “off-market transfers”.

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Partial (proportional) takeover provisions (new clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market 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 off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the 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 are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

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

Potential advantages and disadvantages of proportional takeover provisions

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) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (a) assisting in preventing Shareholders from being locked in as a minority;
 - (i) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
 - (ii) each individual Shareholder may 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 takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 26.

18. Resolution 27 – Approval of 10% Placement Capacity

18.1 General

ASX Listing Rule 7.1A provides that an “eligible entity” may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities equal to 10% of its issued capital at the time of issue calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (**Additional Placement Capacity**) without using that company’s existing 15% annual placement capacity granted under ASX Listing Rule 7.1 and without requiring further shareholder approval prior to the issue.

The Board considers it is in the Company’s best interests to have the opportunity to take advantage of the flexibility to issue additional securities provided under ASX Listing Rule 7.1A. As at the date of this Notice, no decision has been made by the Board to undertake any issue of securities under the Additional Placement Capacity if Shareholders approve Resolution 27. The Board unanimously recommend that Shareholders vote in favour of Resolution 27.

The information below provides more background on ASX Listing Rule 7.1A and the disclosure required by ASX Listing Rule 7.3A.

18.2 Description of ASX Listing Rule 7.1A

(a) Eligible entity

Under the ASX Listing Rules, an “eligible entity” is an entity which, as at the date of the relevant resolution, is not included in the S&P/ASX300 Index and has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) equal to or less than \$300 million. As at the date of this Notice, the Company is an “eligible entity” as it is not included in the S&P 300 Index and has a current market capitalization of approximately \$11,119,572 (based on the number of Shares on issue and the closing price of Shares on ASX on 15 September 2017, being the last date Shares traded on ASX prior to the current suspension from quotation).

(b) Special resolution

The Additional Placement Capacity requires shareholder approval by way of a special resolution at an annual general meeting. This requires at least 75% of the votes to be cast in favour of the resolution by members entitled to vote on the resolution.

(c) **Securities which may be issued under the Additional Placement Capacity**

Under the Additional Placement Capacity, the Company must issue Equity Securities belonging to an existing quoted class of the Company's Equity Securities. As at the date of this Notice, the Company has on issue one class of quoted Equity Securities, being fully paid ordinary shares (ASX Code: VRI).

(d) **Minimum issue price**

The issue price of each Equity Security issued under the Additional Placement Capacity must be no less than 75% of the volume weighted average price for the securities in that class, calculated over the 15 ASX trading days on which trades of securities in that class were recorded immediately before:

- (i) the date on which the issue price is agreed for the securities under the Additional Placement Capacity; or
- (ii) if the securities are not issued under the Additional Placement Capacity within 5 ASX trading days of the date in paragraph (i) above, the date on which the securities are issued.
- (iii) The Company will disclose this information when Equity Securities are issued under the Additional Placement Capacity.

(e) **Time period for issue**

The Equity Securities may be issued under the Additional Placement Capacity during the period commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting; or
- (ii) if the Company receives Shareholder approval for a proposed transaction under ASX Listing Rule 11.1.2 (significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking), the date of that approval, after which date, an approval under ASX Listing Rule 7.1A will cease to be valid,

(Additional Placement Period).

(f) **Dilution risks**

If Equity Securities are issued under the Additional Placement Capacity, there is a risk of economic and voting dilution of existing Shareholders, including the following risks:

- (i) the market price for Equity Securities in the class of securities issued under the Additional Placement Capacity may be significantly lower on the issue date than on the date of the approval under ASX Listing Rule 7.1A (that is, the date of the Meeting, if Resolution 27 is approved); and
- (ii) the Equity Securities may be issued under the Additional Placement Capacity at a discount to the market price for those Equity Securities on the issue date,

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

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares and the number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2, both as at the date of this Notice (on a pre-Consolidation basis).

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue as at the date of this Notice. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlement offer or securities issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future general meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the market price as at the date of this Notice.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.0015 50% decrease in Issue Price	\$0.003 Issue Price	0.0045 50% increase in Issue Price
2,593,006,133 (Current Variable A)	Shares issued - 10% voting dilution	259,300,613 Shares	259,300,613 Shares	259,300,613 Shares
	Funds Raised	\$388,951	\$777,902	\$1,166,853
3,889,509,199 (50% increase in Variable A)	Shares issued - 10% voting dilution	388,950,919 Shares	388,950,919 Shares	388,950,919 Shares
	Funds Raised	\$583,426	\$1,166,853	\$1,750,279
5,186,012,266 (100% increase in Variable A)	Shares issued - 10% voting dilution	518,601,226 Shares	518,601,226 Shares	518,601,226 Shares
	Funds Raised	\$777,902	\$1,555,804	\$2,333,706

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above has been prepared on a pre-Consolidation basis and uses the following assumptions:

- There are 2,593,006,133 Shares on issue comprising:
 - 741,304,799 existing Shares as at the date of this Notice of Meeting; and
 - 1,851,701,334 Shares which will be issued if Resolutions 9-13 and 21-24 are passed at this Meeting.
- The issue price is \$0.003, being the issue price of each Share under the Capital Raising. The Company notes that its securities have been in suspension since 20 September 2017 and it is currently working toward reinstatement to the ASX. The closing price of Shares on ASX on 15 September 2017 was \$0.015, being the trading day prior to the date the Company's securities were placed in trading halt.
- The Company issues the maximum possible number of Equity Securities under the Additional Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- The issue of Equity Securities under the Additional Placement Capacity consists only of Shares and the consideration provided for those Shares is cash. It is assumed that no Options are exercised, Convertible Notes or Performance Shares converted into Shares before the date of issue of the Equity Securities.

6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. Values in the table have been rounded down.

(g) **Purpose of issue under Additional Placement Capacity**

The Company may issue Equity Securities under the Additional Placement Capacity for the following purposes:

- (i) to provide non-cash consideration for new asset purchases or investments; or
- (ii) to raise cash to fund:
 - (A) general working capital expenses;
 - (B) activities associated with its current assets;
 - (C) the acquisition of new assets and investments (including any expenses associated with such an acquisition).

The Company will comply with the disclosure ASX Listing Rules 7.1A.4 and 3.10.5A on issue of any Equity Securities issued pursuant to the approval sought by Resolution 27. If Equity Securities are issued for non-cash consideration, the Company will at the time of issue of the Equity Securities provide a valuation of the non-cash consideration that demonstrates that the issue price of the securities is at or above the minimum issue price, in accordance with the Note to ASX Listing Rule 7.1A.3. The Company intends to maintain the ability to issue securities under ASX Listing Rule 7.1A for non-cash consideration.

(h) **Allocation policy under the Additional Placement Capacity**

The Company's allocation policy and the identity of the recipients of Equity Securities issued under the Additional Placement Capacity will be determined on a case-by-case basis at the time of issue and in the Company's discretion.

No decision has been made in relation to an issue of Equity Securities under the Additional Placement Capacity, including whether the Company will engage with new investors or existing Shareholders, and if so the identities of any such persons.

However, when determining of the allocation policy and the identity of the recipients, the Company will have regard to the following considerations:

- (i) prevailing market conditions;
- (ii) the purpose for the issue of the Equity Securities;
- (iii) the financial situation and solvency of the Company;
- (iv) impacts of the placement on control;
- (v) other methods of raising capital; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Recipients may include existing Shareholders or new investors, but not persons who are related parties or associates of related parties of the Company. If the issue is made in connection with the acquisition of assets, the recipients may be the sellers of those assets

(i) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 25 November 2015 (**Previous Approval**) but not in either of its two annual general meetings since obtaining Shareholder approval under ASX Listing Rule 11.1.2 on 13 July 2016. Accordingly, the Company has not issued any Equity Securities pursuant to the Previous Approval during the 12-month period preceding the date of the Meeting.

During the 12 month period preceding the date of the Meeting, being on and from 9 August 2018, the Company otherwise issued a total of 27,334,633 Shares which represents approximately 3.62% of the total diluted number of Equity Securities on issue in the Company on 9 August 2018, which was 754,970,166.

Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in Schedule 9.

18.3 Voting exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 27.

Glossary

\$ means Australian dollars.

Additional Placement Capacity has the meaning in Section 18.1.

Additional Placement Period has the meaning in Section 18.2(e).

Advisor Options means the Options issued to King Corporate Pty Ltd (ACN 626 031892) (or its nominee/s) as detailed in Resolution 6, with the terms and condition set out in Schedule 1.

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

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2018.

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.

Auditor's Report means the auditor's report on the Financial Report.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Class D Performance Shares means the Performance Shares proposed to be issued pursuant to Resolutions 19 and 20, with the terms and conditions set out in Schedule 7.

Class E Performance Shares means the Performance Shares proposed to be issued pursuant to Resolutions 19 and 20, with the terms and conditions set out in Schedule 7.

Class A Placement Options means the Options proposed to be issued under the Placement on the terms and conditions set out in Schedule 4.

Class B Placement Options means the Options proposed to be issued under the Placement on the terms and conditions set out in Schedule 5.

Class A Related Party Options means the Options proposed to be issued to the Directors on the terms and conditions set out in Schedule 4.

Class B Related Party Options means the Options proposed to be issued to the Directors on the terms and conditions set out in Schedule 5.

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 Veriluma Limited (ACN 142 901 353).

Consolidation means the consolidation of Securities the subject of Resolution 8.

Constitution means the Company's constitution.

Conversion Price means the higher of \$0.002 (on a pre-Consolidation basis) or 80% of the volume weighted average price for Shares as traded on ASX on the 5 trading days immediately prior to the date the Noteholder gives written notice of conversion of the Convertible Notes.

Convertible Note means a convertible note issued in the capital of the Company on the terms and conditions set out in Schedule 2.

Convertible Note Agreement means a convertible note agreement entered into between the Company and a Noteholder.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Security has the same meaning as set out in the ASX Listing Rules, being a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

EST means Eastern Standard Time as observed in Sydney, New South Wales.

Explanatory Statement means the explanatory statement accompanying the Notice.

Facility has the meaning given to it in Section 8.1.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

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.

Maturity Date means 28 March 2020.

Noteholder means a sophisticated and professional investor to whom Convertible Notes are proposed to be issued pursuant to Resolution 7.

Noteholder Options means the Options proposed to be issued to Noteholders on conversion of the Convertible Notes, with the terms and conditions set out in Schedule 3.

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.

Option Plan or **Incentive Option Plan** means the employee incentive scheme the subject of Resolution 25 as summarised in Schedule 8.

Performance Shares means the Class D Performance Shares and Class E Performance Shares.

Placement has the meaning given to it in Section 12.1.

Placement Options means the Class A Placement Options and Class B Placement Options.

Proposed Constitution has the meaning given to it in Section 17.1.

Proxy Form means the proxy form accompanying the Notice.

Related Party Options means the Class A Related Party Options and Class B Related Party Options.

Remuneration Report means the remuneration report set out in the Director's Report.

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.

Security means a Share, Performance Share, Option or a Convertible Note (as applicable) and **Securities** has the corresponding meaning.

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

Shareholder means a registered holder of a Share.

Schedule 1 – Terms and conditions of Advisor Options

- (a) **Entitlement** - Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price** - Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.003 (**Exercise Price**).
- (c) **Expiry Date** - Each Option will expire at 5:00 pm (EST) on 4 April 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period** - The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise** - The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date** - A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise** - Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) **Shares issued on exercise** - Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **Reconstruction of capital** - If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) **Participation in new issues** - There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (k) **Change in exercise price or number of underlying securities** - An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (l) **Transferability** - The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Schedule 2 – Terms and conditions of Convertible Notes

Securities	Convertible Notes (Notes) with a face value equal to A\$1.10 per Note (Face Value).
Principal	Aggregate of up to \$500,000
Purchase Price	Each Note has a purchase price of \$1.00
Advances	Each Advance must be made within 7 days of the Company's request.
Conditional	The Notes are not convertible until Shareholder Approval (defined below) has been obtained. Notes issued prior to Shareholder Approval are loan notes only and are to be exchanged for convertible notes on Shareholder Approval being obtained.
Maturity Date	28 March 2020
Interest Rate	10% per annum
Interest Payments	Bi-monthly in arrears in cash from the date of the relevant Advance until converted or redeemed
Conversion Price	The higher of: (a) \$0.002 (Fixed Conversion Price); or (b) 80% of the volume weight average price of the Company's fully paid ordinary shares (Shares) as traded on ASX on the 5 trading days immediately prior to the date of giving the Conversion Notice.
Conversion Securities	That number of fully paid ordinary shares in the capital of the Company (Shares) equal to the Face Value being converted divided by the Conversion Price, together with one option to acquire a Share (Option) for every two Shares issued. Each Option will have an exercise price equal to the Conversion Price and an expiry date of 3 years from the date of issue.
Redemption	The Company may redeem the Notes in full at: (a) 105% of the Face Value if repaid within 30 days of the Advance Date; (b) 110% of Face Value if repaid later than 30 days and within 6 months of the Advance Date; or (c) 120% of Face Value if repaid later than 6 months after the Advance Date.
Events of Default	If an event of default occurs (event of insolvency of the Company or any of its subsidiaries, default under the agreement, or the Company's securities not being reinstated to trading on ASX by 30 September 2019), the Lender may demand repayment of the Notes within 30 days.
Shareholder Approval	The Borrow must convene a shareholder meeting to be held by 15 August 2019 to seek shareholder approval for the issue of all Notes relating to Advances (Shareholder Approval). In the event the Shareholder Approval expires before the issue of all Notes, the Company must convene a further meeting within 60 days of the date of expiry of the Shareholder Approval.
Adjustments	If the Company issues Shares below the Fixed Conversion Price, excluding Shares issued under the Facility, the Fixed Conversion Price will be amended down to 20% less than that issue price. In addition, where the Company conducts a reorganisation of capital (as defined in the ASX Listing Rules), the number of securities or the Conversion Price or both must be reorganized so that the holder of the Notes will not receive a benefit that holders of Shares do not receive.

Schedule 3 – Terms and conditions of Noteholder Options

- (a) **Entitlement** - Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price** - Subject to paragraph (i), the amount payable upon exercise of each Option will be the Conversion Price (**Exercise Price**).
- (c) **Expiry Date** - Each Option will expire at 5:00 pm (EST) on the date that is 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period** - The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise** - The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date** - A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise** - Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) **Shares issued on exercise** - Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **Reconstruction of capital** - If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) **Participation in new issues** - There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (k) **Change in exercise price or number of underlying securities** - An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (l) **Transferability** - The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Schedule 4 – Terms and conditions of Class A Placement Options and Class A Related Party Options

- (a) **Entitlement** - Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price** - Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.004 (on a pre-Consolidation basis) (**Exercise Price**).
- (c) **Expiry Date** - Each Option will expire at 5:00 pm (EST) on 30 June 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period** - The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise** - The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date** - A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise** - Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) **Shares issued on exercise** - Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **Reconstruction of capital** - If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) **Participation in new issues** - There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (k) **Change in exercise price or number of underlying securities** - An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (l) **Transferability** - The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Schedule 5 – Terms and conditions of Class B Placement Options and Class B Related Party Options

- (a) **Entitlement** - Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price** - Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.008 (on a pre-Consolidation basis) (**Exercise Price**).
- (c) **Expiry Date** - Each Option will expire at 5:00 pm (EST) on 30 June 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period** - The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise** - The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date** - A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise** - Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) **Shares issued on exercise** - Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **Reconstruction of capital** - If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) **Participation in new issues** - There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (k) **Change in exercise price or number of underlying securities** - An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (l) **Transferability** - The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Schedule 6 – Valuation of Related Party Options

The Related Party Options to be issued pursuant to Resolutions 15 to 18 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions	
Valuation date	25 June 2019
Market price of Shares (post-Consolidation)	\$0.03 <i>Given the Shares have been suspended from quotation since September 2017, the Directors consider it appropriate to base the market price of Shares on the issue price of the proposed Capital Raising.</i>
Exercise price (post-Consolidation)	\$0.04 (Class A Related Party Options)
	\$0.08 (Class B Related Party Options)
Expiry date	30 June 2022 (Class A Related Party Options)
	30 June 2023 (Class B Related Party Options)
Risk free interest rate	1.00%
Volatility	100%
Indicative value per Class A Related Party Option	\$0.017
Indicative value per Class B Related Party Option	\$0.016
Total Value of Related Party Options	\$297,000
- Elizabeth Whitelock	\$34,000 (Class A Related Party Options)
	\$32,000 (Class B Related Party Options)
- Andrew Grover	\$51,000 (Class A Related Party Options)
	\$48,000 (Class B Related Party Options)
- Steve Formica	\$34,000 (Class A Related Party Options)
	\$32,000 (Class B Related Party Options)
- Arun Sengupta	\$34,000 (Class A Related Party Options)
	\$32,000 (Class B Related Party Options)

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.

Schedule 7 – Terms and conditions of Performance Shares

1. Terms of Performance Shares

- (a) **(Performance Shares):** Each Performance Share is a share in the capital of the Company.
- (b) **(General meetings):** A Performance Share shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders have the right to attend general meetings of the Company.
- (c) **(No voting rights):** A Performance Share does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No dividend rights):** A Performance Share does not entitle the Holder to any dividends.
- (e) **(No return of capital rights):** Performance Shares do not entitle the Holder to any right to a return of capital, whether on a winding up, upon a capital reduction or otherwise.
- (f) **(No rights on winding up):** Upon winding up of the Company, the Performance Shares may not participate in the surplus profits or assets of the Company.
- (g) **(Transfer of performance shares):** Performance Shares are not transferable.
- (h) **(Reorganisation of capital):** In the event the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (i) **(Application to ASX):** The Performance Shares will not be quoted on ASX. Upon conversion of the Performance Shares into Shares in accordance with these terms, the Company must within seven (7) days after the conversion, or such later period required by the ASX Listing Rules, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.
- (j) **(Participation in entitlements and bonus issues):** Subject always to the rights under paragraph 1(h) **(Reorganisation of capital)**, a Performance Share does not entitle its holder the right to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) **(Amendments required by ASX):** The terms of the Performance Shares may be amended as necessary by the board of directors of the Company in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (l) **(No other rights):** A Performance Share gives the Holders 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.

2. Conversion of the Performance Shares

- (a) **(Conversion on satisfaction of Milestone):** Each Performance Share in the relevant class will, subject to paragraph 2(c) **(Deferral of conversion if resulting in a prohibited acquisition of Shares)**, automatically convert into one Share upon satisfaction of the following relevant milestone:
 - (i) **Class D Performance Shares:** the Company's 30 trading day volume weighted average price of Shares as traded on ASX being not less than \$0.008 (on a pre-Consolidation basis) (\$0.08 on a post-Consolidation basis) on or before that date which is 3 years after the date of issue of the Performance Shares; or
 - (ii) **Class E Performance Shares:** the Company's 30 trading day volume weighted average price of Shares as traded on ASX being not less than \$0.012 (on a pre-Consolidation basis) (\$0.12 on a post-Consolidation basis) on or before that date which is 3 years after the date of issue of the Performance Shares,

(each a **Milestone**).

- (b) **(Conversion on change of control)**: Subject to paragraph 2(c) (**Deferral of conversion if resulting in a prohibited acquisition of Shares**), upon the occurrence of either:

- (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 more than 50% of the Company's shares; 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,

that number of Performance Shares that is equal to 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

- (c) **(Deferral of conversion if resulting in a prohibited acquisition of Shares)**: If the issue of Shares on conversion of a Performance Share under paragraphs 2(a) (**Conversion on satisfaction of Milestone**) or 2(b) (**Conversion on Change of Control**) would result in any person being contravention of section 606(1) of the Corporations Act (**General Prohibition**), then the issue of those Shares 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 Share would result in a contravention of the General Prohibition:

- (i) a Holder may give written notification to the Company if they consider that the issue of Shares on conversion of a Performance Share may result in the contravention of the General Prohibition. The absence of such written notification from a holder will entitle the Company to assume the issue of Shares will not result in any person being in contravention of the General Prohibition; and
- (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 2(c)(i) within seven (7) days if the Company considers that the issue of Shares on conversion of a Performance Share may result in a contravention of the General Prohibition. The absence of such written notification from a holder will entitle the Company to assume the issue of Shares will not result in any person being in contravention of the General Prohibition.

- (d) **(Conversion if Milestone not achieved)**: If the relevant Milestone is not achieved by the required date, then all Performance Shares in that class held by each Holder will automatically convert into 1 Share to be issued within the time period required by the ASX Listing Rules following the non-satisfaction of the Milestone or such later date required where paragraph 2(c) (Deferral of conversion if resulting in a prohibited acquisition of Shares) applies.

- (e) **(After conversion)**: Shares issued on conversion of the Performance Shares will, as and from 5.00pm (EST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion (subject to complying with any restriction periods required by ASX).

- (f) **(Conversion procedure)**: The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into Shares.

Schedule 8 – Summary of Option Plan

The principle terms of the Option Plan are summarised below:

- (a) **Eligibility:** Participants in the Option Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**) or as otherwise permitted by the Board in its sole discretion; or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options under the Option Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Options, upon the terms set out in the Option Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Option Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Options have been granted under the Option Plan or their nominee where the Options have been granted to the nominee of the Eligible Participant), resolve to waive any of the Vesting Conditions applying to Options due to:
- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Options; or
 - (ii) a Change of Control occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in the Option;
 - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;

- (iii) in respect of unvested Option only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Options only, a relevant person ceases to be an Eligible Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
 - (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option;
 - (vii) the expiry date of the Option.
- (h) **Not transferrable:** Options are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (i) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue.
- (j) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Option Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.
- (k) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Options up to a maximum of seven (7) years from the grant date of the Options. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (l) **No Participation Rights:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (m) **Change in exercise price of number of underlying securities:** Unless specified in the offer of the Options and subject to compliance with the ASX Listing Rules, an Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.
- (n) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) **Amendments:** Subject to express restrictions set out in the Option Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Option Plan, or the terms or conditions of any Option granted under the Option Plan including giving any amendment retrospective effect.
- (p) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Options, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon

the terms of the trust. The Board may at any time amend all or any of the provisions of the Option Plan to effect the establishment of such a trust and the appointment of such a trustee.

Definitions: Capitalised terms used in the above summary are as defined in the Option Plan, including:

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

Change of Control means:

- (a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in more than 50% of the Company's issued Shares;
- (b) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

Relevant Person means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a nominee of an Eligible Participant, that Eligible Participant.

Special Circumstances means:

- (a) a Relevant Person ceasing to be an Eligible Participant due to:
 - (i) death or Total or Permanent Disability of a Relevant Person; or
 - (ii) Retirement or Redundancy of a Relevant Person;
- (b) a Relevant Person suffering Severe Financial Hardship;
- (c) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
- (d) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

Schedule 9 – Issue of Equity Securities since 9 August 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 22 November 2018 Appendix 3B – 15 January 2019	17,334,626	Shares ²	Issued to various sophisticated and professional investors introduced by Canary Capital Pty Limited under the Company's placement capacity in accordance with ASX Listing Rule 7.1.	\$0.003 (discount of 80%)	Amount raised = \$52,003 Amount spent = \$52,003 Use of funds: The funds raised were used to enable the Company to satisfy an obligation under the Joint Deed of Company Arrangement executed by the Company and Veriluma Software Pty Ltd entered into on 12 March 2018 and wholly effectuated on 28 June 2018 and to provide funds for the Company to continue to trade and enable it to execute on the commercialisation of its product development programmes, specifically the advancement of the prescriptive analytic technology. Amount remaining = Nil
Issue – 22 November 2018 Appendix 3B – 15 January 2019	7	Shares ²	Issued to holders of Class A Performance Shares on conversion of Class A Performance Shares.	No issue price (issued on conversion of Class A Performance Shares)	Consideration: Class A Performance Shares issued as part consideration for the acquisition of all the issued capital of Veriluma Pty Ltd, as approved by Shareholders at the Company's general meeting held on 13 July 2016. Current value⁴ = \$0.021
Issue – 4 April 2019 Appendix 3B – 8 April 2019	20,000,000	Unquoted Options ³	Issued to King Corporate and Redirv (nominee of King Corporate) under the Company's placement capacity in accordance with ASX Listing Rule 7.1.	No issue price (non-cash consideration)	Consideration: Issued as consideration for services provided by King Corporate pursuant to a corporate advisory mandate Current value⁴ = \$36,000
Issue – 4 April 2019 Appendix 3B – 8 April 2019	10,000,000	Shares ²	Issued to King Corporate and Redirv (nominee of King Corporate) under the Company's placement capacity in accordance with ASX Listing Rule 7.1.	No issue price (non-cash consideration)	Consideration: Issued as consideration for services provided by King Corporate pursuant to a corporate advisory mandate Current value⁴ = \$30,000

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the closing price of Shares on ASX on 15 September 2017 (\$0.015), being the trading day prior to the date the Company's securities were placed in trading halt. The Company's securities were subsequently suspended from quotation on 20 September 2017 and remain suspended as at the date of this Notice.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: VRI (terms are set out in the Constitution).
3. Each Option is exercisable at \$0.003 (on a pre-Consolidation basis) on or before 5:00 pm (EST) on 4 April 2022. The full terms and conditions of this class of Options are set out in Schedule 1.
4. In respect of quoted Equity Securities the value is based on the proposed issue price of Shares under the Capital Raising on a pre-Consolidation basis (\$0.003). In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model and calculated as at 25 June 2019. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

Schedule 10 – Pro-forma Statement of Financial Position

	Note	31 December 2018 (Audited) \$	Capital Raising Pro-forma Adjustments (\$5.4m)	Unaudited Pro Forma After \$5.4m Capital Raising: 31-Dec-18
Current assets				
Cash and cash equivalents	1	167,182	4,568,752	4,735,934
Trade and other receivables		63,960		63,960
Other assets		15,661		15,661
Total current assets		246,803	4,568,752	4,815,555
Non-current assets				
Investment in associates		3,553		3,553
Property, plant and equipment		196		196
Total non-current assets		3,749	0	3,749
Total assets		250,552	4,568,752	4,819,304
Current liabilities				
Trade and other payables	2	353,427	(16,110)	337,317
Borrowings	3	247,871	(246,948)	923
Employee benefits		151,072		151,072
Unearned income		12,000		12,000
Provisions		87,500		87,500
Total current liabilities		851,870	(263,058)	588,812
Non-current liabilities				
Employee benefits		7,727		7,727
Total non-current liabilities		7,727	-	7,727
Total liabilities		859,597	(263,058)	596,539
Net assets / (liabilities)		(609,045)		4,222,765
Equity				
Issued capital	4	15,478,264	3,900,104	19,378,368
Reserves	5	25,400	1,191,000	1,216,400
Retained losses	6	(16,112,709)	(275,404)	(16,388,113)
Total equity / (deficiency) attributable to members of the Company		(609,045)		4,206,655
Total equity / (deficiency)		(609,045)		4,206,655

NOTES

The following adjustments have been made to the audited Interim Statement of Financial Position of Veriluma Limited as at 31 December 2018 to reflect the impact of the transaction outlined below had they taken place as at that date:

Issue of securities as contemplated by the Notice of AGM:	5,400,000
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Note 1

Received in cash	5,400,000
Transaction costs	(170,000)
Broker fees	(324,000)
Repayment of DOCA borrowings	(246,948)
Repayment of convertible note face value uplift	(90,300)

Note 2

Reduction in liability for share based payments - directors	(16,110)
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Note 3

Reduction in liability for DOCA borrowings	(246,948)
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Note 4

Issue of capital raising shares	5,400,000
Capital raising costs	(494,000)
Issue of Advisor shares	30,000
Issue of Advisor options	(36,000)
Issue of Placement options	(858,000)
Issue of related party options	(297,000)
Issue of director shares	155,104

Note 5

Issue of Advisor options	36,000
Issue of Placement options	858,000
Issue of related party options	297,000

Note 6

Issue of Advisor shares	(30,000)
Issue of director shares	(155,104)
Convertible note face value uplift	(90,300)

The Company may raise more or less than this amount and this would have a corresponding impact on the Pro-forma Statement of Financial Position.

No other forecasted additional transactions, revenues or operating costs have been included in the Pro-forma Statement of Financial Position.

Proxy Form

Veriluma Limited
ACN 142 901 353

Annual General Meeting

Holder ID :



I/We, being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

Or: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at KPMG, Level 38, Tower Three, 300 Barangaroo Avenue, Sydney, NSW 2000, on 9 August 2019 at 10:00am AEST, and at any adjournment thereof.

Authority for Chair to vote undirected proxies on Remuneration Related Resolutions

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 15 to 25 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 15 to 25 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

Chair's Voting Intention in relation to undirected proxies

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – Steve Formica	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Andrew Grover	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director – Arunava Sengupta	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of prior issue of Shares under ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of prior issue of Shares and Advisor Options under ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to issue Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Consolidation of capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Shares – Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Related party participation in Capital Raising – Andrew Grover	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Related party participation in Capital Raising – Steve Formica	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Related party participation in Capital Raising – relative of Steve Formica	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Related party participation in Capital Raising – relative of Steve Formica	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Issue of Options – Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15	Issue of Options to related party – Elizabeth Whitelock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16	Issue of Options to related party – Andrew Grover	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 17	Issue of Options to related party – Steve Formica	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 18	Issue of Options to related party – Arun Sengupta	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 19	Issue of Performance Shares to related party – Elizabeth Whitelock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 20	Issue of Performance Shares to related party – Andrew Grover	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 21	Approval to issue Shares to Steve Formica in lieu of directors' fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 22	Approval to issue Shares to Arunava Sengupta in lieu of directors' fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 23	Approval to issue Shares to John Welsh in lieu of directors' fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 24	Approval to issue Shares to Andrew Grover in lieu of directors' fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 25	Enable the issue of Options under an Employee Incentive Scheme – Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 26	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 27	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact Name:

Contact Ph (Daytime):

Email Address:

**Consent for contact by email in
relation to this Proxy Form:**

YES ☐ NO ☐

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(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 should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Veriluma Limited, GPO Box 2517, Perth WA 6831; or
 - (b) facsimile to the Company on facsimile number +61 8 9463 6103; or
 - (c) email to the Company at investor@veriluma.com,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.