

Veriluma Limited
ACN 142 901 353

Notice of Annual General Meeting

Notice is given that the Meeting will be held at:

Time: 12:00pm AEDT

Date: Friday, 29 November 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 AEDT on 27 November 2019.

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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 2019, 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 2019."

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 – Re-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 11.3 of the Constitution, and for all other purposes, Steve Formica, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. Resolution 3 – Ratification of prior issue of Consideration Shares and Employment 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 up to 4,000,000 Consideration Shares and 2,000,000 Employment 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.

5. Resolution 4 – Change of Company Name

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

"That, for the purposes of section 157 of the Corporations Act, and for all other purposes, approval be given to change the Company's name from Veriluma Limited to Houston We Have Limited with effect from the date on which ASIC alters the details of the Company's registration to reflect the change of name."

6. Resolution 5 – Modification to Constitution

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

"That, for the purposes of section 136(2) of the Corporations Act, and for all other purposes, approval be given for the modification of the Company's existing Constitution and adoption of the Proposed Constitution as the Constitution of the Company with effect from 1 December 2019."

7. Resolution 6 – Approval of Additional 10% Placement Capacity

To consider and, if thought fit, to pass, with or without amendment, 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: 24 October 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 – Re-election of Director – Steve Formica

3.1 General

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

Steve Formica, who has served as a Director since 2 July 2018 and was last re-elected on 8 August 2019, retires by rotation and seeks re-election.

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

4. Resolution 3 – Ratification of prior issue of Consideration Shares and Employment Options

4.1 General

On or about 30 October 2019 (**Completion Date**), the Company is expected to complete the proposed acquisition of Prometheus Information Pty Limited (**Prometheus**) as announced on 7 October 2019 (**Acquisition**).

The Company has entered into a conditional heads of agreement to acquire Prometheus, a pre-eminent, Canberra-based, business intelligence, data warehousing, analytical solution and professional services business, with deep expertise in the health insurance sector, particularly in relation to the identification of fraud, waste and claim abuse by providers and members. With twenty-one clients and annual revenues of approximately \$670,000, Prometheus has an impressive portfolio of intellectual property products and tools which can be used to serve government and corporate clients in Australia.

The Acquisition represents a growth opportunity for Veriluma to use the Veriluma AI software to solve problems within complex environments particularly in the insurance industry. As such, the Prometheus software and professional services mirror that of the Veriluma ideals of predictive analysis to mitigate commercial risks including risks associated with fraud.

A summary of the key terms of the Acquisition are detailed in the Company's announcement dated 7 October 2019, and include the following.

- Parties: The Company and the vendor shareholders of Prometheus. The vendors are Messrs George Preston, Daryel Akerlind and Bill Beedie or their controlled entities, none of whom are related parties or ASX Listing Rule 10.1 parties of the Company (**Vendors**).
- Consideration – Upfront Payment: \$500,000 cash (sourced from the proceeds of the Company's recent \$5,400,000 capital raising) and Shares equal in value to \$100,000 (**Consideration Shares**) with the issue price calculated as the greater of the 30 day trailing average of the Share price on the completion date and \$0.025. The upfront payment is to be paid on the Completion Date, with

Consideration Shares voluntarily escrowed until 31 January 2020 (the Company will issue a cleansing prospectus at the expiry of escrow).

- Consideration – Final Payment: \$73,099 cash to be paid on 30 June 2020 subject to client retention milestone and Messrs Preston and Akerlind having continued their employment with Prometheus.
- Employment: the Company has agreed to employ Messrs Preston and Akerlind on standard industry and statutory terms, with 1,000,000 unquoted options (vesting 9 months after the Completion Date, exercisable at \$0.04 each, and expiring within 5 years of issue) to be issued to each of Messrs Preston and Akerlind (**Employment Options**).

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Consideration Shares and the Employment Options.

4.2 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. The securities the subject to Resolution 3 will be issued in accordance with, and will not breach, ASX Listing Rule 7.1. As at the date of this Notice, the Company has a placement capacity under ASX Listing Rule 7.1 of 38,295,105.

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.

4.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) a maximum of 4,000,000 Consideration Shares and 2,000,000 Employment Options will be issued. The Consideration Shares and the Employment Options have not been issued as at the date of this Notice but are expected to have been issued as at the date of the Meeting.

The number of Consideration Shares to be issued will be determined according to the formula set out in section 4.3(b)(i), with examples set out below for different issue prices;

Issue Price	\$0.025 (floor price)	\$0.03	\$0.04	\$0.05
Number of Consideration Shares	4,000,000	3,333,333	2,500,000	2,000,000

- (b) the issue price:
- (i) for the Consideration Shares will be calculated according to the formula of “\$100,000 divided by the greater of the 30 day trailing average of the Company’s share price on the Completion Date and \$0.025”; and
 - (ii) for the Employment Options is nil;
- (c) the Consideration Shares to be issued are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares, but subject to voluntary escrow until 31 January 2020;

- (d) the Employment Options to be issued are unquoted options vesting 9 months after the Completion Date, exercisable at \$0.04 each, and expiring within 5 years of issue, otherwise on the terms detailed in Schedule 1;
- (e) the Consideration Shares will be issued to the vendors of Prometheus being Messrs George Preston, Daryl Akerlind and Bill Beedie (or their nominee/s), none of whom are related parties or ASX Listing Rule 10.1 parties, or associates of such parties, of the Company;
- (f) the Employment Options will be issued to each of Messrs Preston and Akerlind with each to receive 1,000,000 Employment Options; and
- (g) no funds will be raised from the issue of Consideration Shares as they are being issued as non-cash consideration for the Acquisition and no funds will be raised from the issue of the Employment Options as they are being issued as non-cash remuneration under an employment agreement.

5. Resolution 4 – Change of Company Name

5.1 General

A company may change its name by special resolution of Shareholders (requiring at least 75% of the votes to be cast in favour of the resolution by Shareholders entitled to vote on the resolution) and making an application to ASIC in the prescribed form in respect of the name change.

5.2 Rationale for the name change

The Board proposes to change the Company's name to refresh its branding and digital footprint following its successful recapitalisation and reinstatement to trading on ASX. The name change and new brand will communicate to existing and prospective clients and partners that the Company has overcome historical challenges, and will generate a new digital footprint which, in conjunction with simplified market positioning, will lessen the barriers to doing business.

Houston We Have Limited (Proposed ASX Code: HWH) is the proposed name. It brings a number of benefits: memorable, associated with technological success, and is true to our product offering in technology software and services, "We Solve Problems".

5.3 Effect of approval of the Resolution

If this Resolution 4 is approved, the Company will lodge an application with ASIC requesting it to alter the details of the Company's registration to reflect the name change, and the name change will take effect when ASIC alters the details of the Company's registration.

6. Resolution 5 – Modification to Constitution

6.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders, requiring at least 75% of the votes to be cast in favour of the resolution by Shareholders entitled to vote on the resolution.

Resolution 5 is a special resolution which will enable the Company to modify its existing Constitution and adopt an amended constitution (**Proposed Constitution**) which complies with the proposed changes to ASX Listing Rule 15.12 which come into effect on 1 December 2019. Under this change, ASX requires certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will instead permit the Company to issue restriction

notices to holders of restricted securities in the form of a new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's office, and a copy is available upon request by calling the Company on +61 2 9146 4742.

6.2 Proposed modification

The proposed amendments will result in material amendments to clause 2.12, and will also reflect the Company's new name if Resolution 5 is approved. The effect of the proposed amendments to the Constitution will be to include additional provisions which provide that for so long as an entity has any restricted securities on issue:

- a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
- the entity will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
- if a holder of Restricted Securities breaches a restriction deed or a provision of the Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

7. Resolution 6 – Approval of Additional 10% Placement Capacity

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

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

7.2 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 \$9,701,426.75 (based on the number of Shares on issue and the closing price of Shares on ASX on 23 October 2019, being the last date Shares traded on ASX prior to the date of this Notice).

(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 6 is approved); and

- (i) 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.

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)	\$0.019 50% decrease in Issue Price	\$0.038 Issue Price	\$0.057 50% increase in Issue Price
255,300,704 (Current Variable A)	Shares issued - 10% voting dilution	25,530,070 Shares	25,530,070 Shares	25,530,070 Shares
	Funds Raised	\$485,071.33	\$970,142.66	\$1,455,213.99
382,951,056 (50% increase in Variable A)	Shares issued - 10% voting dilution	38,295,105 Shares	38,295,105 Shares	38,295,105 Shares
	Funds Raised	\$727,607.00	\$1,455,213.99	\$2,182,820.99
510,601,408 (100% increase in Variable A)	Shares issued - 10% voting dilution	51,060,140 Shares	51,060,140 Shares	51,060,140 Shares
	Funds Raised	\$970,142.66	\$1,940,285.32	\$2,910,427.98

*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 the following basis and uses the following assumptions:

1. There are 255,300,704 Shares on issue.
2. The issue price is \$0.038, being the closing price of Shares on 23 October 2019.
3. The Company issues the maximum possible number of Equity Securities under the Additional Placement Capacity.
4. 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.
5. 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 6. 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 most recently obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 9 August 2019 (**Previous Approval**). The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 29 November 2018, the Company otherwise issued a total of 264,170,134 Equity Securities which represents approximately 346.54% of the total number of Equity Securities on issue in the Company on 29 November 2018, which was 76,230,479 (post-consolidation, taking into account the 10:1 consolidation effected by the Company on 15 August 2019).

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 2.

7.3 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 6.

Glossary

\$ means Australian dollars.

Additional Placement Capacity has the meaning in Section 7.1.

Additional Placement Period has the meaning in Section 7.2(e).

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

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.

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 or **Veriluma** means Veriluma Limited (ACN 142 901 353).

Consideration Shares means the Shares to be issued to the Vendors as non-cash consideration for the Acquisition.

Constitution means the Company's constitution.

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.

Employment Options means the Options to be issued to Messrs Preston and Akerlind as detailed in section 4.3, and on the terms and conditions set out in Schedule 1.

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.

Explanatory Statement means the explanatory statement accompanying the Notice.

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.

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, or an Employment Option as the context requires.

Optionholder means a holder of an Option.

Proposed Constitution has the meaning given to it in Section 6.1.

Proxy Form means the proxy form accompanying the Notice.

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.

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 Employment Options

- (a) **Entitlement** - Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
 - (b) **Exercise Price** - Subject to clause 1.1(i), the amount payable upon exercise of each Option will be \$0.04 (**Exercise Price**).
 - (c) **Expiry Date** - Each Option will expire at 5:00 pm (AEST/AEDT) on the date that is 5 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 from the date that is 9 months after the date that the Company completes the acquisition of Prometheus Information Pty Limited and 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 1.1(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 – Issue of Equity Securities since 30 November 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 4 April 2019 Appendix 3B – 8 April 2019	2,000,000 ¹¹	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 value⁸ = \$48,000
Issue – 4 April 2019 Appendix 3B – 8 April 2019	1,000,000 ¹¹	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 value⁹ = \$38,000
Issue – 30 August 2019 Appendix 3B – 4 September 2019	1,170,134	Shares	Issued to Messrs Formica, Sengupta and Welsh pursuant to Shareholder approval dated 9 August 2019.	Deemed \$0.03 (non-cash consideration)	Consideration: issued in lieu of cash payment of accrued directors' fees. Current value⁹ = \$44,465.09
Issue – 30 August 2019 Appendix 3B – 4 September 2019	9,000,000	Unquoted Options ⁴	Issued to Ms Whitelock and Messrs Grover, Formica and Sengupta pursuant to Shareholder approval dated 9 August 2019.	No issue price (non-cash consideration)	Consideration: issued as performance linked incentive component of remuneration. Current value⁸ = \$198,000
Issue – 30 August 2019 Appendix 3B – 4 September 2019	9,000,000	Unquoted Options ⁵	Issued to Ms Whitelock and Messrs Grover, Formica and Sengupta pursuant to Shareholder approval dated 9 August 2019.	No issue price (non-cash consideration)	Consideration: issued as performance linked incentive component of remuneration. Current value⁸ = \$180,000
Issue – 30 August 2019 Appendix 3B – 4 September 2019	5,000,000	Class D Performance Shares ⁶	Issued to Ms Whitelock and Mr Grover pursuant to Shareholder approval dated 9 August 2019.	No issue price (non-cash consideration)	Consideration: issued as performance linked incentive component of remuneration. Current value¹⁰ = \$97,500
Issue – 30 August 2019 Appendix 3B – 4 September 2019	5,000,000	Class E Performance Shares ⁷	Issued to Ms Whitelock and Mr Grover pursuant to Shareholder approval dated 9 August 2019.	No issue price (non-cash consideration)	Consideration: issued as performance linked incentive component of remuneration. Current value¹⁰ = \$97,500
Issue – 3 September 2019 Appendix 3B – 4 September 2019	180,000,000	Shares ²	Issued to subscribers to the public offer made in the prospectus dated 26 July 2019 as supplemented by the supplementary prospectus dated 30 August 2019 (Offer), and pursuant to Shareholder approval dated 9 August 2019.	\$0.03 (no discount)	Consideration: \$5,400,000. Expenditure: \$1,141,000 has been spent on costs of the Offer, debt repayment, administration expenses and salaries. Intended Use: The remaining \$4,259,000 will be spent on Acquisition consideration and in accordance with the use of funds detailed in Company's announcement of 6 September 2019.
Issue – 3 September 2019 Appendix 3B – 4 September 2019	26,000,000	Unquoted Options ⁴	Issued to unrelated parties pursuant to Shareholder approval dated 9 August 2019.	No issue price (non-cash consideration)	Consideration: issued as consideration for assistance in marketing and product development. Current value⁸ = \$572,000

Issue – 3 September 2019 Appendix 3B – 4 September 2019	26,000,000	Unquoted Options ⁵	Issued to unrelated parties pursuant to Shareholder approval dated 9 August 2019.	No issue price (non-cash consideration)	Consideration: issued as consideration for assistance in marketing and product development. Current value^a = \$520,000
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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 using the capital raising price of Offer of \$0.03 as the Company's securities were suspended from quotation between 20 September 2017 and 9 September 2019, and all issued in Schedule 2 occurred during this period.
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 \$0.03 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 of the Company's notice of annual general meeting dated 25 June 2019.
4. Each Option is exercisable at \$0.04 on or before 5:00 pm (EST) on 30 June 2022. The full terms and conditions of this class of Options are set out in Schedule 4 of the Company's notice of annual general meeting dated 25 June 2019.
5. Each Option is exercisable at \$0.08 on or before 5:00 pm (EST) on 30 June 2023. The full terms and conditions of this class of Options are set out in Schedule 4 of the Company's notice of annual general meeting dated 25 June 2019.
6. These performance shares convert into Shares on a one-for-one basis upon the 30 trading day volume weighted average price of Shares being not less than \$0.08 on or before 30 August 2022. The full terms and conditions of these performance shares are set out in Schedule 7 of the Company's notice of annual general meeting dated 25 June 2019.
7. These performance shares convert into Shares on a one-for-one basis upon the 30 trading day volume weighted average price of Shares being not less than \$0.12 on or before 30 August 2022. The full terms and conditions of these performance shares are set out in Schedule 7 of the Company's notice of annual general meeting dated 25 June 2019.
8. Calculated using the Black-Scholes option pricing method as at 23 October 2019.
9. Calculated using the closing price of Shares of \$0.038 on 23 October 2019.
10. The value of the performance shares was calculated by using the share price at issue date of \$0.03 (being the price of the Offer) and given a probability of the milestones being achieved.
11. Post-consolidation, taking into account the 10:1 consolidation effected by the Company on 15 August 2019.

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Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **12:00pm (AEDT) Wednesday, 27 November 2019.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 183530

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Veriluma Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Veriluma Limited to be held at KPMG, Level 38, Tower Three, 300 Barangaroo Avenue, Sydney, New South Wales on Friday, 29 November 2019 at 12:00pm (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2 Items of Business

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

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Steve Formica	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of prior issue of Consideration Shares and Employment Options under ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Modification to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare

