

WEBCENTRAL GROUP LIMITED ACN 073 716 793

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting of Shareholders of Webcentral Group Limited ACN 073 716 793 (**WCG** or **Company**) will be held:

Date: Friday, 18 December 2020
Time: 11.00am (AEDT)
Venue: Online at <https://agmlive.link/webcentral20>

The Extraordinary General Meeting will be held electronically. Shareholders are requested to participate in the Extraordinary General Meeting virtually via the Company's online virtual platform, or by the appointment of a proxy. Please see page 8 for details outlining the process which Shareholders should follow to participate in the Extraordinary General Meeting electronically.

In accordance with section 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, the Company will not be mailing physical copies of this Notice of Meeting to Shareholders, and instead this Notice of Meeting will be sent electronically to Shareholders where WCG has a record of their email address, or will otherwise be made available to Shareholders where WCG does not have a record of their email address through a URL set out in a postcard sent to them by mail. Please see page 8 for further details regarding the despatch of this Notice of Meeting to Shareholders.

BUSINESS

To consider, and if thought fit, to pass with or without modification, the following resolutions

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT 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 purpose of ASX Listing Rules 7.1, 7.4 and for all other purposes, Shareholders approve the issue of the Placement Shares at a price of \$0.17 and otherwise 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 or on behalf of a person who participated in the issue or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. **RESOLUTION 2 – APPROVAL OF ISSUE OF SECURITIES – J D MANAGEMENT GROUP PTY LTD**

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 Rules 7.1, 7.3 and 10.11 and for all other purposes, approval is given for the Company to issue 11,764,706 Shares to J D Management Group Pty Ltd (an entity controlled by Mr Joe Demase, a director of the Company) at an issue price of \$0.17 and otherwise 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 or on behalf of a J D Management Group Pty Ltd and Mr Demase and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 3 – APPROVAL OF ISSUE OF SECURITIES – GANGI ENTITIES

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 Rules 7.1, 7.3 and 10.11 and for all other purposes, approval is given for the Company to issue 2,941,176 Shares to the Gangi Entities (each an entity controlled by Mr Joe Gangi, a director of the Company) at an issue price of \$0.17 and otherwise 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 or on behalf of a Gangi Entity and Mr Gangi and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. RESOLUTION 4 – APPROVAL OF EMPLOYEE INCENTIVE SCHEMES

To consider and, if thought fit, to pass the following resolution:

“That, for the purposes of ASX Listing Rule 7.2 Exception 13, sections 259B(2) and 260C(4) of the Corporations Act and for all other purposes, approval is given for the Company to adopt the Executive and Director Share Option Plan and the Employee

Share Plan, and issue securities, grant loans and take security over shares under those plans from time to time, upon 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 or on behalf of:

- (a) any Director or Key Management Personnel who is eligible to participate in the ESOP or ESP or any of their associates;
- (b) any other person who is eligible to participate in ESOP or ESP or any of their associates.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 5 – APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO MR JOE GANGI

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 10.14 and for all other purposes, approval is given for the Company to issue 1,000,000 Director Options to Mr Joe Gangi or his nominee under the Executive and Director Share Option Plan 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 or on behalf of:

- (a) Mr Gangi (or his nominee) or any of his associates;

- (b) any Director or Key Management Personnel who is eligible to participate in the ESOP or ESP or any of their associates; and
- (c) any other person who is eligible to participate in ESOP or ESP or any of their associates.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (iii) a member of the Key Management Personnel; or
 - (iv) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

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

6. RESOLUTION 6 – APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO MS NATALIE MACTIER

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 10.14 and for all other purposes, approval is given for the Company to issue 1,000,000 Director Options to Ms Natalie Mactier or her nominee under the Executive and Director Share Option Plan 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 or on behalf of:

- (a) Ms Mactier (or her nominee) or any of her associates;
- (b) any Director or Key Management Personnel who is eligible to participate in the ESOP or ESP or any of their associates; and
- (c) any other person who is eligible to participate in ESOP or ESP or any of their associates.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (iii) a member of the Key Management Personnel; or
 - (iv) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

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

7. RESOLUTION 7 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO J D MANAGEMENT GROUP PTY LTD

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 Rules 7.1, 7.3 and 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Performance Rights to J D Management Group Pty Ltd (an entity controlled by Mr Joe Demase, a director of the Company) 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 or on behalf of a J D Management Group Pty Ltd and Mr Joe Demase and any other person who will obtain a material benefit as a result of the issue securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

EXPLANATORY STATEMENT

An Explanatory Statement in respect of the Resolution set out above is enclosed with this Notice of Meeting. Expressions defined in the Explanatory Statement including the Glossary included in the Explanatory Statement have the same meaning when used in this Notice of Meeting.

By Order of the Board



Glen Dymond
Company Secretary
13 November 2020

VIRTUAL EXTRAORDINARY GENERAL MEETING

In accordance with section 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, the Company will not be mailing physical copies of this Notice of Meeting to Shareholders. This Notice of Meeting will be despatched to Shareholders in the following manner:

- If the Share Registry has a record of a Shareholders email address, the Company will send an email to that Shareholder with this Notice of Meeting included as an attachment to that email; or
- If the Share Registry does not have a record of a Shareholder's email address, the Company will mail a physical postcard to that Shareholder's registered address, containing a URL website address by which that Shareholder can access and download a copy of this Notice of Meeting electronically.

Shareholders are requested to participate in the Extraordinary General Meeting virtually via our virtual Extraordinary General Meeting platform at <https://agmlive.link/webcentral20> or via the appointment of a proxy.

We recommend logging in to our online platform at least 15 minutes prior to the scheduled start time for the Extraordinary General Meeting using the instructions below under the heading "Using the online platform."

VOTING ENTITLEMENTS

In accordance with section 1074E(2)(g) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), persons holding shares at 11.00am AEDT on 16 December 2020 will be treated as Shareholders. This means that if you are not the registered holder of a relevant Share at that time you will not be entitled to attend and vote in respect of that Share at the meeting.

EXTRAORDINARY GENERAL MEETING CONSIDERATIONS AND SHAREHOLDER QUESTIONS

A discussion will be held on all items to be considered at the Extraordinary General Meeting.

All Shareholders will have a reasonable opportunity to ask questions during the Extraordinary General Meeting via the virtual Extraordinary General Meeting platform.

To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following:

- all Shareholder questions should be stated clearly and should be relevant to the business of the Extraordinary General Meeting, and general questions about the performance, business or management of the Company;
- if a Shareholder has more than one question on an item, all questions should be asked at the one time; and
- Shareholders should not ask questions at the Extraordinary General Meeting regarding personal matters or those that are commercial in confidence.

Shareholders who prefer to register questions in advance of the Extraordinary General Meeting are invited to do so. A Shareholder Question Form is available on the Company's website: <https://www.webcentralgroup.com.au/>.

The Company will attempt to address the more frequently asked questions in the Extraordinary General Meeting. Written questions must be received by the Company or Link Market Services Limited by 11.00am on 16 December 2020, and can be submitted online, by mail, by fax or in person.

ALL RESOLUTIONS BY POLL

The Chairman intends to call a poll on each of the Resolutions proposed at the Extraordinary General Meeting. Each Resolution considered at the Extraordinary General Meeting will therefore be conducted by poll, rather than a show of hands. The Chairman considers voting by poll to be in the interests of the shareholders as a whole, and to ensure the representation of as many shareholders as possible at the meeting.

HOW TO VOTE

Using the online platform

We recommend logging in to the online platform at least 15 minutes prior to the scheduled start time for the Extraordinary General Meeting using the instructions below:

- Enter <https://agmlive.link/webcentral20> into a web browser on your computer or online device;
- Securityholders will need their SRN or HIN: and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meeting.

Online voting will be open between the commencement of the Extraordinary General Meeting at 11.00am (Sydney time) on 18 December 2020 and the time at which the Chairman announces voting closure.

More information about online participation in the Extraordinary General Meeting is available in the Online Platform Guide at <https://www.webcentralgroup.com.au/investors/>.

Appointing a proxy

A member can appoint a proxy to attend the Meeting and vote on their behalf, using the enclosed Proxy Form. A member who is entitled to vote at the meeting may appoint:

- one proxy if the member is only entitled to one vote; or
- two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be discarded. A proxy need not be a member of the Company.

If you require an additional Proxy Form, please contact Link Market Services Limited at +61 1300 554 474.

The Proxy Form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Share Registry, Link Market Services Limited, no later than 11.00am at 16 December 2020 (that is, at least 48 hours before the meeting). Proxies received after this time will not be accepted.

Instructions for completing the Proxy Form are outlined on the form, which may be returned by:

- posting it in the reply-paid envelope provided;
- posting it Webcentral Group Limited c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000;
- faxing it to Link Market Services Limited on +61 2 9287 0309; or
- lodging it online at linkmarketservices.com.au in accordance with the instructions provided on the website. You will need your HIN or SRN to lodge your Proxy Form online.

Proxy Forms from corporate shareholders must be executed in accordance with their constitution or signed by a duly authorised attorney.

A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy directs how to vote on an item of business, the proxy may only vote on that item, in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he/she thinks fit.

The Constitution provides that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to be in favour of the Chairman of the meeting to which it relates, or to another person as the Board determines.

If a shareholder appoints the Chairman of the meeting as the shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as a proxy for that shareholder, in favour of the item on a poll.

BODY CORPORATE REPRESENTATIVES

- A corporation, by resolution of its directors, may authorise a person to act as its representative to vote at the meeting.
- A representative appointed by a corporation may be entitled to execute the same powers on behalf of the corporation as the corporation could exercise if it were an individual shareholder of the Company.
- To evidence the authorisation, either a certificate of body corporate representative executed by the corporation or under the hand of its attorney or an equivalent document evidencing the appointment will be required.
- The certificate or equivalent document must be produced prior to the meeting.

EXPLANATORY STATEMENT

BACKGROUND TO THE RESOLUTIONS

Funding and share issues

The Company has been operating for some time under constrained financial circumstances. On 26 October 2020, as foreshadowed in its Bidder's Statement dated 18 September 2020 (as supplemented) 5G Networks Limited (**5GN**) loaned funds to the Company to enable the Company to repay the debt of approximately \$47.7m owed by the Company to its banks ANZ and NAB. However, the Company urgently requires additional capital to fund its ongoing operations and to pursue its organic growth strategy and acquisition opportunities.

As a short term measure to address the need for additional funding the Company has been able to secure an equity subscription package of approximately \$5.6m comprising:

- Approximately \$3.1m by way of a placement to institutional and sophisticated investors at a price of \$0.17 per share (**Placement**). Commitments for the Placement were received post trading halt on the afternoon of Thursday 12 November 2020; and
- A further \$2.5m by way of the issue of Shares at a price of \$0.17 to entities associated with Mr Joe Demase and Mr Joe Gangi, both of whom are directors of the Company. This component of the funding package is conditional on Shareholder approval because the ASX Listing Rules require shareholder approval of an issue of securities to directors and their associates.

The funds will be used to strengthen operating cashflow and allow flexibility moving forward. The issue price of \$0.17 per share is at a discount to intra-day trading on Thursday 12 November 2020 (closing on that day at \$0.21) but at a premium to the 1 month volume average weighted price (VWAP) of Webcentral shares of \$0.165. The Placement has been managed by Cornwalls Capital Pty Ltd for a fee of 5% of the funds raised. Resolutions 1, 2 and 3 relate to the funding package.

Options and performance rights

5GN has a philosophy of rewarding its officers and employees for success rather than paying substantial salaries. Mr Joe Demase has been appointed as Managing Director of the Company. He will not be paid a salary for this position. Instead the Company will issue Performance Rights as his remuneration. Consistent with the philosophy of rewarding success, vesting of the Performance Rights will depend on the success of the Company, represented by the Company achieving normalised annualised EBITDA of \$10,000,000.

Similarly, options will be issued to newly appointed directors Mr Joe Gangi and Ms Natalie Mactier as a component of their remuneration. Vesting will be conditional on them remaining in office for at least two years.

Resolutions 4, 5, 6 and 7 relate to the issue of the options and Performance Rights.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

1.1 General

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including Shares) that a listed company can issue or agree to issue without shareholder approval.

Generally, a listed company can issue up to 15% of its issued equity securities in a 12-month period (subject to certain exceptions) without shareholder approval.

Listed companies can “refresh” their 15% placement capacity by obtaining shareholder approval of prior issues.

Resolution 1 in this Notice of Meeting has been included and is being sought by the Company to refresh its placement capacity and provide the Company with the maximum flexibility to issue further securities (if necessary) under ASX Listing Rule 7.1 without further Shareholder approval.

If Resolution 1 is passed, the Company will not need to include the Placement Shares when calculating how many securities it has issued for the purposes of its ASX Listing Rule 7.1.

While the Company has no present intention to issue additional securities (other than under one of the prescribed exceptions to ASX Listing Rule 7.1), the Company considers it necessary to retain the maximum flexibility to do so, should this become necessary or desirable. The requirement to obtain Shareholder approval for a future issue pursuant to ASX Listing Rule 7.1 could limit the Company's ability to take advantage of opportunities that may arise.

On Thursday 12 November 2020, the Company obtained commitments for a Placement under which 18,319,669 fully paid ordinary shares will be issued (**Placement Shares**) at a price of \$0.17 per Share to professional and sophisticated investors. The Placement will be settled on Monday 16 November 2020 and the Placement Shares will be issued on Tuesday 17 November 2020. The issue price of \$0.17 per share is at a discount to intra-day trading on Thursday 12 November 2020 (closing on that day at \$0.21) but at a premium to the 1 month volume average weighted price (VWAP) of Webcentral shares of \$0.165. The Placement has been managed by Cornwalls Capital Pty Ltd for a fee of 5% of the funds raised.

Pursuant to ASX Listing Rule 7.9 an entity must not issue or agree to issue equity securities without the approval of the holders of its ordinary securities for 3 months after it is told in writing that a person is making, or proposes to make, a takeover for securities in it, unless one of the prescribed exceptions applies. Exception 8 to ASX Listing Rule 7.9 provides that an entity can undertake an issue of securities within 3 months of a takeover bid if the person who made the takeover bid approves the issue of securities.

The Company has sought and received approval from 5GN (the entity that on 10 November 2020 completed a takeover bid for the Company) to the Company undertaking the Placement, and issuing securities under it.

All of the Placement Shares were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1.

1.2 Technical information required by ASX Listing Rule 14.1A

If Resolution 1 is not passed, the Placement Shares will be included in calculating the Company's 15% placement capacity under ASX Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolution 1 is passed, the base figure upon which the Company's 15% annual placement capacity is calculated will be a higher number which in turn will allow a

proportionately higher number of securities to be issued without prior Shareholder approval.

1.3 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the persons to whom the Company issued the Placement Shares were institutional and sophisticated investors identified by the lead manager of the Placement, Cornwalls Capital Pty Ltd ACN 641 054 604 (CAR number 001283354);
- (b) 18,319,669 Placement Shares will be issued. All of the Placement Shares are fully paid ordinary shares in the Company in the same class as the Company's existing listed shares;
- (c) the Placement Shares will be issued on Tuesday 17 November 2020;
- (d) the Placement Shares will be issued at an issue price of \$0.17 per share payable in cash; and
- (e) the funds raised from the issue of the Placement Shares will be used to fund the Company's ongoing operations and to pursue its organic growth strategy and other acquisition opportunities.

2. RESOLUTIONS 2 AND 3 – APPROVAL OF ISSUE OF RELATED PARTY SECURITIES

2.1 General

Resolutions 2 and 3 seek Shareholder approval for the purposes of ASX Listing Rule 10.11 to allow the Company to issue 14,705,882 Shares (**New Shares**) as follows:

- (a) 11,764,706 New Shares to J D Management Group Pty Ltd; and
- (b) 1,470,588 New Shares to Gangi Services Pty Ltd as trustee for the J Gangi Business Trust No.2 and 1,470,588 New Shares to Giuseppe Gangi & Ms Daniela Dona as trustees for the Gangi Superannuation Fund (**Gangi Entities**).

(collectively, the **Recipients**, when referred to in this section 2).

The Recipients are subscribing for the New Shares to provide the Company with much needed funding. The New Shares will be issued to the Recipients on the same terms and conditions as the Placement Shares were issued to non-related parties under the Placement (at an issue price of \$0.17). Each of the two Gangi Entities will hold 50% of the New Shares issued to the Gangi Entities.

The issue of the New Shares is intended to occur within 5 business days after Resolutions 2 and 3 are approved by Shareholders at the Meeting. The New Shares will not be issued more than one month after the date of the Meeting (or such later date as is permitted by ASX).

2.2 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, pursuant to section 208 of the Corporations Act:

- (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. One of the exceptions is that the benefit is given on arm's length terms.

The issue of New Shares constitutes giving a financial benefit and the Recipients are each a related party of the Company by virtue of being Directors or associates of directors.

The Directors (other than the Recipients who have a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of New Shares because the New Shares will be issued to the Recipients on the same terms as the Placement Shares were issued to non-related parties in the Placement and as such giving of the financial benefit is on commercial arm's length terms.

2.3 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.

The Recipients are each a related party of the Company by virtue of being associates of Directors. As such, 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. Accordingly, Shareholder approval for the purpose of ASX Listing Rule 10.11 is being sought in respect of Resolutions 2 and 3.

If approval is given by Shareholders to Resolutions 2 and 3, the issue of New Shares will not come out of the Company's capacity under ASX Listing Rule 7.1 (and separate approval is not required under ASX Listing Rule 7.1) as the approval of Shareholders is being obtained under ASX Listing Rule 10.11.

2.4 Technical information required by Listing Rule 14.1A

If Resolutions 2 and 3 are passed, the Company will be able to proceed with the issue of the New Shares to the Recipients within one month after the date of the Meeting (or such later date as permitted by ASX). As approval pursuant to Listing Rule 7.1 is not required for the issue of the New Shares (because approval is being obtained under Listing Rule 10.11), the issue of the New Shares will not use any of the Company's 15% annual placement capacity.

If Resolutions 2 and 3 are not passed, the Company will not be able to proceed with the issue of the New Shares to the Recipients.

2.5 ASX Listing Rules 10.11 and 10.13

The following information is provided in accordance with ASX Listing Rules 10.11 and 10.13:

- (a) The name of the person and relationship to the Company

The Recipients (each associates of Mr Demase and Mr Gangi) are each related parties of the Company by virtue of being associates of directors of the Company (category ASX Listing Rule 10.11.1).
- (b) The maximum number of shares to be issued

The following number of New Shares will be issued to each Recipient upon Shareholder approval:
 - (i) 11,764,706 to J D Management Group Pty Ltd; and
 - (ii) 1,470,588 to Gangi Services Pty Ltd as trustee for the J Gangi Business Trust No.2 and 1,470,588 New Shares to Giuseppe Gangi & Ms Daniela Dona as trustees for the Gangi Superannuation Fund.

All of the New Shares are fully paid ordinary shares in the Company in the same class as the Company's existing listed shares.
- (c) The date by which the Company will issue the shares

If Resolutions 2 and 3 are approved, the Company intends to issue the New Shares within 5 business days after the date of the Meeting, but in any event within 1 month after the date of the Meeting (or such later date as ASX permits).
- (d) Issue price and consideration

The New Shares will have an issue price of \$0.17 per share.

The Company will receive the following consideration in respect of the issue of the New Shares:
 - (i) \$2,000,000 in consideration for the 11,764,706 New Shares issued to J D Management Group Pty Ltd; and
 - (ii) \$500,000 in consideration for the 2,941,176 New Shares issued to the Gangi Entities.
- (e) Intended use of the funds raised

The funds raised from the issue of the New Shares to the Recipients are intended to be used for the purposes of providing capital to fund the Company's ongoing operations and to pursue its organic growth strategy and acquisition opportunities.
- (f) Remuneration packages

Mr Gangi currently receives a remuneration package of \$90,000 per annum in respect of his role as non-executive Director (Chairman) of

the Company. Mr Demase does not receive any remuneration package for his role as a Director and interim chief executive officer of the Company.

3. **RESOLUTION 4 – APPROVAL OF EMPLOYEE INCENTIVE SCHEMES**

3.1 **General**

Under ASX Listing Rule 7.2 Exception 13, securities issued under employee incentive schemes that are approved by shareholders within 3 years before the issue date are not counted in the 15% share issue limit in Listing Rule 7.1.

To this end, the Company proposes to establish:

- (a) Executive and Director Share Option Plan (**ESOP**) in which senior management and Directors of the Company may participate. The Board believes that the establishment of the ESOP will assist in the reward, retention and motivation of senior management and Directors by enabling them to acquire Shares; and
- (b) Employee Share Plan (**ESP**) in which any employees of the Company may participate. The Board believes that, the establishment of the ESP will assist in the reward, retention and motivation of employees by enabling them to acquire Shares.

For approval of a scheme to be effective under ASX Listing Rule 7.2 Exception 13, the notice of meeting for approval must include:

- (c) a summary of the terms of the scheme;
- (d) the number of securities issued under the scheme since the date of last approval;
- (e) the maximum number of securities which can be issued under the scheme following approval; and
- (f) a voting exclusion statement.

3.2 **Executive and Director Share Option Plan**

The Company is proposing to adopt the ESOP to better align the interests of Directors and executives with the interests of Shareholders.

- (a) Summary of the terms of the ESOP

Under the ESOP Directors and senior management may be issued with Director Options which entitle the holder to subscribe for Shares. The Company may lend the exercise price of the Director Options to the holder on a limited recourse basis. Any such loans will be granted on the basis that the Company retains security over the shares until the loans are fully repaid.

The terms and conditions on which the Director Options are to be issued will be determined by the Directors of the Company. Typically, the Director Options will be subject to vesting conditions and the Director Options cannot be exercised until those vesting conditions are satisfied. The vesting conditions are usually related to ongoing service for an agreed period, and in the case of executives

the financial or share price performance of the Company and the respective executives' satisfaction of Company and personal KPIs.

The terms of the ESOP are further summarised in Schedule 3. A full copy of the rules of the ESOP is available for inspection at the registered office of the Company and will be provided free of charge to Shareholders on request.

(b) Number of securities issued under the ESOP

The number of securities on issue under the ESOP is 0 (zero).

(c) Maximum number of securities which can be issued under the ESOP

The maximum number of securities that can be issued under the ESOP is 14,045,079 being 10% of the 140,450,793 shares on issue as at the date of this Notice.

3.3 Employee Share Plan

The Company is proposing to adopt the ESP to better align the interests of employees of the Company and its subsidiaries with the interests of Shareholders.

(a) Summary of the terms of the ESP

Under the ESP employees may be issued with Shares, normally for no consideration, taking advantage of the tax concessions and disclosure relief available for broad based employee share schemes.

Current legislation permits up to \$1,000 worth of shares to be issued to employees under a broad based employee share plan to be tax free. The eligibility for this reduction is subject to the meeting the other requirements of this tax concession.

Relief granted by ASIC in respect of broad based employee share plans permits offers of shares of up to \$5,000 to be made without the issue of a prospectus or other disclosure document.

The terms of the ESP are further summarised in Schedule 4. A full copy of the rules of the ESP is available for inspection at the registered office of the Company and will be provided free of charge to Shareholders on request.

(b) Number of securities issued under the ESP

The number of securities on issue under the ESP is 0 (zero).

(c) Maximum number of securities which can be issued under the ESP

The maximum number of securities that can be issued under the ESP is 14,045,079 being 10% of the 140,450,793 shares on issue as at the date of this Notice.

4. **RESOLUTIONS 5 AND 6 – APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO MR JOE GANGI AND MS NATALIE MACTIER**

4.1 **General**

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 2,000,000 Director Options under the Company's ESOP (approval of the adoption of which is contemplated by Resolution 4) (**Director Options**) to Mr Joe Gangi and Ms Natalie Mactier or their nominees as follows:

- (a) 1,000,000 Director Options to Mr Joe Gangi or his nominee (Resolution 5); and
- (b) 1,000,000 Director Options to Ms Natalie Mactier or her nominee (Resolution 6).

As advised above, the Company is proposing to adopt the ESOP pursuant to Resolution 4. Therefore, Resolutions 5 and 6 are subject to approval by Shareholders of Resolution 4.

4.2 **ASX Listing Rule 10.14 and section 208 of the Corporations Act**

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

Section 208 of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (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. One of the exceptions is where the benefit constitutes reasonable remuneration as an officer or employee of the company.

The grant of the Director Options constitutes giving a financial benefit and Mr Gangi and Ms Mactier are related parties of the Company by virtue of being Directors.

The Company's Human Resources Remuneration and Nomination Committee has reviewed the fees to be paid to the non-executive directors of the Company and has as part of that review recommended the issue of the Director Options as being reasonable remuneration having regard to the responsibilities involved in the office and the functions to be performed by them.

4.3 **Technical information required by Chapter 2E of the Corporations Act, ASX Listing Rules 10.14 and 10.15 and other information**

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rules 10.14 and 10.15, and in the interests of providing shareholders

with other information regarded by the Directors as being good practice the following information is provided in relation to the proposed issue of Director Options:

Chapter 2E of the Corporations Act

- (a) the Director Options are to be issued as remuneration to related parties of the Company, being Mr Gangi and Ms Mactier or their nominees;
- (b) the issue of the Director Options is reasonable because the exercise price of the Director Options being \$0.20 is approximate to the current trading price of Shares in the Company and vesting is contingent on them remaining in office for at least 2 years;

Listing Rules 10.14 and 10.15

- (c) both of Mr Gangi and Ms Mactier are directors of the Company and therefore fall in the category specified in ASX Listing Rule 10.14.1 and their nominees fall in the category specified in ASX Listing Rule 10.14.2;
- (d) the number of Director Options to be issued to Mr Gangi and Ms Mactier or their nominees is:
 - (i) 1,000,000 Director Options to Mr Gangi (or his nominee); and
 - (ii) 1,000,000 Director Options to Ms Mactier (or her nominee);
- (e) Mr Gangi currently receives a remuneration package of \$90,000 per annum in respect of his role as Chairman and a non-executive Director of the Company, and Ms Mactier currently receives a remuneration package of \$70,000 per annum in respect of her role as a non-executive Director of the Company;
- (f) no securities have previously been issued to either Mr Gangi or Ms Mactier under the ESOP;
- (g) the Director Options are not fully paid ordinary securities. A summary of the terms of the Director Options is included in Schedule 1. Other terms and conditions of the Director Options are set out in the ESOP, the terms of which are summarised in Schedule 3;
- (h) the Director Options will be issued to Mr Gangi and Ms Mactier or their nominees no later than 1 month after the date of the Meeting (or such later date as permitted by ASX) and it is anticipated that all of the Director Options will be issued on the same date;
- (i) the Director Options will be granted for nil cash consideration however each of Mr Gangi and Ms Mactier or their nominees will be required to pay the exercise price of \$0.20 per Director Option in order to acquire Shares upon exercise of the Director Options. Accordingly, no funds will be raised from the issue of the Director Options;
- (j) the Director Options will be subject to a vesting condition which requires that Mr Gangi or Ms Mactier as appropriate remain in office for at least two years before the Options vest and can be exercised;

- (k) the Director Options will be issued under the ESOP. A summary of the material terms of the ESOP is set out in this Explanatory Memorandum;
- (l) no loan will be provided to the Mr Gangi or Ms Mactier in relation to the acquisition of the Director Options;
- (m) details of any securities issued under the ESOP (including those contemplated by Resolutions 5 and 6) will be published in the Company's annual report relating to the period in which they were issued, along with a statement that the approval for the respective issue was obtained under ASX Listing Rule 10.14;
- (n) any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the ESOP after Resolutions 5 and 4 are approved and who were not named in this Notice, will not participate until approval is obtained;

Other information

- (o) the Director Options to be issued to Mr Joe Gangi and Ms Natalie Mactier or their nominees pursuant to Resolutions 3 and 4 have been valued by FTI Consulting as set out in Schedule 5;
- (p) the relevant interests of Mr Gangi and Ms Mactier in securities of the Company as at the date of this Notice is set out below:

Related party	Securities
Mr Joe Gangi	0
Ms Natalie Mactier	0

- (q) if all of the Director Options granted to Mr Gangi and Ms Mactier or their nominees are exercised, a total of 2,000,000 Shares would be issued. This would increase the number of Shares on issue from 122,131,124 to 124,131,124 (assuming that no other Shares were issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 2%;
- (r) the market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company;
- (s) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Date	Price
Highest	13 November 2019	\$0.415

Lowest	10 July 2020	\$0.064
Last	12 November 2020	\$0.210

- (t) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 5 and 6.

4.4 ASX Listing Rules 7.1 and 7.2

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to Mr Gangi and Ms Mactier as approval is being obtained under ASX Listing Rule 10.14 (Exception 13 under ASX Listing Rule 7.2). Accordingly, the issue of Director Options to Mr Gangi and Ms Mactier will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

5. RESOLUTION 7 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO J D MANAGEMENT GROUP PTY LTD

5.1 Introduction

The Company proposes, subject to obtaining Shareholder approval, to issue a total of 10,000,000 performance rights to J D Management Group Pty Ltd (an entity controlled by Mr Joe Demase, a director of the Company) (**Performance Rights**) on the terms as set out in in this Notice and Explanatory Statement.

The objective of the issue of the Performance Rights and of this Resolution 7 is to provide Mr Demase with a mechanism to participate in the development of the Company and an incentive for his involvement with, and commitment to, the Company.

5.2 Section 208 of the Corporations Act

Section 208 of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (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. One of the exceptions is where the benefit constitutes reasonable remuneration as an officer or employee of the company.

The grant of the Performance Rights constitutes giving a financial benefit and J D Management Pty Ltd (an entity controlled by Mr Demase) is a related party of the Company by virtue of Mr Demase being a Director of the Company.

The Company's Nomination and Remuneration Committee reviewed the fees to be paid to Mr Demase in regard to his role as executive Director and interim chief executive officer of the Company (which are currently nil) and has as part of that review recommended the issue of the Performance Rights as being reasonable remuneration having regard to the

responsibilities involved in the office and the functions to be performed by Mr Demase, and the objectives set out in the Charter of the Human Resources Remuneration and Nomination Committee.

5.3 Technical information required by Chapter 2E of the Corporations Act, ASX Listing Rules 10.11 and 10.13 and other information

ASX Listing Rule 10.11 provides that, subject to certain exceptions (none of which are relevant here), shareholder approval must be obtained where an entity issues equity securities to a related party.

J D Management Group Pty Ltd is a related party of the Company by virtue of Mr Demase (the sole director and shareholder of J D Management Group Pty Ltd) being a Director of the Company. Performance Rights qualify as equity securities as they will entitle J D Management Group Pty Ltd to acquire Shares in the Company.

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, and in the interests of providing shareholders with other information regarded by the Directors as being good practice the following information is provided in relation to the proposed issue of Performance Rights:

Chapter 2E of the Corporations Act

- (a) the Performance Rights are to be issued as remuneration to a related party of the Company, being Mr Demase (through his entity J D Management Group Pty Ltd);
- (b) the issue of the Performance Rights is reasonable because the exercise price of the Performance Rights being \$0.20 is at a premium to the current trading price of shares in the Company and vesting is contingent on the Company achieving normalised annualised EBITDA of \$10,000,000;

Listing Rules 10.11 and 10.13

- (c) the Performance Rights are to be issued to a related party of the Company, being J D Management Group Pty Ltd (an entity controlled by Mr Demase, a director of the Company);
- (d) Mr Demase is a Director of the Company and therefore J D Management Group Pty Ltd falls in the category outlined in ASX Listing Rule 10.11.1;
- (e) the maximum number of Performance Rights to be issued to J D Management Group Pty Ltd is 10,000,000;
- (f) the Performance Rights are not fully paid ordinary securities. A summary of the terms of the Performance Rights is included in this Explanatory Memorandum. Additional terms and conditions of the Performance Rights are set out in Schedule 2;
- (g) the Performance Rights will be issued to J D Management Group 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 that the Performance Rights will be issued on one date;

- (h) the Performance Rights will be granted for nil cash consideration however J D Management Group Pty Ltd will be required to pay the exercise price of \$0.20 per Performance Right upon exercise of the Performance Rights. Accordingly, no funds will be raised from the issue of the Performance Rights;
- (i) Mr Demase does not currently receive a remuneration package in respect of his role as executive Director of the Company. Additionally, at all times where Mr Demase has acted as interim chief executive officer of the Company, he has not received a fee or any remuneration whatsoever in respect of such role;
- (j) the Performance Rights will be subject to a vesting condition of the Company achieving normalised annualised EBITDA of \$10,000,000 before the Performance Rights vest and can be exercised by the holder (J D Management Group Pty Ltd);

Other information

- (k) the Performance Rights to be issued to J D Management Group Pty Ltd pursuant to Resolution 7 have been valued by FTI Consulting as set out in Schedule 5;
- (l) the relevant interests of J D Management Group Pty Ltd in securities of the Company as at the date of this Notice is set out below:

Related party	Securities
J D Management Group Pty Ltd / Mr Joe Demase	0

- (m) if the Performance Rights granted to J D Management Group Pty Ltd are exercised, a total of 10,000,000 Shares would be issued. This will increase the number of Shares on issue from 122,131,124 to 132,131,124 (assuming that no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by approximately 8%;
- (n) the market price for Shares during the term of the Performance Rights would normally determine whether or not the Performance Rights are exercised. If, at any time any of the Performance Rights are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Performance Rights, there may be a perceived cost to the Company;
- (o) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out in section 4.3(s);
- (p) the primary purpose of the grant of Performance Rights to J D Management Group Pty Ltd (Mr Demase) is to provide a performance linked incentive component in the remuneration package for Mr Demase to mitigate and reward the performance of the Mr Demase in his respective roles as a Director and interim chief executive officer, as

well as a cost effective form of remuneration for his ongoing commitment and contribution to the Company and to align his interests with those of the Shareholders;

- (q) Mr Joe Gangi (Director of the Company) recommends that Shareholders vote in favour of Resolution 7 for the following reasons:
 - (i) the grant of the Performance Rights to J D Management Group Pty Ltd (Mr Demase) will align the interests of the Mr Demase with those of Shareholders;
 - (ii) the grant of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Demase;
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights upon the terms proposed;
 - (iv) the grant of Performance Rights is reasonable and appropriate in light of the fact that Mr Demase has not received any fees or remuneration in connection with his roles as executive Director and interim chief executive officer of the Company.
- (r) Ms Natalie Mactier (Director the Company) recommends that Shareholders vote in favour of Resolution 7 for the reasons set out in the above paragraph;
- (s) Mr Demase declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that Mr Demase's entity, J D Management Group Pty Ltd, is to be granted Performance Rights should Resolution 7 be passed;
- (t) in forming their recommendations, each Director considered the experience of Mr Demase, the current market price of the Shares, the current market practices when determining the number of Performance Rights to be granted as well as the exercise price and expiry date of those Performance Rights; and
- (u) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7.

5.4 ASX Listing Rules 7.1 and 7.2

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Performance Rights to J D Management Group Pty Ltd as approval is being obtained under ASX Listing Rule 10.14 (Exception 14 under ASX Listing Rule 7.2). Accordingly, the issue of Performance Rights to J D Management Group Pty Ltd will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

1. GLOSSARY

AEDT	Australian Eastern Daylight Time
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691) or, where the context requires, the Australian Securities Exchange operated by ASX Limited
ASX Listing Rules or Listing Rules	The Official Listing Rules of ASX
Board	Board of directors of the Company
Chairman	Chairman of the Meeting who, under the Company's Constitution, will be the chairman of the Board of Directors or, should he be unwilling or unable to act, another Director
Charter of the Nomination and Remuneration Committee	The charter governing the Nomination and Remuneration Committee of the Company
Closely Related Party	Means any of the following of the Key Management Personnel: <ul style="list-style-type: none"> 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).
Constitution	The Company's constitution
Company or WCG	Webcentral Group Limited ACN 073 716 793
Company Secretary	A company secretary of the Company
Corporations Act	Corporations Act 2001 (Cth)
Director	A director of the Company
Director Option	Has the meaning given to it in section 4.1
Employee Share Plan or ESP	The Employee Share Plan of the Company, as contemplated by section 3
Executive and Director Share Option Plan or ESOP	The Executive and Director Share Option Plan of the Company, as contemplated by section 3

Explanatory Statement	The Explanatory statement accompanying the Notice of Meeting
Gangi Entities	OR Gangi Services Pty Ltd as trustee for the J Gangi Business Trust No.2 and Giuseppe Gangi & Ms Daniela Dona as trustees for the Gangi Superannuation Fund
General Meeting or Extraordinary General Meeting or Meeting	The general meeting of the Company to be held on 18 December 2020
Key Management Personnel	Has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
New Shares	Has the meaning set out in section 2
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of the Company
Notice of General Meeting or Notice of Meeting or Notice	The notice of General Meeting to which this Explanatory Statement is attached
Performance Right	The right to acquire a Share with the terms and conditions set out in this Notice and issued pursuant to section 5
Placement Shares	The 18,319,669 Shares issued under the Placement. See section 1
Official List	The official list of the ASX
Option	An option to acquire a Share
Placement	Means the issue of fully paid ordinary shares to professional and sophisticated investors as participants of a placement in November 2020. See section 1
Proxy Form	The proxy form enclosed with this Notice of Meeting
Resolution	A resolution included in the Notice of General Meeting
Share	A fully paid ordinary share in the Company
Share Registry	Link Market Services Limited
Shareholder	A person who holds Shares in the Company

VWAP

Volume weighted average price

SCHEDULE 1

TERMS AND CONDITIONS OF DIRECTOR OPTIONS

The terms and conditions of the Director Options are set out in the ESOP, as supplemented by the following terms and conditions.

2. Exercise Price

The amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).

3. Expiry Date

Each Option will expire at 5:00 pm (AEST) on the date that is five years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Vesting Condition and Exercise Period

Vesting of the Options will be conditional on the Option holders remaining in office for at least two years (**Vesting Condition**).

Once the Vesting Condition is satisfied, the Options can be exercised at any time prior to the Expiry Date (**Exercise Period**).

5. 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.

6. 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**).

7. Timing of issue of Shares on exercise

Within 15 business days after the Exercise Date, the Company will:

- (a) 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;
- (b) 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
- (c) if admitted to the official list of ASX at the time, apply for official quotation of the Shares issued upon the exercise of Options.

If a notice delivered under this section 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.

8. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

9. Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

10. 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.

11. Change in exercise price

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.

SCHEDULE 2

TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

1. Exercise Price

The amount payable upon exercise of each Performance Right will be \$0.20 (**Exercise Price**).

2. Expiry Date

Each Performance Right will expire at 5:00 pm (AEST) on the date that is five years from the date of issue (**Expiry Date**). A Performance Right which has not vested and been exercised before the Expiry Date will automatically lapse on the Expiry Date.

3. Vesting Condition and Exercise Period

The Performance Rights vest when the Company achieves a normalised annualised EBITDA of \$10,000,000 (**Vesting Condition**). Once the Vesting Condition is satisfied, the Performance Rights can be exercised at any time prior to the Expiry Date (**Exercise Period**).

Satisfaction of the Vesting Condition, being annualised EBITDA of \$10,000,000, will be based on audited or unaudited annual or half year financial results.

4. Notice of Exercise

The Performance Rights may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Performance Right certificate (**Notice of Exercise**) and payment of the Exercise Price for each Performance Right being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

5. 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 Performance Right being exercised in cleared funds (**Exercise Date**).

6. Timing of issue of Shares on exercise

Within 15 business days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Performance Right specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) 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

- (c) if admitted to the official list of ASX at the time, apply for official quotation of the Shares issued upon exercise of the Performance Rights.

If a notice delivered under this section 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.

7. Shares issued on exercise

Shares issued on exercise of the Performance Rights rank equally with the then issued shares of the Company.

8. Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of a Performance Right holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

9. Participation in new issues

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Rights.

10. Change in exercise price

A Performance Right does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Performance Rights can be exercised.

SCHEDULE 3

SUMMARY OF TERMS OF ESOP

The Board has adopted the ESOP to allow eligible participants to be granted Options to acquire Shares in the Company. The principal terms of the ESOP are summarised below.

1. **Eligibility and Grant of Options:** The Board may grant Options to an officer or employee of the Company, or member of the Group, or contractor to the Company or member of the Group selected by the Board (**Eligible Participant**) (**Offer**).
2. **Consideration:** Each Option granted under the ESOP will be granted for nil or no more than nominal cash consideration.
3. **Conversion:** Each Option is exercisable into one Share in the Company ranking equally in all respects with the existing issued Shares in the Company.
4. **Exercise Price and Expiry Date:** The exercise price and expiry date for Options granted under the ESOP will be determined by the Board prior to the grant of the Options.
5. **Exercise Restrictions:** The Options granted under the ESOP may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options (**Vesting Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Options. The Board may waive Vesting Conditions.
6. **Lapsing of Options:** An unexercised Option will lapse:
 - 6.1 on its Expiry Date;
 - 6.2 if any Vesting Condition is unable to be met and is not waived, as determined by the Board; or
 - 6.3 subject to the Board's discretion, where the Eligible Participant ceases to be an Eligible Participant.
7. **Loans:** the Company may provide a loan to fund some or all of the exercise price of Options. The terms of the loan will be determined by the Company and will normally require the loan to be secured over Shares issued on exercise of the Options.
8. **Disposal of Options:** Options will not be transferable except to the extent the ESOP or any offer provides otherwise.
9. **Quotation of Options:** Options will not be quoted on the ASX, except to the extent provided for by the ESOP or unless an offer provides otherwise.
10. **Trigger Events:** Upon certain trigger events, being a change in control of the Company (including by takeover or entry into a scheme of arrangement), the Board may determine that any Option which has not at that time become exercisable or lapsed, becomes exercisable.
11. **Participation in Rights Issues and Bonus Issues:** 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.

12. **Reorganisation:** The terms upon which Options will be granted will not prevent the Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.
13. **Limit on number of securities:** The maximum number of securities that can be issued under the ESOP is 14,045,079 being 10% of the 140,450,793 shares on issue as at the date of this Notice.

The Company may offer Options in circumstances where the ceiling above would be exceeded if the Company first obtains shareholder approval for the offer.

SCHEDULE 4

SUMMARY OF TERMS OF ESP

The Board has adopted the ESP to allow eligible participants to be granted Shares in the Company. The principal terms of the ESP are summarised below.

1. **Eligibility and Grant of Shares:** The Board may issue Shares to an officer or employee of the Company, or member of the Group, or contractor to the Company or member of the Group selected by the Board who are eligible under ASIC Class Order 14/1000 (**Eligible Participant**) (**Offer**).
2. **Consideration:** Each Share granted under the ESP will be granted for nil or no more than nominal cash consideration.
3. **Conditions of Issue:** The Shares issued under the ESP may be subject to conditions imposed by the Board. Any restrictions imposed by the Board must be set out in the offer for the Shares.
4. **Quotation of Shares:** If Shares in the Company are to be quoted on ASX, the Company will make application to ASX for quotation of the number of the Shares within 15 business days from the issue date.
5. **Loans:** The Company may, in the form of a loan, provide financial assistance to an Eligible Participant for the purpose of, or in connection with, the acquisition of Shares under the ESP. The terms of the loan will be determined by the Company and will normally require the loan to be secured over the Shares issued.
6. **Limit on number of securities:** The maximum number of securities that can be issued under the ESP is 14,045,079 being 10% of the 140,450,793 shares on issue as at the date of this Notice.

The Company may offer Shares in circumstances where the ceiling above would be exceeded if the Company first obtains shareholder approval for the offer.

SCHEDULE 5

DIRECTOR OPTIONS AND PERFORMANCE RIGHTS VALUATION AND VALUATION METHODOLOGY

The Director Options and Performance Rights in respect of which approval is sought have been valued by FTI Consulting using the Black-Scholes Model. These models are generally accepted valuation methodologies for pricing financial instruments, and incorporate all factors and assumptions that knowledgeable, willing market participants would consider in setting the price.

The inputs for the model are as follows:

Type of options	American call	
NOM valuation date	10 November 2020	
Share price	\$0.165	Based on the closing share price of ASX:WCG shares as at 10 November 2020
Strike price	\$0.200	Based on discussions with company
Volatility	70%	Based on historical volatility of ASX:WCG for a 5 year period up to 10 November 2020, rounded to the nearest percent
Risk free rate – 5 year	0.300%	Based on the yield of Australian 5-year government bond, as at 10 November 2020
Number of steps used in Binomial Model	150	

Based on that methodology and these inputs the Director Options and Performance Rights are valued as follows:

Director Options

Issued to	Valuation Date	Vesting Date	Expiry Date	Expected life (days)	Expected life (years)	Strike price	No. of options	Valuation of one option (70% volatility)	Valuation of options (70% volatility)	Vesting condition	Assumptions adopted
Joe Gangi	10-Nov-20	10-Nov-22	10-Nov-25	1,826	5	\$0.200	1,000,000	\$0.0871	\$87,100	Remain in employment	Vesting conditions are met, and maximum expected life
Natalie Mactier	10-Nov-20	10-Nov-22	10-Nov-25	1,826	5	\$0.200	1,000,000	\$0.0871	\$87,100	Remain in employment	Vesting conditions are met, and maximum expected life
TOTAL							2,000,000		\$174,200		

Performance Rights

Issued to	Valuation Date	Expiry Date	Expected life (days)	Expected life (years)	Strike price	No. of performance rights	Valuation of one performance right (70% volatility)	Valuation of performance rights (70% volatility)	Vesting condition	Assumptions adopted
J D Management Group Pty Ltd	10-Nov-20	10-Nov-25	1,826 days	5 years	\$0.200	10,000,000	\$0.0871	\$871,000	Remain in employment and annualised EBITDA of \$10m	Vesting conditions are met, and maximum expected life
TOTAL						10,000,000		\$871,400		



LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Webcentral Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

(Or using the reply paid envelope provided)



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a shareholder(s) of Webcentral Group Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy (an email will be sent to your appointed proxy with details on how to access the virtual meeting)

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **11:00am (AEDT) on Friday, 18 December 2020 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/webcentral20> (refer to details in the Notice of Meeting).

Important for Resolutions 2, 3, 4, 5, 6 and 7: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2, 3, 4, 5, 6 and 7, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

- 1 RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER ASX LISTING RULE 7.1
- 2 APPROVAL OF ISSUE OF SECURITIES – J D MANAGEMENT GROUP PTY LTD
- 3 APPROVAL OF ISSUE OF SECURITIES – GANGI ENTITIES
- 4 APPROVAL OF EMPLOYEE INCENTIVE SCHEMES

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 5 APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO MR JOE GANGI

- 6 APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO MS NATALIE MACTIER

- 7 APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO J D MANAGEMENT GROUP PTY LTD

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

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

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Extraordinary General Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (AEDT) on Wednesday, 16 December 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN), Holder Identification Number (HIN) or Employee ID as shown on the front of the Proxy Form).



BY MAIL

Webcentral Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)