

LiveTiles Limited

2 Riverside Quay

Southbank VIC 3006

ACN: 066 139 991

<https://livetilesglobal.com/>



LiveTiles

LiveTiles Limited

Notice of 2020 Annual General Meeting

Explanatory Statement | Proxy Form

30 November 2020

9:00AM AEDT

Venue

Virtual meeting, accessible online.

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.

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Important Information for Shareholders about the Company's 2020 AGM

Given the uncertainty surrounding the COVID-19 pandemic, by the time this Notice is received by Shareholders, circumstances may have changed, however, this Notice is given based on circumstances as at 30 October 2020.

Accordingly, should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://livetilesglobal.com/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Given the significant health concerns attributed to the COVID-19 pandemic, in addition to guidelines and restrictions issued by Australian state and federal governments, the Company considers that it is appropriate to hold the 2020 AGM as a virtual meeting, in a manner that is consistent with the temporary modifications to the *Corporations Act 2001* (Cth) introduced by the Commonwealth Treasurer.

Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9:00am (AEDT) on 30 November 2020 as a **virtual meeting**.

If you are a shareholder and you wish to virtually attend the AGM (which will be broadcast as a live webinar), please **pre-register** in advance for the virtual meeting here:

https://us02web.zoom.us/webinar/register/WN_On6CWpFIRDW0qFZHYgJzkQ

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the AGM.

Shareholders will be able to vote and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions in advance of the Meeting to the Company.

Questions must be submitted in writing to the Company Secretary at least 48 hours before the AGM.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

Your vote is important

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

Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the AGM will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their *username* and *password*.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting.

How do I create an account with Automic?

To create an account with Automic, please go to the Automic website

(<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

I have an account with Automic, what are the next steps?

Shareholders who have an existing account with Automic (Note: with a *username* and *password*) are advised to take the following steps to attend and vote virtually on the day of the AGM:

1. Login to the Automic website (<https://investor.automic.com.au/#/home>) using your *username* and *password*.
2. **(Registration on the day)** If registration for the virtual meeting is open, click on 'Meeting open for registration' and follow the steps.

(Live voting on the day) If live voting for the virtual meeting is open, click on 'Meeting open for voting' and follow the steps.

For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/>

Voting by proxy

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

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgment process please see the Online Proxy Lodgment Guide at https://www.automicgroup.com.au/virtual-agms/
By post	Automic, GPO Box 5193, Sydney NSW 2001
By hand	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

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

Power of Attorney

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

Corporate Representatives

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

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of LiveTiles Limited ACN 066 139 991 will be held at 9:00am (AEDT) on 30 November 2020 as a **virtual meeting (Meeting)**.

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

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 9:00am (AEDT) on 28 November 2020.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Agenda

Ordinary business

Financial statements and reports

“To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”

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

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

Resolutions

Remuneration Report

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

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

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2020.”

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

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

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

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

Re-election of Directors

2. **Resolution 2 – Re-election of Dana Rasmussen as Director**

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

“That Ms Dana Rasmussen, a Director who retires by rotation in accordance with the Company’s Constitution and being eligible offers herself for re-election as a Director of the Company, effective immediately.”

3. **Resolution 3 – Election of Marc Stigter as Director**

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

“That Dr Marc Stigter, a Director appointed as an additional Director and holding office until the next general meeting of the Company after his appointment in accordance with the Company’s Constitution and ASX Listing Rule 14.4, be elected as a Director of the Company, effective immediately.”

Appointment of Auditor

4. Resolution 4 – Appointment of Auditor

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

“That, for the purposes of section 327B(1) of the Corporations Act and for all other purposes, BDO Audit Pty Ltd ACN 134 022 870, having been nominated by shareholders and consented in writing to act as auditor of the Company, be appointed as auditor of the Company, effective immediately.”

ASX Listing Rule 7.1A (Additional 10% Capacity)

5. Resolution 5 – ASX Listing Rule 7.1A Approval of Future Issue of Securities

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

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

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

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

However, this does not apply to a vote cast in favour of Resolution 5 by:

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

Ratification of Prior Issue of Equity Securities

6. Resolution 6 – Ratification of Prior Issue of CYCL Shares

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 42,605,922 fully paid ordinary shares issued on 3 December 2019 (**CYCL Shares**) and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

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

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

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

7. Resolution 7 – Ratification of Prior Issue of Wisdom Shares

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 40,127,954 fully paid ordinary shares issued on 19 February 2020 (**Wisdom Shares**) and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

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

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 7 by:

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

8. Resolution 8 – Ratification of Prior Issue of Incentive Shares

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 1,680,000 fully paid ordinary shares issued on 16 March 2020 (**Incentive Shares**) and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

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

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 8 by:

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

Issue of CY2020 Earn-out Shares

9. Resolution 9 – Approval of Future Issue of CY2020 Earn-out Shares

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue and allotment of fully paid ordinary shares up to a maximum value of CHF 1.5 million (approximately AUD\$2.2 million based on AUDCHF exchange rate of 0.68) calculated in accordance with the CY2020 Earn-out Formula to the CYCL Vendor (**CY2020 Earn-out Shares**), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 99 by or on behalf of:

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

However, this does not apply to a vote cast in favour of Resolution 99 by:

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

Adoption of Management Incentive Plan

10. Resolution 100 – Adoption of Management Incentive Plan

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

“That, for the purposes of ASX Listing Rule 7.2 (exception 13(b)), sections 257B(1), 259B(2) and 260C(4) of the Corporations Act) and for all other purposes, the Shareholders of the Company approve the adoption of a Management Incentive Plan, on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 100 by or on behalf of:

- (a) a person who is eligible to participate in the Management Incentive Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 100 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - 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: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 10 if:

- (a) the proxy is either:
 - (i) a member of the Company’s Key Management Personnel; or
 - (ii) a closely related party of a member of the Company’s Key Management Personnel; 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 of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company’s Key Management Personnel.

BY ORDER OF THE BOARD

Andrew Whitten
Company Secretary

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 9:00am (AEDT) on 30 November 2020 as a **virtual meeting**.

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

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

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

Agenda

Ordinary business

Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

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

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

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

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

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

Written questions of the auditor

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

Please note that all written questions must be received at least five business days before the Meeting, which is by 23 November 2020.

Resolutions

Remuneration Report

Resolution 1 – Adoption of Remuneration Report

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

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

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2021 Annual General Meeting (**2021 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2021 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2021 AGM. All of the Directors who were in office when the 2021 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

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

Voting

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

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

Re-election of Directors

Resolution 2 – Re-election of Dana Rasmussen as Director

Clause 14.2 of the Company's Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or if their number is not a multiple of 3, then the number nearest to one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. A retiring Director is eligible for re-election. In determining the number of Directors to retire, no account is to be taken of:

- (a) a Director who only holds office until the next annual general meeting pursuant to clause 14.4; and/or
- (b) a Managing Director,

either of whom are exempt from retirement by rotation.

Ms Dana Rasmussen was appointed a Director of the Company on 27 September 2019 and was last re-elected at the 2019 AGM.

Under this Resolution, Dana has elected to retire by rotation in accordance with clause 14.2 of the Company's Constitution, and being eligible, seeks re-election as a Director of the Company at this AGM.

Dana is an accomplished People executive based in San Francisco and is currently the SVP Head of People at Honor, a leading venture-capital backed US technology healthcare business. Prior to this role, Dana held senior executive roles at Flywheel Sports, Banana Republic, L Brands and Yahoo.

Directors' recommendation

The Directors (excluding Ms Rasmussen) recommend that Shareholders vote for this Resolution.

Resolution 3 – Election of Marc Stigter as Director

Clause 14.4 of the Company's Constitution provides that a Director appointed either to fill a casual vacancy or as an addition to the existing Directors holds office only until the next following annual general meeting and is then eligible for re-election.

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

Dr Marc Stigter was appointed as an additional Director of the Company on 11 September 2020 and has since served as a Director of the Company.

Under this Resolution, Marc seeks election as a Director of the Company at this AGM.

Marc is a global expert in creating high value boards and driving strong leadership and performance in organisations. He is former Shell Country Chairman in the Middle East and has worked for other blue-chip companies across the globe. He is an Honorary Senior Fellow at the University of Melbourne and an Associate Director at Melbourne Business School.

As one of Australia's leading business advisors, Marc specialises in governance, strategy and culture. He has extensive knowledge and experience in the governance of ASX200 boards and has published several books including *Boards that Dare* by Bloomsbury.

Directors' recommendation

The Directors (excluding Dr Stigter) recommend that Shareholders vote for this Resolution.

Appointment of Auditor

Resolution 4 – Appointment of Auditor

On 23 July 2020, pursuant to section 327C(1) of the Corporations Act, BDO Audit Pty Ltd (**BDO Audit**) was appointed as auditor of the Company to fulfil a casual vacancy. The appointment followed the resignation of BDO East Coast Partnership (**BDO ECP**) and ASIC's consent to the resignation in accordance with section 329(5) of the Corporations Act.

The change of auditor arose as a result of BDO ECP restructuring its audit practice to provide for audits to be conducted by BDO Audit, an authorised audit company, rather than by BDO ECP.

Under section 327C(2) of the Corporations Act, an auditor who has been appointed under section 327C(1) of the Corporations Act only holds office until the company's next annual general meeting.

The Company is required to appoint an auditor to fill any vacancy at each annual general meeting (after its first annual general meeting) pursuant to section 327B(1) of the Corporations Act.

Pursuant to section 328B of the Corporations Act, the Company received a valid notice of nomination which nominated BDO Audit to be appointed as the new auditor of the Company. A copy of the notice of nomination is set out in Annexure A of this Notice of Meeting.

BDO Audit has provided the Company its written consent to act, subject to Shareholder approval being obtained, as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

Accordingly, under this Resolution, Shareholder approval is being sought to appoint BDO Audit as the auditor of the Company.

Directors' recommendation

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

ASX Listing Rule 7.1A

Resolution 5 – ASX Listing Rule 7.1A Approval of Future Issue of Securities

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to add an additional 10% capacity.

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

As of the date of this Notice of Meeting, the Company has a market capitalisation of approximately \$194 million and therefore is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

This Resolution seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

Information Required by ASX Listing Rule 7.3A

The following information is provided to Shareholder for the purposes of Listing Rule 7.3A.

Period for which the approval will be valid

An approval under this Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) the date which is 12 months after the date of the annual general meeting at which the approval is obtained;
- (b) the time and date of the entity's next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

Minimum price at which the equity securities may be issued under Listing Rule 7.1A

Any equity securities issued under Listing Rule 7.1A.2 must be an existing quoted class of the Company's equity securities and issued for cash consideration.

The issue price per equity security must not be less than 75% of the volume weighted average market price of the equity securities in that class, calculated over 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at the equity securities are to be issued is agreed by the Company and the recipient of the equity securities; and
- (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a), the date on which the equity securities are issued.

Purposes for which the funds raised by an issue of equity securities under Listing Rule 7.1A may be used

As noted above, any equity securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of equity securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A during the Listing Rule 7.1A mandate period, if Shareholders approve this Resolution. However, if Shareholders approved this Resolution and the Company did raise funds from the issue of equity securities under Listing Rule 7.1A, based on the Company's existing plans, the Company considers that the funds may be used for the following purposes:

- (a) raising funds to further develop the Company's business;
- (b) raising funds to be applied to the Company's working capital requirements; and
- (c) raising funds to acquire assets.

Risk of economic and voting dilution to existing ordinary Securityholders

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

There is a risk that:

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

which may have an effect on the amount of funds raised by the issue of equity securities under Listing Rule 7.1A.

The table below shows the potential dilution of existing Securityholders on the basis of 3 different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2:

Variable "A" ASX Listing Rule 7.1A.2		Potential Dilution and Funds Raised		
		\$0.1075 50% decrease in issue price	\$0.215 issue prices ^(b)	\$0.43 100% increase in issue price
"A" is the number of shares on issue, being 902,223,903 Shares ^(a)	10% voting dilution ^(c)	90,222,390	90,222,390	90,222,390
	Funds raised	\$9,698,907	\$19,397,814	\$38,795,628
"A" is a 50% increase in shares on issue, being 1,353,335,854 Shares	10% voting dilution ^(c)	135,333,585	135,333,585	135,333,585
	Funds raised	\$14,548,360	\$29,096,721	\$58,193,442
"A" is a 100% increase in shares on issue, being 1,804,447,806 Shares	10% voting dilution ^(c)	180,444,780	180,444,780	180,444,780
	Funds raised	\$19,397,814	\$38,795,628	\$77,591,255

Notes:

- (a) Based on the total number of fully paid ordinary Shares on issue as at 20 October 2020.
- (b) Based on the closing price of the Company's Shares on ASX as at 20 October 2020.
- (c) The table assumes that the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (e) The table shows the effect of an issue of equity securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1.

Allocation policy for issues under Listing Rule 7.1A

The Company's allocation policy and the identity of the allottees of equity securities under Listing Rule 7.1A will depend on a number of factors, including:

- (a) the Company's intentions in relation to the possible issue of equity securities (for cash consideration) during the Listing Rule 7.1A mandate period;
- (b) the structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds that are available to the Company (such as a pro rata offer or an offer under a share purchase plan);
- (c) the potential effect on the control of the Company;
- (d) the Company's financial position and the likely future capital requirements; and
- (e) advice from the Company's corporate or financial advisors.

Based on the Company's historical cashflow reports and capital raising activities in the past 12 months, the Company considers that it may raise funds during the Listing Rule 7.1A mandate period, although this cannot be guaranteed. As of the date of this Notice, no specific intention to issue equity securities in relation to any parties, investors or existing Securityholders have been formed. In addition, no intentions have been formed in relation

to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board of Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

If and when the determination is made to proceed with an issue of equity securities during the Listing Rule 7.1A mandate period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4.

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

Issue or agreement to issue equity securities under Listing Rule 7.1A in the 12 months prior to AGM

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2019 AGM. However, the Company has not issued or agreed to issue equity securities under Listing Rule 7.1A.2 in the 12 months preceding the AGM.

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

Directors' recommendation

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

Ratification of Prior Issue of Equity Securities

Resolution 6 – Ratification of Prior Issue of CYCL Shares

Background

On 20 November 2019, the Company announced that it had entered into an agreement to acquire 100% of CYCL, a leading Switzerland-based intelligent intranet software provider. The acquisition was completed on 3 December 2019.

The purchase price comprised of an upfront component of CHF 12.9 million (\$19 million) and two earn outs of up to CHF 9 million (\$13.2 million) which is subject to satisfaction of earn-out conditions.

The upfront consideration component comprised \$6.3 million in cash and \$12.6 million in the Company's Shares. Accordingly, as part of the upfront consideration component, on 3 December 2019, the Company issued 42,605,922 fully paid ordinary shares to the CYCL vendors at a deemed issue price of \$0.30 per Share (**CYCL Shares**), utilising the Company's existing capacity under ASX Listing Rule 7.1.

The CYCL Shares are subject to escrow for a period of 12 months from completion of the acquisition on 3 December 2019.

ASX Listing Rule 7.1

This Resolution proposes that Shareholders of the Company approve and ratify the prior issue and allotment of 42,605,922 CYCL Shares, which were issued on 3 December 2019 (**Issue Date**).

All of the CYCL Shares were issued by utilising the Company's existing capacity under Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of CYCL Shares did not fit within any of the exceptions to Listing Rule 7.1 and, as it has not been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to subsequently approve the issue of CYCL Shares for the purposes of Listing Rule 7.4.

If this Resolution is passed, the issue of CYCL Shares will be excluded in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

If this Resolution is not passed, the issue of CYCL Shares will be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The CYCL Shares were issued to the CYCL Vendors.
- (b) The Company issued 42,605,922 CYCL Shares.
- (c) The CYCL Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) The CYCL Shares were issued on 3 December 2019.
- (e) Each of the CYCL Shares were issued at a deemed issue price of \$0.30 per CYCL Share, representing \$12.6 million of the upfront consideration payable to the CYCL Vendors.
- (f) Funds were not raised from the issue of the CYCL Shares as the CYCL Shares were issued to the CYCL Vendors as part of the consideration for the acquisition of CYCL.

Directors' recommendation

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

Resolution 7 – Ratification of Prior Issue of Wizdom Shares

Background

In February 2019, the Company completed the acquisition of Wizdom, Europe's leading intranet software business. The purchase price for Wizdom comprised of an upfront consideration component of \$28 million and a maximum earn-out consideration component of \$19.6 million which was subject to the satisfaction of earn out conditions.

On 18 February 2020, the Company announced that Wizdom had successfully met its earn-out conditions and achieved strong ARR growth of 87% in the 13 month period to 31 January 2020 (from \$8 million to \$15 million), whilst also generating positive EBITDA.

The final earn-consideration of \$16 million comprised of \$4 million in cash and \$12 million in the Company's Shares. Accordingly, as part of the earn out consideration, on 18 February 2020, the Company issued 40,127,954 fully paid ordinary shares at a deemed issue price of \$0.30 per Share (**Wizdom Shares**) utilising the Company's existing capacity under ASX Listing Rule 7.1.

The Wizdom Shares are subject to escrow for a period of 12 months from the date of issue on 19 February 2020.

ASX Listing Rule 7.1

This Resolution proposes that Shareholders of the Company approve and ratify the prior issue and allotment of 40,127,954 Wizdom Shares, which were issued on 19 February 2020 (**Issue Date**).

All of the Wizdom Shares were issued by utilising the Company's existing capacity under Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of Wizdom Shares did not fit within any of the exceptions to Listing Rule 7.1 and, as it has not been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing

the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to subsequently approve the issue of Wizdom Shares for the purposes of Listing Rule 7.4.

If this Resolution is passed, the issue of Wizdom Shares will be excluded in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

If this Resolution is not passed, the issue of Wizdom Shares will be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The Wizdom Shares were issued to the Wizdom Vendors.
- (b) The Company issued 40,127,954 Wizdom Shares.
- (c) The Wizdom Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) The Wizdom Shares were issued on 19 February 2020.
- (e) Each of the Wizdom Shares were issued at a deemed issue price of \$0.30 per Wizdom Share, representing \$12 million of the earn out consideration payable to the Wizdom Vendors.
- (f) Funds were not raised from the issue of the Wizdom Shares as the Wizdom Shares were issued to the Wizdom Vendors as part of the earn out consideration in connection with the acquisition of Wizdom.

Directors' recommendation

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

Resolution 8 – Ratification of Prior Issue of Shares

Background

As announced by the Company on 16 March 2020, the Company issued 1,680,000 fully paid ordinary shares (**MIP Shares**) to employees of the Company pursuant to the Management Incentive Plan which was approved by Shareholders on 30 July 2015.

As the Management Incentive Plan was approved by Shareholders over 3 years ago, the issue of the MIP Shares did not fit within ASX Listing Rule 7.2 (exception 13(b)) which allows a company to issue equity securities under an employee incentive plan without utilising its capacity under ASX Listing Rule 7.1.

Accordingly, the Company issued the MIP Shares on 16 March 2020 utilising the Company's existing capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.1

This Resolution proposes that Shareholders of the Company approve and ratify the prior issue and allotment of 1,680,000 MIP Shares which were issued on 16 March 2020 (**Issue Date**).

All of the MIP Shares were issued by utilising the Company's existing capacity under Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of MIP Shares did not fit within any of the exceptions to Listing Rule 7.1 and, as it has not been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to subsequently approve the issue of MIP Shares for the purposes of Listing Rule 7.4.

If this Resolution is passed, the issue of MIP Shares will be excluded in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

If this Resolution is not passed, the issue of MIP Shares will be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The MIP Shares were issued to employees of the Company.
- (b) The Company issued 1,680,000 MIP Shares.
- (c) The MIP Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) The MIP Shares were issued on 16 March 2020.
- (e) Each of the MIP Shares were issued at a deemed issue price of \$0.15 per MIP Share.
- (f) Funds were not raised from the issue of the MIP Shares as the MIP Shares were issued to employees of the Company pursuant to the Company's Management Incentive Plan.

Directors' recommendation

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

Issue of CY2020 Earn-out Shares

Resolution 9 – Approval of Issue of CY2020 Earn-out Shares

Background

On 20 November 2019, the Company announced that it had entered into an agreement to acquire 100% of CYCL, a leading Switzerland-based intelligent intranet software provider. The acquisition was completed on 3 December 2019.

The purchase price comprised of an upfront component of CHF 12.9 million (AUD\$19 million) and two earn outs of up to CHF 9 million (estimated at AUD\$13.2 million at the time) which is subject to satisfaction of earn-out conditions. The first earn-out (**CY2020 Earn-out**) is capped at CHF 2 million and the second earn-out (**CY2021 Earn-out**) is capped at CHF 7 million.

This Resolution seeks Shareholder approval to issue and allot the equity component, which comprises 75% of the CY2020 Earn-out (up to a maximum value of CHF 1.5 million, which is approximately AUD\$2.2 million based on AUDCHF exchange rate of 0.68) (**CY2020 Earn-out Shares**), subject to satisfaction of the following earn-out conditions:

- (a) software ARR growth of 30% in CY2020; and
- (b) EDITDA of CH0.2m for 12 months to 31 December 2020,

(the **Earn-out Conditions**).

The effect of this Resolution is for Shareholders to approve the issue of these CY2020 Earn-out Shares to fall within an exception to ASX Listing Rule 7.1, which will allow the Company to issue these without using the Company's 15% capacity under Listing Rule 7.1.

ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

An issue of equity securities that is approved by the Company's Shareholders under Listing Rule 7.1 will not use up the Company's 15% limit and therefore does not reduce the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to approve the issue of the CY2020 Earn-out Shares under and for the purposes of Listing Rule 7.1.

If this Resolution is passed, the issue of the CY2020 Earn-out Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 to issue equity securities without Shareholder approval over the 12 month period following the date on which the CY2020 Earn-out Shares are issued.

If this Resolution is not passed, and the Company proceeds with the issue, the CY2020 Earn-out Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1 to issue equity securities without Shareholder approval over the 12 month period following the date on which the CY2020 Earn-out Shares are issued.

Information Required by Listing Rule 7.3

The following information is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) The allottees are the CYCL Vendors.
- (b) The maximum number of CY2020 Earn-out Shares to be issued is calculated in accordance with the following formula:

$$N = CHF\ 1,500,000 \times Exchange\ Rate / I$$

Where:

- (i) N = number of CY2020 Earn-out Shares to be issued.
- (ii) Exchange rate = the CHF/AUD exchange rate published by the Reserve Bank of Australia at 3.00pm on the day of issue.
- (iii) I = the issue price, which is calculated by reference to the 20 day VWAP prior to 31 December 2020.

Based on a CHF/AUD exchange rate of 0.68, the following table provides an indication of the maximum number of shares that may be issued on the basis of 3 different assumed issue prices:

Issue Price	Maximum number of CY2020 Earn-out Shares¹
\$0.15	14,705,880
\$0.20	11,029,410
\$0.25	8,823,528

Notes:

¹ Based on a CHF/AUD exchange rate of 0.68, the maximum value of the CY2020 Earn-out Shares is AUD\$2,205,882.

- (c) The CY2020 Earn-out Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company. The CY2020 Earn-out Shares will be subject to voluntary escrow period of 12 months from the date of issue, during which they cannot be sold or offered for sale.

- (d) These CY2020 Earn-out Shares will be issued by within 3 months of Shareholder approval being obtained by the Company (or otherwise, as determined by the ASX in the exercise of their discretion), provided that the Earn-out Conditions are achieved.
- (e) The deemed issue price will be calculated by reference to the 20 day VWAP prior to 31 December 2020.
- (f) Funds will not be raised from the issue of these CY2020 Earn-out Shares as the issue is proposed to be made as part of the equity component of the CY2020 Earn-out, payable to the CYCL Vendors as part of the consideration for the acquisition of CYCL.

Directors' Recommendation

The Board of Directors recommend Shareholders vote for this Resolution.

Adoption of Management Incentive Plan

Resolution 100 – Adoption of Management Incentive Plan

Background

The Company's Management Incentive Plan (**Incentive Plan**) was last approved by Shareholders of the Company on 30 July 2015. As of the date of this Meeting, more than three years would have lapsed since this date, accordingly, the Company seeks Shareholder approval to re-adopt the Incentive Plan (on similar terms as the previous plan) for the purposes set out in this Explanatory Statement.

The objective of the Incentive Plan is to attract, motivate and retain key members of the Company's management team and it is considered by the Company that the adoption of the Incentive Plan and the future issue of Shares under the Incentive Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

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

ASX Listing Rules

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

If this Resolution is approved by Shareholders for all purposes under the Corporations Act and the ASX Listing Rules, including ASX Listing Rule 7.2 (exception 13(b)), it will have the effect of enabling the securities issued by the Company under the Incentive Plan to be automatically excluded from the formula to calculate the number of securities which the Company may issue in any 12 month period using Listing Rule 7.1 (15% capacity) during the next three year period.

Since the Incentive Plan was last approved by Shareholders on 30 July 2015, the Company advises that it has issued 39,580,001 Shares. If this Resolution is approved by Shareholders, the Company will issue up to a maximum of 72,177,912 Shares (which represents 8% of the Issued Capital at the time of this Notice) under the Incentive Plan during the three year period following approval. This maximum is not intended to be a prediction of the actual number of securities to be issued under the Incentive Plan but is specified for the purposes of setting a ceiling on the number of securities approved to be issued under and for the purposes of Listing Rule 7.2, Exception 13(b). Once that number is reached, any additional issues of securities under the Incentive Plan would not have the benefit of Exception 13 without a fresh shareholder approval.

Shareholder loans

The Board may, in its discretion, also determine that the Company will provide limited recourse loans to participants to use to pay the subscription price for the purchase of Shares under the Incentive Plan.

Permit the Company to take security over its own Shares

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

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

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

Exemption for financial assistance

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

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

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

As noted above and set out in Annexure B, the terms of the Incentive Plan envisages the giving of financial assistance by the Company to eligible and invited participants in the form of interest free, limited recourse loans to acquire Loan Funded Shares in the Company.

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

Employee share scheme buy-back

Section 257B(1) of the Corporations Act sets out the procedure for various forms of share buy-back, including an "employee share scheme buy-back". In order for the Company to undertake a buy-back of Shares under the Incentive Plan using the employee share scheme buy-back procedure under the Corporations Act, the Incentive Plan must be approved by Shareholders of the Company.

Accordingly, Shareholder approval is being sought under this Resolution to approve the Incentive Plan in order for the Company to undertake a buy-back of Shares under the Incentive Plan using the employee share scheme buy-back procedure under the Corporations Act.

Directors Recommendation

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

Enquiries

Shareholders are asked to contact the Company Secretary on +61 2 8072 1400 if they have any queries in respect of the matters set out in these documents.

Glossary

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

Annual Financial Report means the 2020 Annual Report to Shareholders for the period ended 30 June 2020 as lodged by the Company with ASX on [insert].

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

ASIC means Australian Securities and Investment Commission.

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

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

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

Auditor's Report means the auditor's report of BDO Audit Pty Ltd dated 27 August 2020 as included in the Annual Financial Report.

Board means the current board of Directors of the Company.

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

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

Company means LiveTiles Limited ACN 066 139 991.

Constitution means the Company's constitution.

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

Director means a current director of the Company.

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

Dollar or "\$" means Australian dollars.

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

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

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting dated 30 October 2020 including the Explanatory Statement.

Option means an option which, subject to its terms, could be exercised into a Share.

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

Performance Right means a performance right which, subject to its terms, could convert to a Share.

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

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

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

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

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

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

Shareholder means a holder of a Share.

Share Registry means Automatic Registry Services.

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

Spill Meeting means the meeting that will be convened within 90 days of the 2021 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2021 AGM.

Spill Resolution means the resolution required to be put to Shareholders at the 2021 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2021 AGM.

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

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

ANNEXURE A – NOMINATION OF BDO AUDIT PTY LTD. AS AUDITORS

The Directors
LiveTiles Limited
2 Riverside Quay
Southbank VIC 3006

20th October 2020

Dear Directors

The undersigned being a member of LiveTiles Limited hereby nominates BDO Audit Pty Ltd. for appointment as auditor of the company at the forthcoming annual general meeting.

Yours faithfully

A handwritten signature in black ink, consisting of a stylized 'P' followed by a long horizontal line that tapers to the right.

Peter Nguyen-Brown

ANNEXURE B – SUMMARY OF THE KEY TERMS OF THE MANAGEMENT INCENTIVE PLAN

The key terms of the Management Incentive Plan (**Plan**) are:

- (a) **Purpose:** The purpose of the Plan is to assist in the reward, retention and motivation of eligible directors and management and to align the interests of these persons more closely with the interests of the Company's Shareholders, by providing an opportunity for eligible directors and employees to acquire an ownership interest in the Company.
- (b) **Eligibility:** Participants in the Plan may be directors of the Company or any of its subsidiaries and full-time or part-time permanent employees of the Company or any of its subsidiaries (Employees). The Board has the sole discretion to determine the Employees who are eligible to participate in the Plan (Participants). An invitation to participate will be an offer of Shares.
- (c) **Offers:** The Company may make an offer to eligible Participants on such terms and conditions as determined by the Board, including as to:
 - (i) the maximum number of Shares the subject of the offer;
 - (ii) the issue price (if any) or the manner of determining the issue price (if any) of the Shares the subject of the offer;
 - (iii) any vesting period (if any) during which the Shares will be subject to vesting conditions;
 - (iv) any performance or vesting conditions applying to the Shares;
 - (v) the method of accepting the offer;
 - (vi) the terms and conditions of any loan that the Company will make to the eligible Participant (if applicable) for the purpose of acquiring or subscribing for Shares the subject of the offer; and
 - (vii) the offer documents, including the Plan rules (**Plan Rules**).
- (d) **Issue price:** the issue price (if any) or the manner of determining the issue price (if any) of the Shares the subject of the offer will be determined by the Board in its absolute discretion.
- (e) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Participants will be offered Shares under the Plan.
- (f) **Vesting:** Vesting of Shares is subject to satisfaction or waiver of any vesting or performance conditions determined by the Board and specified in the offer document. Subject to the Plan Rules, any unvested Shares will lapse immediately and be forfeited if the relevant vesting and performance conditions are not satisfied within the vesting period specified in the offer document. Once vested, Shares will be treated in same way as all other Shares, subject to the full repayment of any outstanding loan.
- (g) **Rights:** Other than pursuant to any offer document or exception provided for in the Plan Rules, the unvested Shares do not confer on an employee the right to participate in new issues of Shares or other securities in the Company, including by way of bonus issues, rights issues or otherwise. Any dividends (net of any tax payable by the Participant) distributed on the Shares will be applied against any outstanding loan.

The Plan Rules contain specific provisions relating to pro rata bonus issues (other than in lieu or in satisfaction of dividends or by way of dividend reinvestment), which provide for the number of unvested Shares held by a Participant to be increased by the number of Shares the Participant would have held if its Shares had vested before the bonus issue, provided that any such Shares will be subject to any vesting conditions applicable to the Participant's other Shares.
- (h) **Dealings:** Until such time as the Shares vest, Participants will not be entitled to exercise any voting rights attached to the Shares and will be restricted from selling, transferring, assigning, granting a security interest over or otherwise disposing of Shares (except as otherwise provided for in the Plan Rules or offer document).
- (i) **Cessation of employment:** If a Participant ceases to be employed by the Company or any of its subsidiaries, the treatment of its Shares will depend on the circumstances of the Participant's departure as follows:
 - (i) if the Participant is regarded as a "good leaver" (e.g. resigns due to ill health, is made redundant, retires or the Company is sold):
 - A. the Participant may keep its vested Shares provided that any outstanding loan shall be

- repaid in full pursuant to the terms of the loan;
 - B. the Board has the discretion whether or not to accelerate the vesting of all or some of the unvested Shares to which the Participant may be entitled; and
 - C. unless the Board exercises its discretion under (B) or as otherwise determined by the Board, all unvested Shares will be forfeited; and
- (ii) if the Participant is regarded a “bad leaver” (e.g. is summarily dismissed, resigns to take up a new job or becomes insolvent or bankrupt):
- A. the Participant may keep its vested Shares provided that any outstanding loan shall be repaid in full pursuant to the terms of the loan; and
 - B. unless otherwise determined by the Board, all unvested Shares will be forfeited.

Notwithstanding the above, the Board may, subject to compliance with the ASX Listing Rules and Corporations Act, determine to treat any unvested Shares in a manner different to the manner set out in this paragraph (i) (including without limitation determining that such unvested Shares neither vest nor lapse, applying conditions to the vesting or lapsing of unvested Shares, or otherwise forfeiting the unvested Shares) if the Board reasonably determines that the relevant circumstances warrant such treatment.

- (j) **Corporate control event:** If there is a change of control of the Company:
- (i) any unvested Shares held by a Participant will vest pro rata based on the proportion of the relevant vesting period that has elapsed as at the date the change of control occurs; and
 - (ii) the Board has the discretion as to how to treat the remaining unvested Shares, including whether to accelerate vesting of some or all of the Shares.
- (k) **Breach, fraud or dishonesty:** The Plan Rules provide for the Board to have the power to determine that all unvested Shares held by a Participant are forfeited if that Participant has been summarily dismissed, is convicted of an offence in connection with the affairs of the Company or any of its subsidiaries, has committed fraud, defalcation or gross misconduct, is in material breach of any duties owed to the Company or its subsidiaries, has brought the Company or its subsidiaries into disrepute or there is a material misstatement or omission in the financial statements of the Company or any of its subsidiaries.
- (l) **Effect of forfeiture:** Unless the Board determines otherwise, where Shares are forfeited, ownership of the Shares will be transferred to a nominee of the Company who must either sell the Shares or deal with them in any manner determined by the Board (including by way of buy-back or sale to a nominated person). The proceeds of any sale less any transaction costs of the Company will be applied against any outstanding loan.
- (m) **Power of Attorney:** The Participant irrevocably appoints each of the Company and any person nominated by the Company severally as its attorney to do all things necessary to give effect to the Plan Rules.
- (n) **Administration and variation:** The Plan Rules contain customary provisions in relation to administration and variation. The Board has the power to vary the Plan Rules, provided that the variations do not prejudice the rights and entitlements of Participants.