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**FAMILY INSIGHTS GROUP LIMITED****ACN 096 870 978****NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 12:00 PM (AEST)  
**DATE:** 5 August 2019  
**PLACE:** Chophouse  
Level 1/25 Bligh St  
Sydney NSW 2000

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

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 12:00pm (AEST) on 3 August 2019.***

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## BUSINESS OF THE MEETING

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### AGENDA

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

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 311,683,250 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 110,428,415 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 3. RESOLUTION 3 – APPROVAL FOR FURTHER PLACEMENT

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 1,000,000,000 Shares (on a pre-consolidation basis) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of 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 an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 4. RESOLUTION 4 – CONSOLIDATION OF CAPITAL

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

*"That, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:*

(a) every fifty (50) Shares be consolidated into one (1) Share; and

(b) every fifty (50) Options be consolidated into one (1) Option,

*and, where this Consolidation results in a fraction of a Share or Option being held, the Company be authorised to round that fraction down to the nearest whole Share or Option (as the case may be)."*

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#### 5. RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY – JONATHAN MARK WILD

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,500,000 Options (on a post Consolidation basis) to Jonathan Mark Wild (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

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

**Voting Prohibition 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:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this 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 though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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#### 6. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – SEAN PAUL SMITH

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Options (on a post Consolidation basis) to Sean Paul Smith (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

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

**Voting Prohibition 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:
  - (i) a member of the Key Management Personnel; or
  - (iii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this 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 though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**Dated: 5 July 2019**

**By order of the Board**



**Mr Quinton Meyers  
Company Secretary**

**Voting in person**

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

**Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6489 1600.**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

Any reference to Shares or Options in this Explanatory Statement is on a pre-Consolidation basis (unless otherwise indicated).

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### 1. RESOLUTIONS 1 AND 2 – RATIFICATION OF PRIOR ISSUE OF SHARES

#### 1.1 General

On 27 May 2019, the Company issued 422,111,665 Shares at an issue price of \$0.001 per Share to raise \$422,111.65 (**May Placement**).

Shares were issued pursuant to the May Placement utilising the Company's then existing capacity under both ASX Listing Rule 7.1A and ASX Listing Rule 7.1.

311,683,250 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1, and 110,428,415 Shares were issued pursuant to the Company's additional capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 30 November 2018.

Resolutions 1 and 2 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of Shares in the May Placement.

#### 1.2 Resolution 1 – ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

#### 1.3 Resolution 2 – ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

## 1.4 Ratification

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rules 7.1 or 7.1A (and provided that the previous issue did not breach the ASX Listing Rules) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1 or 7.1A.

By ratifying the issues the subject of Resolutions 1 and 2, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

## 1.5 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) 422,111,665 Shares were issued on the following basis:
  - (i) **(Resolution 1)** 311,683,250 Shares issued pursuant to ASX Listing Rule 7.1; and
  - (ii) **(Resolution 2)** 110, 428,415 Shares issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.001 per Share for both the issue of Shares pursuant to ASX Listing Rule 7.1 and pursuant to ASX Listing Rule 7.1A;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) all 422,111,665 Shares were issued to GSC. GSC is a new investor in the Company and is not a related party of the Company; and
- (e) the funds raised from the May Placement will be used to continue the development and marketing of the Company's Family Insights App.

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## 2. RESOLUTION 3 – APPROVAL FOR FURTHER PLACEMENT

### 2.1 General

Resolution 3 seeks Shareholder approval for the issue of 1,000,000,000 Shares, at an issue price to be determined on the day of their issue (**Further Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 1.2 above.

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

The Company is seeking shareholder approval for the Further Placement, and accordingly approval to raise additional funds, to accelerate the development and marketing of its grocery comparison technology in the Frugl Legacy System (**Legacy**).

The Company notes that shareholder approval for the Further Placement is sought in addition to ratifying and re-instating its ASX Listing Rules 7.1 and 7.1A capacity, which are the subject of Resolutions 1 and 2.

The development of Legacy will require employees with supplementary skill sets to the existing employees of the Company. As such the Company is anticipating an increase in ongoing staff costs. The additional funding alongside ASX Listing Rules 7.1 and 7.1A capacity is intended to help fund this increase in costs.

## **2.2 Cicero**

The Company has engaged the services of Cicero Advisory Services Pty Ltd (ACN 166 321 393) (AFS Representative Number 449190) (**Cicero**), a Corporate Authorised Representative of ACN 608 646 251 Pty Ltd (ACN 608 646 251 and AFSL 482173), to manage the Further Placement.

The Company will pay Cicero a management fee of \$25,000 as well as a distribution fee of 6% (exclusive of goods and services tax) on the amount raised under the Further Placement in consideration for Cicero managing the Further Placement on behalf of the Company.

As part of managing the Further Placement on behalf of the Company, Cicero will play a role in identifying potential investors, who may be existing or new Shareholders.

Mr Mathew Walker, a Director, is a director and shareholder of Cicero. The Directors, other than Mr Walker, who do not have a material personal interest in Cicero consider the engagement to be on arm's length terms as the fee charged is comparable to unrelated licensed securities dealers.

## **2.3 Technical information required by ASX Listing Rule 7.1**

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

- (a) the maximum number of Shares to be issued is 1,000,000,000;
- (b) the Shares issued pursuant to the Further Placement will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Further Placement's issue price per Share will be not less than 80% of the volume weighted average price for Shares calculated over the five (5) days on which sales in Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last five (5) days on which sales in the securities were recorded before the date the prospectus is signed;



- (d) The Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company. Cicero will assist the Directors in identifying potential investors, who may be existing or new Shareholders;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Further Placement towards continuing the development and marketing of the Family Insights App, and its groceries comparison technology in Legacy and associated website.

## 2.4 Use of funds

To assist the Company to accelerate the development and marketing of Legacy, the Company intends, subject to Shareholder approval, to conduct the Further Placement. Shareholder approval for the Further Placement Capital Raising is the subject of Resolution 3.

The Company intends to apply funds raised from the Further Placement as follows:

Proceeds of Further Placement	Intended allocation \$	%
Maintaining the Company's existing business <sup>1</sup>	195,000	19.5%
Ongoing development of technology <sup>2</sup>	240,000	24.0%
Marketing of Family Insights and Frugl / Legacy <sup>3</sup>	263,000	26.3%
General working capital <sup>4</sup>	217,000	21.7%
Expenses of the Offer	85,000	8.5%
<b>Total</b>	<b>1,000,000</b>	<b>100%</b>

### Notes

1. Wangle Family Insights (WFI) networking infrastructure, hardware, software and ongoing product support costs.
2. Development staff costs, software, hardware and development agency costs for ongoing product development and optimisation.
3. Marketing costs, advertising, public relations, content production and miscellaneous costs for the commercialisation of WFI and Frugl Grocery Comparison website (Legacy) products.
4. Directors fees, general staff costs, administration costs, legal, corporate services, ASX costs, compliance, rental facility costs and utilities.

The above table is a statement of current intentions as of the date of this Notice of Meeting. As with any budget, intervening events (including marketing and commercialisation success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Directors reserve the right to alter the way funds are applied on this basis.

## 2.5 Effect of the Further Placement on capital structure

The effect of the Further Placement on the Company's capital structure is set out below.

Shares <sup>1</sup>	Number
Shares currently on issue <sup>1,2</sup>	2,500,000,001
Shares offered under the Further Placement	1,000,000,000
<b>Total Shares on issue on completion of the Offer<sup>3</sup></b>	<b>3,500,001,001</b>

### Notes:

1. As announced on 27 May 2019, the Company successfully completed a placement of 422,111,665 shares, which are included in "Shares currently on issue".
2. On 30 May 2019, the Company released a prospectus for the offer of 1,000 Shares. The Company received no applications for Shares pursuant to that prospectus and no additional Shares were issued under the prospectus.

Options	Number
Options currently on issue: <ul style="list-style-type: none"><li>• Listed Options exercisable at \$0.01 each on or before 30 June 2021</li></ul>	1,152,444,168
<b>Total Options on issue on completion of the Further Placement</b>	<b>1,152,444,168</b>

## 2.6 Issue Price and Dilution

The volume weighted average price for Shares on the five (5) days on which sales in Shares were recorded before 4 July 2019 was \$0.001. The lowest issue price (ie maximum discount) of not less than 80% of this volume weighted average price would be \$0.0008 per Share.

The maximum number of Shares which the Company could issue pursuant to Resolution 3 is 1,000,000,000. As at the date of this Notice, the Company has 2,500,000,001 Shares on issue. Accordingly, assuming that:

- (a) Resolution 3 is passed at the Meeting;
- (b) no Options are exercised; and
- (c) the maximum number of Shares pursuant the Further Placement are issued by the Company,

then the number of Shares on issue would increase from 2,500,000,001 (being the number of Shares on issue as at the date of this Notice) to 3,500,000,001, and the shareholdings of existing Shareholders would be diluted by 28.57%.

The Company notes that the above paragraph is an example only and the actual number of Shares issued may differ (but will be no more than 1,000,000,000). This will result in the dilution percentage also differing.

On a fully diluted basis, which assumes that Resolution 3 is passed, the maximum number of Shares pursuant the Further Placement are issued and all Options are exercised, then the number of Shares on issue would increase from 2,500,000,001 (being the number of Shares on issue as at the date of this Notice) to

4,652,444,169, and the shareholdings of existing Shareholders would be diluted by 46.26%.

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### **3. RESOLUTION 4 – CONSOLIDATION OF CAPITAL**

#### **3.1 Background**

If Resolution 4 is passed and excluding any Shares issued pursuant to the other Resolutions, the number of:

- (a) Shares on issue will be reduced from 2,500,000,001 to 50,000,000 (subject to rounding); and
- (b) Options on issue will be reduced from 1,152,444,168 to 23,048,883 (subject to rounding).

#### **3.2 Legal requirements**

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

#### **3.3 Fractional entitlements**

Not all Shareholders or Optionholders will hold that number of Shares or Options (as the case may be) which can be evenly divided by fifty (50). Where a fractional entitlement occurs, the Company will round that fraction down to the nearest whole Security.

#### **3.4 Taxation**

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

#### **3.5 Holding statements**

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

After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares and/or Options to be issued to Shareholders and Optionholders.

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

#### **3.6 Effect on capital structure**

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

Capital Structure	Shares	Options <sup>2</sup>
Pre-Consolidation Securities <sup>1</sup>	2,500,000,001	1,152,444,168
Post-Consolidation of Securities on a 50:1 basis	50,000,000	23,048,883
<b>Completion of all Resolutions</b>	70,000,000 <sup>3</sup>	26,548,883

**Notes:**

1. Assuming no Options or other securities which are currently on issue are exercised into Shares prior to the Consolidation.
2. The terms of these Options are set out in full in the Notice of Annual General Meeting which was held on 30 November 2018. Since the date of that meeting, the Company has applied to have the Options listed on ASX (ASX:FAMO).
3. This assumes that all Shares are issued under the Further Placement (Resolution 3). 1,000,000,000 Shares on a pre-Consolidation basis equal to 20,000,000 Shares on a post-Consolidation Basis.

The effect the Consolidation will have on the terms of the Options is as set out in the tables below:

**Options – Pre-Consolidation**

Terms	Number
Options exercisable at \$0.01 on or before 30 June 2021 (ASX:FAMO)	1,152,444,168
<b>Total</b>	<b>1,152,444,168</b>

**Options – Post Consolidation**

Terms	Number
Options exercisable at \$0.50 on or before 30 June 2021 (ASX:FAMO)	23,048,883
<b>Total</b>	<b>23,048,883</b>

**3.7 Indicative timetable**

If Resolution 4 is passed, the consolidation of capital will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

Action	Date
Company announces Consolidation and sends out Notice of Meeting.	5 July 2019
Company tells ASX that Shareholders have approved the Consolidation.	5 August 2019
Last day for pre-Consolidation trading.	6 August 2019
Post-Consolidation trading starts on a deferred settlement basis.	7 August 2019
Last day for Company to register transfers on a pre-Consolidation basis.	8 August 2019
First day for Company to send notice to each holder of the change in their details of holdings.	9 August 2019

Action	Date
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	
Change of details of holdings date. Deferred settlement market ends.	15 August 2019
Last day for Securities to be entered into holders' Security holdings.	
Last day for the Company to send notice to each holder of the change in their details of holdings.	

#### 4. RESOLUTIONS 5 AND 6 – ISSUE OF OPTIONS TO DIRECTORS

##### 4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 3,500,000 new Options, on a post-consolidation basis to Mr Sean Smith and Mr Jonathon Wild (or their nominees) (**Related Parties**) (**Related Party Options**), on the terms and conditions set out below.

Resolution 5 seeks Shareholder approval for the grant of 1,500,000 Related Party Options (on a post-consolidation basis) to Mr Wild (or his nominee), and Resolution 6 seeks Shareholder approval for the grant of 2,000,000 Related Party Options (on a post-consolidation basis) to Mr Smith (or his nominee).

##### 4.2 Chapter 2E of the Corporations Act

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

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

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

The grant of Related Party Options to the Related Parties constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors.

The Directors (other than Mr Wild who has a material personal interest in the outcome of Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options to Mr Wild because the agreement to grant the Related Party Options, reached as part of the remuneration package for Mr Wild, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

The Directors (other than Mr Smith who has a material personal interest in the outcome of Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options to Mr Smith because the agreement to grant the Related Party Options, reached as part of the remuneration package for Mr Smith, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

#### 4.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

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

#### 4.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 5 and 6:

- (a) the Related Party Options will be granted to Mr Jonathan Mark Wild (or his nominee), and Mr Sean Paul Smith (or his nominee);
- (b) the number of Related Party Options to be issued is an aggregate of 3,500,000 (on a post consolidation basis) allocated as below:
  - (i) **Resolution 5:** Mr Wild, 1,500,000 (on a post consolidation basis); and
  - (ii) **Resolution 6:** Mr Smith, 2,000,000 (on a post consolidation basis);
- (c) the Related Party Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same day;
- (d) the Related Party Options will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) the terms and conditions of the Related Party Options are set out in Schedule 1.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Options to Mr Wild and Mr Smith (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## GLOSSARY

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**\$** means Australian dollars.

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

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

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Family Insights Group Limited (ACN 096 870 978).

**Consolidation** means the consolidation of the Company's issued capital on the basis that every fifty (50) Shares or Options (as applicable) will be consolidated into one (1) Share or Option (as applicable).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

**GSC** means Golden State Capital Inc of Suite 205, 2840 East 51<sup>st</sup> Street, Tulsa Oklahoma 74105 USA

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Parties** has the meaning given in Section 4.1

**Related Party Options** has the meaning given in Section 4.1

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

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.



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## SCHEDULE 1 - TERMS OF RELATED PARTY OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

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

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are not transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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