



CV Check Limited

ABN: 25 111 728 842

Notice of Annual General Meeting and Explanatory Memorandum

Date of Meeting:	Wednesday, 4 November 2020
Time of Meeting:	3.00 pm AWST Registration from 2.30 pm AWST
Place of Meeting:	The Garden Office Park Conference Room 355 Scarborough Beach Road OSBORNE PARK WA 6017

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

This Notice of Meeting should be read in its entirety. If you are in doubt as to the course you should follow, consult your financial or other professional adviser.

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 4.00 pm (AWST) on Monday, 2 November 2020.

CV CHECK LIMITED

ABN: 25 111 728 842

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT INFORMATION

Time and place of Meeting

Notice is hereby given that the 2020 Annual General Meeting of CV Check Limited ABN 25 111 728 842 will be held on **Wednesday, 4 November 2020 at 3.00 pm (AWST)** at:

The Garden Office Park
Conference Room
355 Scarborough Beach Road
OSBORNE PARK WA 6017

Voting in person

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

Voting by proxy

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

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

- 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.

BUSINESS OF THE MEETING

2020 Annual Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020, together with the Directors' declaration, the Directors' report, the Remuneration Report and the Auditor's report.

Note: There is no requirement for shareholders to approve these reports.

Resolution 1 – Adoption of Remuneration Report (Non-Binding)

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the 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. The Directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Voting Prohibition Statement:

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

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

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

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

Resolution 2 – Re-election of Director - Mr Ivan Gustavino

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

"That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Mr Ivan Gustavino a Director retires by rotation and, being eligible, is re-elected as a Director."

Resolution 3 – Election of Director – Mr Oliver Stewart

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

"That, for the purpose of clause 14.3 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Mr Oliver Stewart, being eligible for election offers himself for election, as a Director of the Company."

Resolution 4 – Election of Director – Mr Alistair Burgoyne

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

“That, for the purpose of clause 14.3 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Mr Alistair Burgoyne, being eligible for election offers himself for election, as a Director of the Company.”

Resolution 5 – Ratification of Prior Issue of Employee Options

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 524,491 Employee Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely persons who were issued Employee Options) or any associate of that person (or those persons).

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

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

Resolution 6 – Issue of Options to Related Party – Mr Rodney Sherwood

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

For the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,120,000 Options to Mr Rodney Sherwood (or his nominee) pursuant to the terms and conditions set out in the Explanatory Statement.

Voting Exclusion:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Rodney Sherwood (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the Equity Securities (except a benefit solely by reason of being a holder of Ordinary Securities in the Company) or any associate of that person or those persons.

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

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

Voting Prohibition Statement:

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

- (a) the proxy is either:
(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.

Resolution 7 – Approval of 7.1A Mandate

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

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal 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."

Dated: 24 September 2020

By order of the Board

Jenny Cutri
Company Secretary
CV Check Ltd

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with information which the Directors believe to be material to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

2020 Annual Financial Statements and Reports

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the Company's annual financial report for the year ended 30 June 2020, together with the declaration of the Directors, the Directors' report, the Remuneration Report and the Auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's 2020 Annual Report can be viewed online on the Company's website www.cvcheck.com and the Company's ASX Online Platform (ASX: CV1) via www.asx.com.au.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the Company's annual financial statements and reports.

A representative of Company's Auditor, RSM Australia Partners, will be present at the Meeting and Shareholders will have an opportunity to ask the Auditor's representative questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies, and the independence of the Auditor.

ORDINARY RESOLUTIONS

Resolution 1 – Adoption of Remuneration Report (Non-Binding)

1.1 General

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors' report section of the Company's annual financial report for the year ended 30 June 2020.

The Remuneration Report sets out details of the remuneration received by the Directors and key Company executives, in addition to describing the Board's policy in respect of remuneration. Resolution 1 seeks Shareholder approval of the adoption of the Remuneration Report by the Company.

The chair of the meeting must allow a reasonable opportunity for its Shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

The outcome of the vote on this resolution is advisory only and not binding on the Company or the Board.

1.2 Previous voting results

At the Company's previous annual general meeting, the votes cast against the Remuneration Report considered at that annual general meeting was less than 25%.

The Remuneration Report is set out in the Company's 2020 Annual Report which can be viewed online on the Company's website www.cvcheck.com and the Company's ASX Online Platform (ASX: CV1) via www.asx.com.au.

Resolution 2 – Re-election of Director - Mr Ivan Gustavino

2.1 Background Information

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

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

Excluding Mr Rodney Sherwood, the Company's Chief Executive Officer, the Company currently has 2 Directors and accordingly 1 must retire.

Mr Gustavino who has served as a director since 13 August 2018, retires by rotation and seeks re-election. Mr Gustavino is:

- the Chair of the Company's Remuneration Committee; and
- member of the Company's Audit and Risk Committee.

2.2 Qualification and other material directorships

Appointed to the Board 13 August 2018

Qualifications Bachelor of Business (Information Processing)

Experience

Mr Gustavino has over 25 years' experience developing global technology businesses, including vast experience in leading, advising and investing in high growth technology businesses.

Mr Gustavino is one of Australia's leading corporate advisors specialising in advising technology companies on growth, mergers and acquisitions (M &A). Mr Gustavino is the Managing Director of Atrico Pty Ltd and Director of Asia Tech Pty Ltd.

Mr Gustavino has held executive roles in companies such as Surpac Software (now Dassault Systèmes GEOVIA Inc.) and Optimatics LLC and has advised many investment groups, listed and unlisted corporations and mid-market tech companies on their investment, growth and M&A related activities.

Other Directorships Non-Executive Director of Imdex Limited (ASX: IMD)

Previous Directorships Optimatics LLD
Surpac Software

2.3 Independence

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

If re-elected the Board considers Mr Gustavino will be an independent Director.

2.4 Board Recommendation

The Board has reviewed Mr Gustavino's performance since his appointment to the Board and considers that Mr Gustavino's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Gustavino and recommends that you **vote in favour of** Resolution 2.

Resolution 3 – Election of Director – Mr Oliver Stewart

3.1 Background Information

As stated above, ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for persons who wish to nominate and signify their candidature for the office of director or the intention by a shareholder to propose a person for the office of director.

Pursuant to clause 14.3 of the Company's Constitution Mr Oliver Stewart, being eligible for election as a director of the Company, has been nominated for (and has consented to) election as a director.

Mr Oliver Stewart was nominated by shareholders holding 10.07% of the ordinary shares of the Company, and he has close personal ties and a familial relationship with some of those holders.

In accordance with *ASX Corporate Governance Principles and Recommendations* the Company is conducting appropriate background checks on Mr Oliver. Of the checks for which results have returned, the results have not revealed any information of concern. If any results identify any matters of concern, shareholders will be informed immediately.

3.2 Qualification and other material directorships

<i>Qualifications</i>	Bachelor of Business Management (Marketing) Bachelor of Arts (Psychology & Journalism)
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<i>Experience</i>	Mr Stewart has over 15 years' experience in Customer and Loyalty Marketing.
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Mr Stewart's core competencies include strategic planning to maximise customer lifetime value across multiple product sets, marketing and sales channels. He has designed and built customer lifecycle programs and customer centric loyalty programs. He also has extensive experience in implementing, integrating and operationalizing marketing automation platforms.

Mr Stewart is currently a Director and Customer Marketing Specialist with AM-I Customer Engagement Agency. He has also

held senior roles with Foxtel (Head of Customer and Loyalty Marketing), Qantas Frequent Flyer (Retail Partner Marketing Manager), Lavender (Account Director) and M&C Saatchi (Account Manager).

Other Directorships None

Previous Directorships None

3.3 Independence

Mr Oliver Stewart was nominated by shareholders holding 10.07% of the Company, and he has close personal ties and a familial relationship with some of those holders. The Board considers, based on guidance provided in the *ASX Corporate Governance Principles and Recommendations*, and Mr Oliver's relationships he would not be categorised as an independent director.

If elected the Board therefore does **not** consider Mr Stewart will be an independent Director.

3.4 Board Recommendation

The Directors, for the purposes of cost saving, had recently reduced the total number of directors to the statutory minimum three directors. The Company is also in discussions in relation to some possible strategic transactions, which may result in board restructure. Although until negotiated and agreed there are no guarantees that any transaction will eventuate. However, for these reasons the Directors consider it is in the interests of the Company and its shareholders to remain with the statutory minimum of three directors.

Therefore, the Directors **do not make a recommendation** in relation to Resolution 3.

Resolution 4 – Election of Director – Mr Alistair Burgoyne

4.1 Background Information

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for persons who wish to nominate and signify their candidature for the office of director or the intention by a shareholder to propose a person for the office of director.

Pursuant to clause 14.3 of the Company's Constitution Mr Alistair Burgoyne, being eligible for election as a director of the Company, has been nominated for (and has consented to) election as a director.

In accordance with *ASX Corporate Governance Principles and Recommendations* the Company is conducting appropriate background checks on Mr Burgoyne. Due to Mr Burgoyne having worked overseas for a period of time, results for some international checks may take a period of time. Of the checks for which results have returned, the results have not revealed any information of concern. If any results identify any matters of concern, shareholders will be informed immediately.

4.2 Qualification and other material directorships

Qualifications Member of Australian Institute of Company Directors

	Achieved Core 1 competency – Securities and Managed Investment Accreditation Program
<i>Experience</i>	<p>Mr Burgoyne has over 30 years' experience in the corporate finance industry in Asia. He is currently based in Australia having previously worked in Japan, Hong Kong, Thailand and Singapore. He has considerable experience in cross border private fundraising and Mergers & Acquisitions in S.E. Asia.</p> <p>Before re-locating back to Australia Mr Burgoyne worked in Singapore for PrimePartners Corporate Finance for 10 years. As part of this role Mr Burgoyne was involved in a number of listings on the Singapore Exchange (SGX) (including Cordlife Group Limited, Axcelasia Inc., The Trendlines Group Ltd, LHN Ltd, Zico Holdings Ltd, Spackman Entertainment Ltd, QT Vascular Ltd, Rex International Holdings Ltd and Halcyon Agri Corporation Ltd).</p> <p>During his time at PrimePartners Mr Burgoyne also started and ran the company's M&A business. Additionally, Mr Burgoyne previously held the role of Managing Director of Seamico Securities PLC a listed full service stockbroker in Thailand.</p> <p>On his return to Australia, Mr Burgoyne joined Patersons in the Corporate Finance team and was involved in a number of placements and corporate advisory work (including Australian Potash Limited and Aspire Mining Limited). Mr Burgoyne was with Patersons until its takeover by Canaccord.</p> <p>Mr Burgoyne has also previously held roles with Corporate Vision Asia Co Ltd (Founder and CEO), JEB Asia Ltd (Finance Director), BNP Primeast Securities, IPRS Singapore Pte Ltd and Ord Minnett Securities.</p>
<i>Other Directorships</i>	<p>Director – Primage Corporate Services Pty Ltd</p> <p>Non-Executive Director of companies in "Coral Expeditions" Group (including Barralong Leisure Holdings Pty Ltd, Barralong Cruise Holdings Pty Ltd, Barralong Travel Company Pty Ltd, Lucton Pty Ltd, CPC Marine Pty Ltd, CPC Services (N.Q.) Pty Ltd, Coral Princess Cruises (N.Q.) Pty Ltd)</p> <p>Non-Executive Director of VGI VMall Limited</p>
<i>Previous Directorships</i>	Managing Director – Seamico Securities PLC

4.3 Independence

Mr Burgoyne was nominated by a shareholder holding 0.06% of the ordinary shares in the Company.

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

If elected the Board does consider Mr Burgoyne will be an independent Director.

4.4 Board Recommendation

The Directors, for the purposes of cost saving, had recently reduced the total number of directors to the statutory minimum three directors. The Company is also in discussions in relation to some possible strategic transactions, which may result in board restructure. Although until negotiated and agreed there are no guarantees that any transaction will eventuate. However, for these reasons the Directors consider it is in the interests of the Company and its shareholders to remain with the statutory minimum of three directors.

Therefore, the Directors **do not make a recommendation** in relation to Resolution 4.

Resolution 5 – Ratification of Prior Issue of Employee Options

5.1 Background Information

On 27 August 2020 the Company announced that it was issuing 524,491 unlisted options (**Employee Options**) to Executives and Senior Managers of the Company to compensate for part of their reduced salaries, which had been implemented to buffer against the impact of Covid-19 earlier in the year.

The Employee Options are exercisable at \$0 each on or before 27 August 2022 and are subject to the vesting condition, that the employees are to remain as employees for a period of 12 months from the date of issue of the Employee Options.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 to ratify the issue of the Employee Options.

5.2 Listing Rule 7.1

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

5.3 Listing Rule 7.4

ASX 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 that rule.

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. Accordingly, the Company is seeking shareholder ratification pursuant to Listing Rule 7.1 for the issue of the Employee Options.

5.4 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Employee Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Employee Options.

If Resolution 5 is not passed, the Employee Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Employee Options.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Employee Options.

5.5 Technical information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Employee Options were issued to Executives and Senior Managers of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that:

- (i) none of the recipients of the Employee Options were related parties of the Company, however the following were issued to Key Management Persons (KMP):

Jason Roger Margach	125,834
Mark Andrew Thompson	119,146
Colin Boyan	128,807
Eugenia Cutri	34,778
Total Issued to KMPs	408,565

- (ii) the remainder of the Employee Options (being 115,926 Employee Options) were issued to an employee who is not a KMP; and
 - (iii) they were not issued more than 1% of the issued capital of the Company;
- (c) 524,491 unlisted Employee Options were issued on the terms and conditions of the Employee Options are set out in Schedule 1;
 - (d) the Employee Options were issued on 27 August 2020;
 - (e) the Employee Options were issued at a nil issue price, as compensation for temporary reduction in salaries. The Company has not and will not receive any other consideration for the issue of the Employee Options (and no funds will be received on the exercise of the Employee Options);
 - (f) the purpose of the issue of the Employee Options was to compensate Executives and Senior Managers for reduced salaries implemented to buffer against the impact of Covid-19 earlier this year;
 - (g) the Employee Options were not issued under an agreement; and
 - (h) a voting exclusion statement is included in Resolution 5.

5.6 Board Recommendation

The Directors unanimously recommend you vote **in favour of** Resolution 5.

Resolution 6 – Issue of Options to Related Party - Rodney Sherwood

6.1 Background Information

The Company has agreed, subject to obtaining Shareholder approval, to issue Director and Chief Executive Officer, Mr Rodney Sherwood (or his nominee) 3,120,000 Options (**Executive Director Options**), on the terms and conditions set out below.

The Executive Director Options will comprise:

1. 1,365,000 zero exercise price options (**ZEPOs**); and
2. 1,755,000 premium exercise price options (**PEPOs**),

and the terms and conditions are detailed in Schedule 2.

The purpose of the issue of the Executive Director Options is to:

- (a) provide a cost-effective way to remunerate Mr Sherwood and preserves the Company's cash reserves;
- (b) motivate Mr Sherwood to provide his expertise and strategic guidance to the Company; and
- (c) link Mr Sherwood's remuneration to performance metrics which support the Company's growth and long-term sustainability.

Vesting Conditions

The Executive Director Options proposed to be issued to Mr Sherwood vest upon Mr Sherwood remaining employed as an Executive Director for a specified period from the date of issue and achievement of certain Company performance metrics. The performance metrics have been determined by the Company's Remuneration Committee and are linked to operational objectives (being revenue (10% weighting) and EBITDA (earnings before interest, tax, depreciation and amortisation) (10% weighting)), share price (40% weighting) and strategic objectives - acquisitions/ mergers by the Company (40% weighting).

6.2 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 the Executive Director Options constitutes the giving of a financial benefit to Mr Rodney Sherwood by virtue of being a Director.

The Directors (other than Mr Sherwood who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Executive Director Options because the agreement to grant the Options to Mr Sherwood (or his nominees), has been reached as part of the remuneration package for Mr Sherwood, and is considered reasonable remuneration for the purposes of section 211 of the Corporations Act and was negotiated on an arm's length basis. The Primary purposes for the issuing of the Executive Director Options is to assist the Company in managing its cash flow by

preserving the Company's cash reserves and appropriately incentivising Mr Sherwood with performance metrics, which support the Company's growth and long-term sustainability.

6.3 ASX Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue, or agrees to issue, securities to a related party unless it obtains the approval of its shareholders.

The issue of the Executive Director Options falls within Listing Rule 10.11.1 and does not fall within the exceptions set out in Listing Rule 10.12. Resolution 6 therefore seeks the approval of Shareholders under Listing Rule 10.11.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Executive Director Options to Mr Sherwood within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modifications of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of any Executive Director Options (because approval is being obtained under Listing Rule 10.11), the issue of the Executive Director Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of Executive Director Options to Mr Sherwood (or his nominee).

6.5 Technical information required by Listing Rule 10.13

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

- (a) the Executive Director Options will be issued to Mr Rodney Sherwood (or his nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Sherwood is a related party of the Company by virtue of being a Director;
- (b) the following options will be issued to Mr Rodney Sherwood (or his nominee):
 - (i) 3,120,000 Executive Director Options comprising:
 - a. 1,365,000 ZEPOs; and
 - b. 1,755,000 PEPOs;
- (c) the terms and conditions of the Executive Director Options (comprising ZEPOs and PEPOs) are set out in Schedule 2;
- (d) the Executive Director Options will be issued no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Executive Director Options will be issued on one date;
- (e) as the Executive Director Options are being issued as part of Mr Sherwood's remuneration package and as performance incentives, they will be granted for nil cash consideration and therefore no funds will be raised (other than in respect of funds received on exercise of the Executive Director Options);
- (f) the purpose of the issue of the Executive Director Options is to provide a performance linked incentive component in the remuneration package for Mr Sherwood to motivate and reward their performance as a Director and to provide cost effective remuneration to Mr Sherwood, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Sherwood;

- (g) the current total remuneration package for Mr Sherwood is \$380,427, comprising salary of \$273,000 plus superannuation, car allowance of \$27,000 and Directors Fees of \$51,500 plus superannuation. If the Options are issued, and all the Executive Director Options vest, then the total remuneration package of Mr Sherwood will increase by \$204,750 to \$585,178, being the value of the Executive Director Options (based on Black Scholes methodology); and
- (h) the Executive Director Options are not being issued under an agreement.

6.6 Board Recommendation

The Directors (other than Mr Rodney Sherwood) recommend you vote **in favour of** Resolution 6.

SPECIAL RESOLUTIONS

Resolution 7 – Approval of 7.1A Mandate

7.1 Background Information

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 shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

However, under Listing Rule 7.1A an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'Eligible Entity' is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 and has a current market capitalisation of less than \$300,000,000. The Company is an eligible entity for these purposes.

Any Equity Securities issued under the 7.1A Mandate must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of this Notice of Meeting, has one quoted class of Equity Securities on issue, being Shares (ASX Code: CV1).

7.2 Technical information required by Listing Rule 14.1A

Resolution 7 seeks Shareholder approval by way of a special resolution for the Company to have an additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 7 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rule 7.1 and 7.1A without any further Shareholder approval.

If Resolution 7 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommend that Shareholders vote **in favour** of Resolution 7. No Director or Related Party will participate in any issue under the 7.1A Mandate unless specific approval is obtained for the purposes of Listing Rule 10.11.

7.2 Technical information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to Resolution 7:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting;
- (ii) The time and date of the Company's next annual general meeting; and
- (iii) the date of the approval by shareholders of any transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(b) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in Section 7.2(b)(i) above, the date on which the Equity Securities are issued.

(c) Purpose of Issue under 7.1A Mandate

The Company can *only* issue securities for cash pursuant to the 7.1A Mandate. The Company intends to use any funds raised, pursuant to the 7.1A Mandate, towards an acquisition of new assets or strategic transactions (including expenses associated with such acquisition(s) or strategic transaction(s)), marketing and promotional expenses, continued research and platform or IT development and working capital.

(d) Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, existing

Shareholders may be subject to both economic and voting dilution as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the closing market price of Shares and the number of Shares on issue as at 19 September 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in ASX Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.055	\$0.110	\$0.17
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	292,197,676	29,219,767	\$1,607,087	\$3,214,174	\$4,821,261
50% increase	438,296,514	43,829,651	\$2,410,630	\$4,821,261	\$7,231,892
100% increase	584,395,352	58,439,535	\$3,214,174	\$6,428,348	\$9,642,523

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

The table presents theoretical examples only, and on the following assumptions:

1. There are currently 292,197,676 Shares on issue.
2. The issue price set out above is the closing price of the Shares on ASX on 19 September 2020.
3. The Company issues the maximum possible number of Equity Securities available under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. None of the Options that the Company currently has on issue are exercised or vest before the date of the issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. The table does not show the effect of any dilution under Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue, assuming variable A is equal to the total issued share capital. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation Policy under 7.1A Mandate**

The recipients of Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities may include existing Shareholders and/or new investors (or both), none of whom will be Related Parties of the Company.

The Company will determine the recipients of on a case-by-case basis at the time of issue under the 7.1 Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods of raising funds available to the Company at that time, including but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous Approval under Listing Rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2019 annual general meeting held on 27 November 2019 (Previous Approval).

During the 12-month period preceding the date of the Meeting, being on and from 29 October 2019, the Company has not issued any Equity Securities pursuant to the Previous Approval.

7.3 Voting Exclusion

As at the date of the Notice, the Company is not proposing to make an issue of the Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice for this Resolution.

7.4 Board Recommendation

The Directors unanimously recommend that you vote **in favour** of Resolution 7.

GLOSSARY

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

7.1A Mandate has the meaning given in the Explanatory Statement of Resolution 7.

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

ASIC means the Australian Securities and 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 or **Listing Rules** means the listing rules of ASX.

Auditor means RSM Australia Partners.

AWST means Australian Western Standard Time.

Board means the board of Directors of the Company.

Chair means chairman of the Board.

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

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

Company or **CV Check** means CV Check Limited (ABN 25 111 728 842).

Constitution means the Company's constitution adopted by Special Resolution of the members on 23 March 2015, and as amended by special resolutions on 26 October 2017 and 27 November 2019.

Consultant Shares means the Shares issued to the Consultant on the terms and conditions set out in Resolution 4.

Corporations Act means Corporations Act 2001 (Cth).

CV Check (NZ) means CV Check (NZ) Ltd (NZCN 1853593), a subsidiary of the Company.

CV Check Group means CV Check and its wholly owned subsidiary CV Check (NZ).

Director means a current Director of the Company.

Eligible Entity means an entity that at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a market capitalization of \$300 million or less.

Equity Securities has the meaning given to that term in the ASX Listing Rules.

Employee Options means the options granted to Executives and Senior Managers of the Company on the terms and conditions set out in Schedule 1, the approval for which is the subject of Resolution 5.

Executive Director Options means the Options to be granted to Mr Rodney Cameron Sherwood (or his nominee) on the terms and conditions set out in Schedule 2, the approval for which is the subject of Resolution 6.

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

Group means the Company and each Associated Body Corporate.

Group Company means the Company or any Associated Body Corporate.

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.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

PEPOs means the Options, which are part of the Executive Director Options, to be granted to Mr Rodney Cameron Sherwood (or his nominee) on the terms and conditions set out in Schedule 2, the approval for which is the subject of Resolution 6.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2020.

Resolutions means the resolutions referred to in the Notice, or any one of them, as the context requires.

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

Shareholder means a registered holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the ASX Listing Rules;

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

VWAP means Volume Weighted Average Price of the Company's ASX-listed Shares trading under the code CV1.

ZEPOs means the Options, which are part of the Executive Director Options, to be granted to Mr Rodney Cameron Sherwood (or his nominee) on the terms and conditions set out in Schedule 2, the approval for which is the subject of Resolution 6.

Words importing the singular include the plural and vice versa. All references to currency are in Australian dollars.

SCHEDULE 1 – TERMS AND CONDITIONS OF EMPLOYEE OPTIONS

(a) **Entitlement and Exercise Price**

Once vested, each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) in the capital of the Company upon exercise of the Option, for nil consideration (**Exercise Price**).

(b) **Expiry Date**

Each Option will expire at 5:00 pm (AWST) on the date that is 2 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Vesting Conditions**

The Options will vest and become exercisable when any vesting conditions (including continued tenure as an employee for a period of 12 months from date of issue of the Options) have been satisfied or waived by the Board (**Option Vesting Conditions**).

(d) **Exercise Period**

Options are exercisable at any time from the date of issue, and subject to the Option Vesting Conditions being satisfied, and prior to the Expiry Date.

(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 certificates (**Notice of Exercise**) and payment of the relevant 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 10 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 Options can be exercised.

(l) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(m) **Transferability**

The Options are not transferable.

SCHEDULE 2 - TERMS AND CONDITIONS OF EXECUTIVE DIRECTOR OPTIONS

Zero Exercise Price Options (ZEPOs)

(a) **Entitlement and Exercise Price**

Once vested, each ZEPO entitles the holder to subscribe for one fully paid ordinary share (**Share**) in the capital of the Company upon exercise of the ZEPO, for nil consideration (**Exercise Price**).

(b) **Expiry Date**

Each ZEPO will expire at 5:00 pm (AWST) on the date that is 2 years from the date of issue (**Expiry Date**). A ZEPO not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Vesting Conditions**

Vesting conditions will be notified in writing to the Executive Director by the Board of the Company at the time of issue (**ZEPO Vesting Conditions**). The ZEPOs will vest and become exercisable when any vesting conditions (including continued tenure as an Executive Director for a period of 12 months from date of issue) have been satisfied or waived by the Board.

(d) **Exercise Period**

ZEPOs are exercisable at any time from the date of issue, and subject to the ZEPO Vesting Conditions being satisfied, and prior to the Expiry Date.

(e) **Notice of Exercise**

The ZEPOs may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the ZEPO certificates (**Notice of Exercise**) and payment of the relevant Exercise Price for each ZEPO 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 ZEPO being exercised in cleared funds (**Exercise Date**).

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

Within 10 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 ZEPOs 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 ZEPOs.

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 ZEPOs 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 ZEPOs and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the ZEPOs without exercising the ZEPOs.

(k) **Change in exercise price**

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

(l) **Unquoted**

The Company will not apply for quotation of the ZEPOs on ASX.

(m) **Transferability**

The ZEPOs are not transferable.

Premium Exercise Price Options (PEPOs)

(a) **Entitlement and Exercise Price**

Once vested, each PEPO entitles the holder to subscribe for one fully paid ordinary share (**Share**), at a cost of 143% of the five-day VWAP of the Company's Share price at the date of grant (**Exercise Price**).

(b) **Expiry Date**

Each PEPO will expire at 5:00 pm (AWST) on the date that is 30 months from the date of issue (**Expiry Date**). A PEPO not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Vesting Conditions**

Vesting conditions will be notified in writing to the Executive Director by the Board of the Company at the time of issue (**PEPO Vesting Conditions**). The PEPOs will vest and become exercisable when any vesting conditions (including continued tenure as an Executive Director for a period of 18 months from date of issue) have been satisfied or waived by the Board.

(d) **Exercise Period**

PEPOs are exercisable at any time from the date of issue, and subject to the PEPO Vesting Conditions being satisfied, and prior to the Expiry Date.

(e) **Notice of Exercise**

The PEPOs may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the PEPO certificates (**Notice of Exercise**) and payment of the relevant Exercise Price for each PEPO 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 PEPO 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:

- For personal use only
- (i) issue the number of Shares required under these terms and conditions in respect of the number of PEPOs 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 PEPOs.

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 PEPOs 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 PEPOs and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the PEPOs without exercising the PEPOs.

(k) **Change in exercise price**

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

(l) **Unquoted**

The Company will not apply for quotation of the PEPOs on ASX.

(m) **Transferability**

The PEPOs are not transferable.