

Notice of Extraordinary General Meeting

Leading SME-focused finance platform **Propell Holdings Limited (ASX: PHL)** (the **Company**) advises that an Extraordinary General Meeting will be held on Wednesday, 24 August 2022 at 12:00pm (AEST – Brisbane time) (**Meeting**).

Attached are copies of the following documents in relation to the Meeting:

- Chairman's Letter to shareholders setting out the arrangements in relation to the meeting
- Notice of Extraordinary General Meeting including the Agenda and Explanatory Memorandum
- Proxy Form

This announcement was authorised for release to the market by the Board of Propell Holdings Limited.

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About Propell

Propell Holdings Limited (ASX:PHL) is Australia's first and only all-in-one finance platform providing SMEs with lending solutions that are faster to access, easier to use and simpler to manage using a digital-first approach.

Australia's 2.4 million small and medium enterprises (SMEs) aren't satisfied with lending solutions provided by banks and are frustrated with their slow and difficult processes and paperwork. 38% of SMEs have indicated they are actively looking for new solutions in a market comprising \$423 billion in SME loans.

Propell's digital platform is aimed at improving the cashflow and financial wellbeing of small businesses by aggregating a range of finance products and services including lending, payments and cashflow forecasting tools. The Company leverages its extensive customer data with an artificial intelligence (AI) based engine to deliver its products in an entirely digital manner.

Propell launched the platform in mid-2020 and is focused on further customer growth and development of its product suite.

To stay up to date on company news and announcements, register your details on the [Propell Holdings investor portal](#).

Notice is given that the Extraordinary General Meeting (**EGM** or **Meeting**) of Shareholders of **Propell Holdings Limited ACN 614 837 099 (Company)** will be held:

Date of Meeting: Wednesday, 24 August 2022
Time of Meeting: 12:00pm (Brisbane time)
Place of Meeting: Level 2, 307 Queen Street, Brisbane QLD 4000

Dear Shareholder,

Propell Holdings Limited – Extraordinary General Meeting

Propell Holdings Limited (the Company) hereby announces its intention to hold an Extraordinary General Meeting (EGM or Meeting) of Shareholders at 12:00pm (Brisbane time) on Wednesday, 24 August 2022. This meeting will be a physical meeting held at Level 2, 307 Queen Street, Brisbane QLD 4000.

The full Notice of Meeting which sets out the Agenda (including details of all resolutions being put to the meeting), important Voting Information and an Explanatory Memorandum can be found at <https://investor.propellme.com.au/Investor-Centre/> or on the Australian Securities Exchange Limited (**ASX**) Market Announcement Platform under the Company's code: PHL

In accordance with modifications to the Corporations Act under the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021* (Cth), the Company will not be sending hard copies of the Notice of Meeting and Explanatory Memorandum to Shareholders (except for any Shareholder who has provided an election to the Company to receive a hard copy document only pursuant to section 253RB of the *Corporations Act 2001* (Cth)).

The agenda of the Meeting will be to consider the following items of business:

- Ratification for issue of Shares – Placement;
- Approval for the issue of Options to Altor Capital Management Pty Ltd;
- Approval for the issue of Options to Managing Director – Mr Michael Davidson;
- Approval for the issue of Options to the Lead Manager;
- Approval for the terms of the Convertible note facility

EGM Considerations and Shareholder Questions

It is recommended that attendees arrive 15 minutes prior to the scheduled commencement of the meeting. A discussion will be held on all items to be considered at the EGM and all Shareholders will have a reasonable opportunity to ask questions during the EGM.

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

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

All Resolutions by Poll

Each of the resolutions proposed at the EGM will be decided on a poll. The Chairman considers voting by poll to be in the interests of the shareholders as a whole, and to ensure the representation of as many Shareholders as possible.

How to Vote

Please see the Notice of Meeting for details on Voting Entitlement, Proxy and Corporate Representative Instructions. Shareholders are encouraged to lodge their votes by logging into their portfolio or holdings on the share registry's website at www.linkmarketservices.com.au by 12:00pm (Brisbane time) on Monday, 22 August 2022. We look forward to your attendance and participation at the Meeting.

By order of the Board

Ben Harrison
Chairman
20 July 2022

Notice of Extraordinary General Meeting and Explanatory Memorandum

Propell Holdings Limited ACN 614 837 099

Date of Meeting: Wednesday, 24 August 2022

Time of Meeting: 12:00pm (Brisbane time)

Place of Meeting: Level 2, 307 Queen Street, Brisbane QLD 4000

Notice of Meeting

Notice is given that the Extraordinary General Meeting (**Meeting**) of Shareholders of **Propell Holdings Limited ACN 614 837 099 (Company)** will be held at Level 2, 307 Queen Street, Brisbane QLD 4000 on Wednesday, 24 August 2022 at 12pm (Brisbane time).

Terms used in this Notice of Meeting are defined in section 7 of the accompanying Explanatory Memorandum.

The Explanatory Memorandum and the Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.

AGENDA

ORDINARY BUSINESS

Resolution 1 - Ratification for issue of Shares - Placement

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders grant approval for and ratify the prior issue of 23,475,947 fully paid ordinary shares in the Company at an issue price of \$0.058 (**Placement Shares**) issued on 28 April 2022 to certain sophisticated and professional investors on the terms as set out in the Explanatory Memorandum.”*

Voting exclusion statement pursuant to Listing Rule 7.5.8

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of any person that participated in, or who will obtain a material benefit as a result of, the issue of the Placement Shares or any of their associates.

However, the Company will not disregard a vote cast in favour of Resolution 1 by:

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

Resolution 2 – Approval for the issue of Options to Altor Capital Management Pty Ltd

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders grant approval to the issue of 3,500,000 options to subscribe for fully paid ordinary shares exercisable at \$0.10 and expiring on the date which is three years from the date of issue, to Altor Capital Management Pty Ltd (**Lender Options**), and the issue of underlying Shares in respect of the Lender Options in lieu of cash payments, on the terms as set out in the Explanatory Memorandum.”*

Voting exclusion statement pursuant to Listing Rule 7.3.9

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of any person that is expected to participate in, or who will obtain a material benefit as a result of, the issue of the Lender Options (except a benefit solely by reason of being the holder of ordinary securities in the Company) or any associate of that person.

However, the Company will not disregard a vote cast in favour of Resolution 2 by:

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

Resolution 3 – Approval for the issue of Options to Managing Director – Mr Michael Davidson

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

*“That for the purpose of ASX Listing Rule 10.14, Listing Rule 7.2 Exception 14 and for all other purposes, shareholders approve the issue of up to 3,250,000 options to subscribe for fully paid ordinary shares exercisable at \$0.10 and expiring on the date which is three years from the date of issue to Michael Davidson (or his nominee) (**Director Options**) and the issue of underlying Shares in respect of the Director Options in lieu of cash remuneration, under the Employee Share and Option Plan and on the terms and conditions as described in the Explanatory Memorandum.”*

Voting exclusion statement pursuant to Listing Rule 10.15.12

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- Michael Davidson;
- an associate of Michael Davidson; or
- any other person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Share Option Plan.

However, this does not apply to a vote cast in favour of Resolution 3 by:

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

Voting Restriction pursuant to Section 250BD of the Corporations Act

The Company will disregard any votes cast on Resolution 3 by:

- any Key Management Personnel (which includes the chair) of the Company or if the Company is part of a consolidated entity, of the entity; or
- a Closely Related Party of Key Management Personnel,

who is appointed as a Shareholder's proxy and where the Shareholder does not direct in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not direct in writing the way the proxy is to vote on the Resolution, if the appointment of the proxy expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or if the Company is part of a consolidated entity, of the entity.

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Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chairman of the Meeting will be cast by the Chairman of the Meeting and counted in favour of the Resolution the subject of this Meeting, subject to compliance with the *Corporations Act 2001* (Cth) (**Corporations Act**). In exceptional circumstances, the Chairman of the Meeting may change his voting intention on the Resolution, in which case an ASX announcement will be made

Resolution 4 – Approval for the issue of Options to the Lead Manager

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders grant approval to the issue of 1,424,790 options to subscribe for fully paid ordinary shares exercisable at \$0.10 and expiring on the date which is three years from the date of issue, to Reach Markets Pty Ltd ACN 145 312 232 (**Lead Manager Options**), and the issue of underlying Shares in respect of the Lead Manager Options in lieu of cash payments, on the terms as set out in the Explanatory Memorandum.”*

Voting exclusion statement pursuant to Listing Rule 7.3.9

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any person that is expected to participate in, or who will obtain a material benefit as a result of, the issue of the Lead Manager Options (except a benefit solely by reason of being the holder of ordinary securities in the Company) or any associate of that person.

However, the Company will not disregard a vote cast in favour of Resolution 4 by:

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

Resolution 5 – Approval for the terms of the Convertible note facility

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders grant approval for the issue of up to:

- (1) *one (1) convertible note with a face value equivalent to the Principal Amount to Wholesale Holdings Pty Ltd ACN 644 053 798 as trustee for the PHL Trust (**Convertible Note**) and the issue of underlying Shares in respect of the Convertible Note in lieu of cash payments;*
- (2) *up to 2,800,000 unlisted options to subscribe for fully paid ordinary Shares exercisable at \$0.10 and expiring on the date which is three (3) years from the date of issue to Reach Markets Pty Ltd ACN 145 312 232 (**Arranger Options**), and the issue of underlying Shares in respect of the Arranger Options in lieu of cash payments; and*
- (3) *up to 19,600,000 unlisted options to subscribe for fully paid ordinary Shares exercisable at \$0.08 and expiring on 30 September 2024 to Wholesale Holdings Pty Ltd ACN 644 053 798 as trustee for the PHL Trust (**Bonus Options**) and the issue of underlying Shares in respect of the Bonus Options,*

pursuant to the terms of the Convertible Note Deed between the Company and Wholesale Holdings Pty Ltd ATF PHL Trust on the terms as set out in the Explanatory Memorandum.”

Voting exclusion statement pursuant to Listing Rule 7.3.9

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The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any person that is expected to participate in, or who will obtain a material benefit as a result of, the CNF (except a benefit solely by reason of being the holder of ordinary securities in the Company) or any associate of that person.

However, the Company will not disregard a vote cast in favour of Resolution 5 by:

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

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the Board

Adam Gallagher
Company Secretary
20 July 2022

1. Introduction

This Explanatory Memorandum is provided to Shareholders of Propell Holdings Limited ACN 614 837 099 (**Company**) to explain the Resolutions to be put to Shareholders at the Extraordinary General Meeting to be held at Level 2, 307 Queen Street, Brisbane QLD 4000 on Wednesday, 24 August 2022, at 12pm (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in Section 7 of this Explanatory Memorandum.

2. Resolution 1: Ratification for issue of Shares

2.1 Background

On 13 April 2022, the Company announced that it had completed a placement of 23,475,947 fully paid ordinary shares in the Company at a price of \$0.058 per Share (**Placement Shares**) to sophisticated and professional investors (**Placement**).

On 20 April 2022, the Company also announced its intention to pursue an entitlement offer allowing eligible shareholders to subscribe for two (2) new Shares for every five (5) Shares held at a price of \$0.058 to raise up to \$2.22 million (**Entitlement Offer**).

The Placement Shares were subsequently issued on 28 April 2022.

2.2 Listing Rule 7.1

Under Listing Rule 7.1, the Company is generally not permitted to issue more than 15% of its issued share capital in any 12 month period unless the issue is approved by the Company's shareholders or an exemption applies (**15% Capacity**).

However, at the Company's last Annual General Meeting on 28 November 2021, shareholders approved and gave the Company authority to issue an additional 10% of its issued share capital under Listing Rule 7.1A without the issue being approved by the Company's shareholders (**Additional Capacity**). As such, prior to the Placement occurring, the Company was permitted to issue 25% of its issued share capital (less the securities issued under 7.1 in the preceding 12 months that had not been subsequently approved in accordance with listing rule 7.4) without the issue being approved by the Company's shareholders (**Combined Capacity**).

The Placement was undertaken in a single tranche within the Company's existing capacity under Listing Rules 7.1 and 7.1A. Accordingly, as the Placement does not fit within any of the exceptions to Listing Rule 7.1, the issue of the Placement Shares will exhaust the Company's Combined Capacity for the next 12 months, such that the Company cannot issue further securities without Shareholder approval under Listing Rule 7.1 until 28 April 2023.

2.3 Listing Rule 7.4

Under Listing Rule 7.4, an issue of any securities made without approval under Listing Rule 7.1 and 7.1A may be treated as having been made with approval under Listing Rule 7.1 if each of the following apply:

- (a) the issue was not in breach of that rule; and
- (b) the holders of ordinary shares in the Company subsequently approve the issue.

Although Shareholder approval is not required for the Company to issue the Placement Shares (as they were issued under the Company's Combined Capacity discussed above), 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, as required under Listing Rule 7.1.

Accordingly, the Company is seeking ratification by Shareholders of the prior issue of the Placement Shares under this Resolution 1, pursuant to Listing Rule 7.4.

The Company has already utilised its Additional Capacity. Approval of Resolution 1 will refresh the Company's ability, to the extent of the Placement Shares, to issue further capital during the next 12 months under Listing Rule 7.1 (if required) without the need to obtain further Shareholder approval, therefore providing the Company with greater flexibility in managing its future capital requirements.

2.4 Effect of Shareholder approval

If Resolution 1 is passed, the Placement Shares will be excluded in calculating the Company's utilisation of its 15% Capacity under Listing Rule 7.1, which will provide the Company flexibility to issue Shares in the future without obtaining Shareholder approval, if required.

If Resolution 1 is not passed, the Shares issued under the Placement will be included in calculating the Company's utilisation of its 15% Capacity under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date which will impact on the Company's flexibility for future capital raisings.

The passing of Resolution 1 will not affect the Company's Additional Capacity under Listing Rule 7.1A which has been fully utilised.

2.5 Requirements of Listing Rule 7.5

It is a requirement of Listing Rule 7.5, that a listed entity seeking subsequent Shareholder approval under Listing Rule 7.4 provides the Shareholders with the following information:

(a) **Listing Rule 7.5.1 – The names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified or selected.**

The Placement Shares were issued and allotted to unrelated professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act determined by the Board (**Placement Participants**).

Reach Capital Markets Pty Ltd (**Lead Manager**) was appointed as the sole lead manager to the Placement and the Entitlement Offer. Under one mandate covering both the Placement and the Entitlement Offer, the Lead Manager is entitled to receive:

- Upfront fee: \$20,000 (excluding GST)
- Capital raise fee: 6% (excluding GST)
- Success fee: One (1) Option for every one (1) dollar (\$1.00) AUD raised with an exercise price of \$0.10 per Option and expiring 3 years from the date of issue (**Success Fee**).

None of the Placement Participants are:

- a related party of the Company;
- members of the Company's key management personnel;
- a substantial holder in the Company;
- an adviser to the Company; or
- an associate of any of the above,

and therefore the individual identities of each of the Placement Participants is not material to a decision to approval the issue: ASX Guidance Note 21, paragraph 7.2.

(b) **Listing Rule 7.5.2 – The number and class of securities the entity issued or agreed to issue**

The total number of securities that were issued under the Placement was 23,475,947 fully paid ordinary shares.

(c) **Listing Rule 7.5.3 – If the securities are not fully paid ordinary securities, a summary of the material terms of the securities**

The Placement Shares were issued on terms identical to the Company's existing quoted Shares.

(d) **Listing Rule 7.5.4 – The date or dates on which the securities were or will be issued**

The Placement Shares were issued on 28 April 2022.

(e) **Listing Rule 7.5.5 – The price or other consideration the entity has received or will receive for the issue**

The Placement Shares were issued at a price of \$0.058 per Share.

(f) **Listing Rule 7.5.6 – The purpose of the issue, including the use (or intended use) of any funds raised by the issue**

Funds raised from the issue of the Placement Shares (less fees and expenses) are intended to be used to increase the Company's lending facility and ensure that the Company is adequately funded to deploy increased loan amounts through the provision of its lending products. The proceeds will also be applied to meet other working capital requirements and to cover the costs of the Placement and Entitlement Offer.

(g) **Listing Rule 7.5.7 – If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement**

The Placement Shares were not issued under an agreement.

(h) **Listing Rule 7.5.8 – A voting exclusion statement**

A voting exclusion statement is set out under Resolution 1 of the Notice of Meeting.

2.6 Directors' Recommendation

All of the Directors unanimously recommend that Shareholders vote in favour of Resolution 1, for the reasons set out above.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman may change their voting intention on any resolution, in which case an ASX announcement will be made.

3. Resolution 2: Approval of issue of Options to Altor Capital Management Pty Ltd

3.1 Background

The Company has a wholesale lending facility (**Loan Facility**) in place with Altor Capital Management Pty Ltd as trustee for Altor AltFi Income Fund (**Altor**). The Loan Facility provided by Altor funds the purchase of new loans originated by the Company. Advances may be called upon at any time during the term of the Loan Agreement up to the total of the Facility Limit (as set out below).

The following table sets out the key terms of the Loan Facility as follows:

Features	Description
Facility limit	A\$2.0 million on and from 1 March 2021
Term	30 March 2023 (Maturity Date)
Interest Rate	13% per annum on funds drawn under the Loan Facility.
Repayment	On the Maturity Date or the full amount of an advance may be paid on an interest payment date

Further details on the terms and conditions of the Loan Facility are set out in Section 16.4 on page 46 of the Prospectus released to the ASX on 9 April 2021 (**Prospectus**).

In an announcement released on the ASX market announcements platform on 13 April 2022, the Company advised the following amendments to the Loan Facility had been agreed with Altor:

Key Terms	Previous:	Amended to:
Facility limit	\$2m	\$5m
Term	30 March 2023 (Maturity Date)	Expires on 30 March 2025 (being an increase of 3 years to the term of the Loan Facility)
Interest Rate	13% per annum on funds drawn under the Loan Facility.	11.5% subject to the Option Fee (below), otherwise no change
Lender Options	Not applicable	3.5m options, Ex \$0.10, 3 year expiry
Repayment	On the Maturity Date or the full amount of an advance may be paid on an interest payment date	No change.

Aside from the amendments noted in the table above, there are no other updates to the terms of the Loan Facility as detailed in Section 16.4 of the Prospectus.

3.2 Listing Rule 7.1

As detailed above, the Company has agreed to issue 3,500,000 Options to Altor in connection with the amended Loan Facility, exercisable at \$0.10 and expiring on the date which is three years from the date of issue to Altor (**Lender Options**). The Company seeks Shareholder approval pursuant to Listing Rule 7.1 to issue the Lender Options to Altor.

A summary of the application of Listing Rule 7.1 is set out in section 2.2. As discussed above, 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.

Equity Securities issued with Shareholder approval under Listing Rule 7.1 will not count towards the Company's 15% Capacity. Further, under Exception 9 in Listing Rule 7.2, Equity Securities issued on the conversion of convertible securities (including Options) do not count towards the 15% Capacity provided that the Company issued the Options:

- (a) before it was listed, and disclosed the existence and material terms of the Options in the prospectus, PDS or information memorandum lodged with ASX under the Listing Rule 1.1 condition 3; or
- (b) after it was listed and complied with the Listing Rules when it did so.

Accordingly, the Company is seeking Shareholder approval under Resolution 2 to issue the Lender Options in accordance with Listing Rule 7.1 so that the Lender Options (and any Shares issued upon exercise of the Lender Options) do not count towards the Company's 15% Capacity.

3.3 Effect of Shareholder approval

If Resolution 2 is passed, the issue of the Lender Options (and any Shares issued upon exercise of the Lender Options) will be excluded in calculating the Company's utilisation of its 15% Capacity under Listing Rule 7.1, which will provide the Company flexibility to issue Equity Securities in the future without obtaining Shareholder approval, if required.

If Resolution 2 is not passed, the Lender Options issued will be included in calculating the Company's utilisation of its 15% Capacity under Listing Rule 7.1, which will impact on the Company's flexibility for future capital raisings. Further, the Company will only have the capacity to issue the Lender Options if Resolution 1 (discussed above) is passed.

If both Resolution 1 and Resolution 2 are not passed, then the Company will not have capacity to issue the Lender Options under its 15% Capacity pursuant to Listing Rule 7.1 and an interest rate of 13% per annum will apply to the funds advanced under the Loan Facility.

3.4 Requirements of Listing Rule 7.3

It is a requirement of Listing Rule 7.3, that a listed entity seeking Shareholder approval under Listing Rule 7.1 provides the Shareholder with the following information:

- (a) **Listing Rule 7.3.1 – The names of the persons to whom the entity will issue the securities or the basis upon which those persons were or will be identified or selected.**

The Lender Options are to be issued to Altor Capital Management Pty Ltd as trustee for Altor Income Fund.

(b) Listing Rule 7.3.2 – The number and class of securities the entity will issue.

The Company will issue 3,500,000 Options to Altor.

(c) Listing Rule 7.5.3 – If the securities are not fully paid ordinary securities, a summary of the material terms of the securities

A summary of the material terms pursuant to which the Lender Options will be issued is set out in Schedule 1 to this Explanatory Memorandum.

(d) Listing Rule 7.3.4 – The date or dates on or by which the entity will issue the securities.

The Lender Options are expected to be issued in a single issue as soon as possible following the passing of Resolution 2 and, in any event, not later than 3 months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules).

(e) Listing Rule 7.3.5 – The price or other consideration the entity will receive for the securities.

The Lender Options will be issued for nil cash consideration. The issue of the Lender Options will have the effect of reducing the interest rate payable under the Loan Facility from 13% per annum to 11.5% per annum (**Interest Reduction**).

The Company has determined the estimated value of the Lender Options in comparison to the value of the Interest Reduction as follows:

Value of Lender Options

The value of the Lender Options using a Black Scholes methodology is set out as follows:

Details	Input
Share price (12 July 2022)	\$0.057
Exercise price	\$0.10
Risk Free Rate (RBA 10 year Australian government bond rate as at 12 July 2022)	3.35%
Volatility (Annualised)	75%
Term	3 years
Value per Option	\$0.021

Based on the above calculation the value of the Lender Options is \$73,500.

Value of Interest Savings

The value of the Interest Reduction to the Company is assessed in the below table, which sets out the resulting additional interest due based on three examples of the average amount drawn in the period from May 2022 to March 2025 after applying the Interest Reduction.

Interest % saved in return for Lender Options	1.5%
Average amount drawn between May-22 & Mar-25	
\$3,000,000	\$123,750
\$4,000,000	\$165,000
\$5,000,000	\$206,250
Average	\$165,000

The weighted average amount drawn in FY22 to 12 July 2022 was \$2,198,301. The drawn amount at 12 July 2022 was \$4,210,000. The estimated average drawn amount of the facility to 30 March 2025 is \$4,900,000.

Applying that to the remaining loan term and the newly increased Facility Limit of \$5m for the interest rate differential of 1.5% pa equates to \$202,000.

The Directors therefore estimate that the value of the Interest Reduction is likely to be in the order of \$202,000 over the remaining term of the Loan Facility.

(f) Listing Rule 7.3.6 – The purpose of the issue, including the use (or intended use) of any funds raised by the issue

The Lender Options will be issued to Altor in consideration for the Interest Reduction. The purpose of the issue is to allow the Company to retain available cash that would otherwise be spent on interest payments under the Loan Agreement, and instead apply that cash to other business expenditures (including general working capital).

Further, although no funds will be raised from the issue of the Lender Options, the Company will raise up to \$350,000 if the Lender Options are exercised prior to their expiry date.

(g) Listing Rule 7.3.7 – If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement

The Lender Options are being issued under the amended Loan Agreement (as summarised in section 3.1 above and announced to the ASX on 13 April 2022 and as otherwise described at page 46 of the Prospectus).

(h) Listing Rule 7.3.8 – A voting exclusion statement

A voting exclusion statement is set out under Resolution 2 of the Notice of Meeting.

3.5 Directors' Recommendation

All of the Directors unanimously recommend that Shareholders vote in favour of Resolution 2, for the reasons set out above.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the resolutions the subject of this Meeting, including this Resolution 2, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman may change their voting intention on any resolution, in which case an ASX announcement will be made.

4. Resolution 3: Approval of issue of Options to Managing Director – Mr. Michael Davidson

4.1 Background

Resolution 3 seeks Shareholder approval, pursuant to ASX Listing Rule 10.14, for the issue of a total of up to 3,250,000 Options to Michael Davidson (or his nominee), in lieu of cash remuneration, under the Company's Employee Share and Option Plan (**ESOP**), exercisable at \$0.10 and expiring on the date which is three years from the date of issue (**Director Options**).

The Company intends to issue the Director Options to Michael Davidson as consideration for his performance of his role as Director in the year ended 30 June 2022, in lieu of cash remuneration. A summary of the material terms of the Director Options is set out in Schedule 1 below.

Approval for the issue of the Director Options is sought in accordance with the provisions of Listing Rule 10.14. As approval is being sought under Listing Rule 10.14, approval will not be required under Listing Rule 7.1.

Further, the Company must also observe the requirements of Chapter 2E of the Corporations Act in order to grant the Director Options (discussed below).

4.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a Financial Benefit to a Related Party of a public company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit.

A "Related Party" is defined widely in section 228 of the Corporations Act and includes, relevantly, a director (or proposed director) of a public company, any entity that controls (or is reasonably likely to control) a public company, and any entity that is controlled by a person or entity which is otherwise a Related Party, or there are reasonable grounds to believe that a person/entity is likely to become a Related Party of the public company.

A "Financial Benefit" for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the Related Party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

The proposed Resolution 3, if passed, will confer a Financial Benefit to Michael Davidson (who is a Related Party of the Company).

However, it is the view of the Directors that the issue of the Director Options to Michael Davidson falls within the exception set out in Section 211 of the Corporations Act, which provides that Shareholder approval is not required where a Financial Benefit is given to a Related Party as reasonable remuneration for the Related Party's role as an officer or employee of the company.

The Directors consider that the issue of the Director Options is reasonable remuneration for Michael Davidson's performance of his role as Director of the Company and, accordingly, the Company is not seeking Shareholder approval for Resolution 3 for the purposes of Chapter 2E of the Corporations Act.

4.3 Listing Rule 10.14 and Listing Rule 7.2 Exception 14

Listing Rule 10.14 provides that the Company must not issue equity securities under an employee equity incentive scheme to a Director, or an associate of a Director, without Shareholder approval.

Further, Listing Rule 7.2 Exception 14 provides that where an issue of securities is approved by Shareholders for the purposes of Listing Rule 10.14, then those securities will be excluded from the calculation of the Company's usage of its 15% Capacity (discussed above at section 2.2).

Accordingly, the Company is seeking Shareholder approval under Resolution 3 to issue the Director Options in accordance with Listing Rule 10.14 and therefore the issue of the Director Options will also be covered by Listing Rule 7.2 Exception 14 (and Exception 9 in respect of the resulting Shares on exercise of the Director Options) so that the Director Options and any Shares issued upon exercise of the Director Options do not count towards the Company's 15% Capacity.

4.4 Effect of Shareholder approval

If Resolutions 3 is passed, the Company will be able to issue the Director Options and such issue will not utilise any of the Company's 15% Capacity (pursuant to Exception 14 under Listing Rule 7.2) nor will the resulting Shares issued upon exercise of those Director Options (pursuant to Exception 9 under Listing Rule 7.2).

If Resolution 3 is not passed, then the Company will not issue the Director Options. The Company may offer additional cash remuneration to Michael Davidson in lieu of the Director Options, which will impact on the Company's available cash reserves.

4.5 Requirements of Listing Rule 10.15

It is a requirement of Listing Rule 10.15, that a listed entity seeking Shareholder approval under Listing Rule 10.14 provides the Shareholders with the following information:

(a) Listing Rule 10.15.1 – The name of the person

The name of the person is Michael Davidson (or his nominee).

(b) Listing Rule 10.15.2 – Which category in rules 10.14.1 – 10.14.3 the person falls into and why

As a Director of the Company, Michael Davidson falls into category 10.14.1.

(c) Listing Rule 10.15.3 – The number and class of securities proposed to be issued to the person under the scheme for which approval is being sought.

The Company intends to issue 3,250,000 Options to subscribe for fully paid ordinary shares in the Company under the ESOP.

(d) Listing Rule 10.15.4 – If the person is a director and therefore a related party under rule 10.11.1 and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package.

As at the date of this Notice, Michael Davidson's remuneration package is comprised of \$250,000 per year (inclusive of statutory superannuation) and the previous issue of securities under the ESOP described below.

- (e) **Listing Rule 10.15.5 – The number of securities that have previously been issued to the person under the scheme and the average acquisition price (if any) paid by the person for those securities.**

The following securities have previously been issued to Michael Davidson under the ESOP:

Security class	Number	Consideration paid
Options ex. \$0.20, exp. 07/02/24	2,000,000	nil
Options ex. \$0.30, exp. 01/10/24	75,000	nil
Options ex. \$0.30, exp. 06/04/24	113,222	nil
Shares	150,000	nil

- (f) **Rule 10.15.6 – If the securities are not fully paid ordinary securities: a summary of the material terms of the securities; an explanation as to why that type of security is being used; and the value the entity attributes to that security and its basis.**

Summary of material terms

A summary of the material terms pursuant to which the Director Options will be issued is set out in Schedule 2 to this Explanatory Memorandum.

Reasons for issuing Director Options

The purpose of issuing the Director Options is to incentivise and retain Michael Davidson, and to provide a performance linked incentive component in Mr Davidson's remuneration package.

The Board believes the grant of Director Options to Michael Davidson is reasonable in the circumstances for the reasons set out below:

- (1) the grant of Director Options will align the interests of Michael Davidson with those of Shareholders;
- (2) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Michael Davidson; and
- (3) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed.

Value of the Director Options

The value of the Director Options using a Black Scholes methodology is set out as follows:

Details	Input
Share price (12 July 2022)	\$0.057
Exercise price	\$0.10
Risk Free Rate (RBA 10 year Australian government bond rate as at 12 July 2022)	3.35%
Volatility (Annualised)	75%
Term	3 years
Value per Option	\$0.021

Based on the above calculation the value of the Director Options is \$68.250.

- (g) **Listing Rule 10.15.7 – The date or dates on or by which the entity will issue the securities which must not be more than 3 years after the date of the meeting.**

The Director Options are expected to be issued on a single issue immediately after the Meeting and, in any event, not later than 3 years after the date of the Meeting.

- (h) **Listing Rule 10.15.8 – The price at which the entity will issue the securities to the person under the scheme.**

The Director Options will be granted for nil cash consideration and, accordingly, no funds will be raised from the issue of the Director Options. However, the Director Options will be exercisable at \$0.10. If all of the Director Options are exercised, the Company will raise \$325,000.

- (i) **Listing Rule 10.15.9 – A summary of the material terms of the scheme.**

The Director Options will be issued under the Company's existing Employee Share and Option Plan which is attached at Annexure A and forms part of this Notice of Meeting.

- (j) **Listing Rule 10.15.10 – A summary of the material terms of any loan that will be made to the person in relation to the acquisition**

The Director Options will be issued for nil consideration. No loan will be made to Michael Davidson in relation to the acquisition of the Director Options.

- (k) **Listing Rule 10.15.11 statement:**

Details of any securities issued under the ESOP will be published in the Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the issue of securities under the ESOP who are not named in this Notice will not participate until approval is obtained for those persons under Listing Rule 10.14.

- (l) **Listing Rule 10.15.10 – A voting exclusion statement**

A voting exclusion statement is set out under Resolution 3 of the Notice of Meeting.

4.6 Directors' Recommendation

All of the Directors unanimously recommend (with Michael Davidson abstaining), so that the Company is able to provide an equity based remuneration arrangement to reward and incentivise its CEO as set out above, that Shareholders vote in favour of Resolution 3.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the resolutions the subject of this Meeting, including this Resolution 3, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman may change their voting intention on any resolution, in which case an ASX announcement will be made.

5. Resolution 4: Approval of issue of Options to the Lead Manager

5.1 Background

As set out in section 2.5(a) above, Reach Markets Pty Ltd ACN 145 312 232 (**Lead Manager**) was appointed as the sole lead manager to the Placement and the Entitlement Offer. Under one mandate covering both the Placement (announced 13 April 2022) and the Entitlement Offer (announced 20 April 2022) (**Entitlement Offer**), the Lead Manager is entitled to receive:

- Upfront fee: \$20,000 (excluding GST)
- Capital raise fee: 6% (excluding GST)
- Success fee: One (1) Option for every one (1) dollar (\$1.00) AUD raised with an exercise price of \$0.10 per Option and expiring 3 years from the date of issue (**Success Fee**).

The Lead Manager raised \$1,361,604 from the Placement and \$63,186 from the Entitlement Offer. Accordingly, the Lead Manager is entitled to receive 1,424,790 Options, on the terms set out above, in payment of the Success Fee (**Lead Manager Options**). Resolution 4 seeks shareholder approval for the issue of the Lead Manager Options.

- (a) **Further issues to the Lead Manager in relation to the Success Fee**

The Lead Manager remains mandated to assist the Company in completing the Entitlement Offer pursuant to which the Company has up to 3 months from the closing date of 20th of June 2022 to place any shortfall. If the maximum amount that may be raised under the Entitlement Offer of approximately \$2.22 million is received, the Company will be required to issue up to an additional 2,156,814 Options to the Lead Manager.

(b) The Company is not currently seeking shareholder approval for any Options due to the Lead Manager under the Entitlement Offer.

It is intended that any Options due to the Lead Manager in payment of the Success Fee will be issued by the Company utilising its available 15% capacity under Listing Rule 7.1, or otherwise following the passing of a Resolution at a subsequent general meeting of shareholders pursuant to Listing Rule 7.1.

5.2 Listing Rule 7.1

The Company seeks Shareholder approval pursuant to Listing Rule 7.1 to issue the Lead Manager Options to the Lead Manager.

A summary of the application of Listing Rule 7.1 is set out in section 2.2. As discussed above, 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.

Equity Securities issued with Shareholder approval under Listing Rule 7.1 will not count towards the Company's 15% Capacity. Further, under Exception 9 in Listing Rule 7.2, Equity Securities issued on the conversion of convertible securities (including Options) do not count towards the 15% Capacity provided that the Company issued the Options:

- (1) before it was listed, and disclosed the existence and material terms of the Options in the prospectus, PDS or information memorandum lodged with ASX under the Listing Rule 1.1 condition 3; or
- (2) after it was listed and complied with the Listing Rules when it did so.

Accordingly, the Company is seeking Shareholder approval under Resolution 4 to issue the Lead Manager Options in accordance with Listing Rule 7.1 so that the Lead Manager Options (and any Shares issued upon exercise of the Lead Manager Options) do not count towards the Company's 15% Capacity.

5.3 Effect of Shareholder approval

If Resolution 4 is passed, the issue of the Lead Manager Options (and any Shares issued upon exercise of the Lead Manager Options) will be excluded in calculating the Company's utilisation of its 15% Capacity under Listing Rule 7.1, which will provide the Company flexibility to issue Equity Securities in the future without obtaining Shareholder approval, if required.

If Resolution 4 is not passed, the Lead Manager Options issued will be included in calculating the Company's utilisation of its 15% Capacity under Listing Rule 7.1, which will impact on the Company's flexibility for future capital raisings. Further, the Company will only have the capacity to issue the Lead Manager Options if Resolution 1 (discussed above) is passed.

If both Resolution 1 and Resolution 4 are not passed, then the Company will not have capacity to issue the Lead Manager Options under its 15% Capacity pursuant to Listing Rule 7.1. With the consent of the Lead Manager, the Company will delay the issue of the Lead Manager Options until such time as the Company has available capacity under its 15% Capacity under Listing Rule 7.1, or otherwise following the passing of a Resolution at a subsequent general meeting of shareholders pursuant to Listing Rule 7.1.

5.4 Requirements of Listing Rule 7.3

It is a requirement of Listing Rule 7.3, that a listed entity seeking Shareholder approval under Listing Rule 7.1 provides the Shareholder with the following information:

(a) Listing Rule 7.3.1 – The names of the persons to whom the entity will issue the securities or the basis upon which those persons were or will be identified or selected.

The Lead Manager Options are to be issued to Reach Markets Pty Ltd ACN 145 312 232.

(b) Listing Rule 7.3.2 – The number and class of securities the entity will issue.

The Company will issue 1,424,790 Options to the Lead Manager.

- (c) **Listing Rule 7.5.3 – If the securities are not fully paid ordinary securities, a summary of the material terms of the securities**

A summary of the material terms pursuant to which the Lead Manager Options will be issued is set out in Schedule 1 to this Explanatory Memorandum.

- (d) **Listing Rule 7.3.4 – The date or dates on or by which the entity will issue the securities.**

The Lead Manager Options are expected to be issued in a single issue as soon as possible following the passing of Resolution 4 and, in any event, not later than 3 months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules).

- (e) **Listing Rule 7.3.5 – The price or other consideration the entity will receive for the securities.**

The Lead Manager Options will be issued for nil cash consideration.

Value of Lead Manager Options

The value of the Lead Manager Options using a Black Scholes methodology is set out as follows:

Details	Input
Share price (12 July 2022)	\$0.057
Exercise price	\$0.10
Risk Free Rate (RBA 10 year Australian government bond rate at 12 July 2022)	3.35%
Volatility (Annualised)	75%
Term	3 years
Value per Option	\$0.021

Based on the above calculation the value of the Lead Manager Options is \$29,921.

- (f) **Listing Rule 7.3.6 – The purpose of the issue, including the use (or intended use) of any funds raised by the issue**

The Lead Manager Options will be issued to the Lead Manager to satisfy the payment of the Success Fee.

Further, although no funds will be raised from the issue of the Lead Manager Options, the Company will raise up to \$142,479 if the Lead Manager Options are exercised prior to their expiry date.

- (g) **Listing Rule 7.3.7 – If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement**

The Lead Manager Options are being issued under the agreement with the Lead Manager and the Company summarised in section 5.1 above.

- (h) **Listing Rule 7.3.8 – A voting exclusion statement**

A voting exclusion statement is set out under Resolution 4 of the Notice of Meeting.

5.5 Directors' Recommendation

All of the Directors unanimously recommend that Shareholders vote in favour of Resolution 4, for the reasons set out above.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the resolutions the subject of this Meeting, including this Resolution 4, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman may change their voting intention on any resolution, in which case an ASX announcement will be made.

6. Resolution 5: Approval for the terms of Convertible Note Facility

6.1 Background

On 20 April 2022 the Company announced its intention to pursue the Entitlement Offer to raise up to \$2.22 million.

On 23 June 2022, the Company announced that it had raised \$63,186 from the Entitlement Offer. While it remains open to the Company to place the shortfall from the Entitlement Offer, the Board considers that placement of the shortfall (or part thereof) cannot be assured while the prevailing adverse market conditions persist. Consequently, the Company has considered alternative funding arrangements to ensure the Company has adequate funding to continue to pursue its growth objectives.

On 10 July 2022, the Company announced that it had entered into a Convertible Note Facility with Wholesale Holdings Pty Ltd ACN 644 053 798 as trustee for the PHL Trust (**Noteholder**) to raise up to \$2.8 million. The PHL Trust is a special purpose vehicle established by the Lead Manager to receive investment monies from sophisticated and professional investors to participate in the Convertible Note Facility.

The Directors consider that entering into the Convertible Note Facility is in the best interests of shareholders, for the following reasons:

- (1) Prior to entering into the Convertible Note Facility, the Directors sought to raise the required capital from the Company's existing shareholders via the Entitlement Offer. As discussed above, the Company only raised \$63,186 from the Entitlement Offer. The Convertible Note Facility will provide the Company with the funding it needs to continue to pursue its stated growth objectives.
- (2) Without approval the Company would be required to repay the advance and seek to raise capital via alternative means which may result in terms less favourable to shareholders than those under the Convertible Note Facility.
- (3) The Convertible Note Facility limits dilution to existing shareholders with a minimum floor conversion price, as well as the ability to convert the Notes at the maximum capped conversion price if the share price moves increases. The Company has the flexibility to repay the Convertible Note Facility at any time.
- (4) The fee structure is largely equity-based and contingent on material future increase in the share price to provide value for the investors and the Lead Manager.
- (5) The Convertible Note Facility has been well supported by investors, with the Lead Manager having received commitments of \$2.3 million to date.
- (6) At any time prior to conversion of the Convertible Note, the Company may choose to redeem the Convertible Note and repay the amount owed to the Noteholder (plus any applicable interest and redemption fees), rather than allow the Convertible Note to be converted into Shares.

The Convertible Note Facility contemplated in Resolution 5 is a discreet arrangement between the Company and the Lead Manager which is contractually separate to the arrangements between the Company and the Lead Manager in respect to the Placement and the Entitlement Offer. All arrangements with the Lead Manager concerning the Convertible Note Facility are set out and contained in the Convertible Note Deed (**Note Deed**), a copy of which is set out in Schedule 3.

Resolution 5 seeks shareholder approval for the issue of the following equity securities, pursuant to the terms of the Note Deed:

- (7) a convertible note with a face value equivalent to the Principal Amount to be issued to the Noteholder, on the terms described below (**Convertible Note**) and the issue of the underlying Shares in respect of the Convertible Note in lieu of cash payments;
- (8) up to 2,800,000 unlisted options to subscribe for fully paid ordinary Shares exercisable at \$0.10 and expiring on the date which is three (3) years from the date of issue (**Arranger Options**), and the issue of underlying Shares in respect of the Arranger Options in lieu of cash payments; and
- (9) up to 19,600,000 unlisted options to subscribe for fully paid ordinary Shares exercisable at \$0.08 and expiring on 30 September 2024 (**Bonus Options**) and the issue of underlying Shares in respect of the Bonus Options.

The terms and conditions of the Convertible Note, Arranger Options and Bonus Options (together, the **CNF Securities**) are contained in the Note Deed as a single agreement and the respective issues of the CNF Securities are mutually contingent. The issue of each of the respective CNF Securities are therefore presented for approval under a single Resolution.

6.2 Summary of the material terms of the Convertible Note Facility

The key terms of the Convertible Note Facility (as set out in the Note Deed), are as follows:

Term	Description
Noteholder	Wholesale Holdings Pty Ltd ACN 644 053 798 as trustee for the PHL Trust
Principal Amount	Up to \$2,800,000, as nominated by the Noteholder prior to Completion
Completion	The Convertible Note will be issued to the Noteholder on Completion, which will occur on the date which is three (3) business days following satisfaction or waiver of all of the Conditions Precedent (Completion Date)
Conditions Precedent	The Company must: <ul style="list-style-type: none"> (1) obtain all necessary approvals for the issue of the Convertible Note, the Arranger Options and the Bonus Options; (2) procure an increase of the Altor Facility to an amount not less than \$7,500,000.00 and no more than \$15,000,000 (unless otherwise agreed by the Noteholder) and ensure that the Company is not restricted under the Altor Facility from issuing the Convertible Note; (3) pay the Noteholder's legal costs incurred in negotiating the Note Deed (up to a cap of \$25,000 plus GST); (4) pay the Arranger Fee to the Lead Manager; and (5) ensure that no event giving rise to a Materially Adverse Effect occurs prior to the issue of the Convertible Note.
Initial Draw	Upon satisfaction of Conditions Precedent (2), (3) and (4) above, the Company may draw up to \$500,000 from the Principal Amount (Initial Draw Amount). The Initial Draw Amount is repayable if Completion does not occur for any reason.
Interest Rate	10% per annum paid quarterly
Conversion Price	80% of the 30 day VWAP of the Share price calculated on the day of issue of the Conversion Notice within a fixed range of a minimum conversion price of \$0.03 and a maximum conversion price of \$0.07
Maturity Date	The Maturity Date is 30 months after the Completion Date
Security	The Convertible Note is unsecured.
Conversion	The Convertible Note converts into that number of Shares calculated using the following formula: N = A / B N = the total number of Converted Shares in the Company, which shall be rounded down to the nearest whole number. A = the Outstanding Amount to be applied in the Conversion plus the higher of: <ul style="list-style-type: none"> (1) any accrued but unpaid Interest on the Convertible Note, including Interest not yet payable; or (2) an amount equivalent to twelve (12) months accrued Interest under to be applied in the conversion, less the total of all Interest paid on that part of the Convertible Note. B = the Conversion Price. Outstanding Amount is defined in the Note Deed as being, at any time, the Principal Amount, less that portion of the Principal Amount that has been applied to a conversion or redemption of the Convertible Note.
Redemption	Any part of the Convertible Note not converted or redeemed by the Maturity Date will be repaid to the Noteholder in accordance with the terms of the Note Deed. The Redemption Amount payable by the Company will be an amount equal to: C + D + E

	<p>where:</p> <p>C = the Outstanding Amount (or where there is a partial redemption, the Outstanding Amount to be applied as part of the redemption).</p> <p>D = the Interest payable, depending on when the Convertible Note is redeemed and in what circumstances (see Term 6.2 of the Note Deed)</p> <p>E = the Redemption Fee (if applicable), being an amount equal to 10% of the Outstanding Amount attributable to the portion of the Convertible Note being redeemed by the Company on the date of redemption.</p>
Penalty Interest	<p>If the Convertible Note has not been converted or redeemed in full by the Maturity Date, interest will accrue on the applicable Redemption Amount (or any unpaid portion) at a rate of 20% per annum, calculated daily and compounding monthly (Penalty Interest), from the Maturity Date to the date when full payment of the Redemption Amount (including any accrued Interest and together with any additional accrued Penalty Interest) is received by the Noteholder.</p>
Events of Default	<p>The Note Deed specifies several standard events of default, including:</p> <ol style="list-style-type: none"> (1) the Company failing to comply with any of its obligations under the Note Deed; (2) the Company making a misleading or incorrect statement, representation or warranty as set out in the Note Deed; (3) the Company's total indebtedness exceeds \$15 million without the Noteholder's consent; and (4) the Company stops or substantially changes the nature of its business without the Noteholder's consent.
Arranger Fee	<p>Under the terms of the Note Deed, the Company must pay an amount equal to 6% of the Principal Amount (plus GST) to the Lead Manager prior to Completion (Arranger Fee).</p> <p>The Arranger Fee is payable as consideration for the Lead Manager's services in respect of the Convertible Note Facility and is in addition to the Arranger Options which the Company must issue to the Lead Manager (discussed below).</p>
Arranger Options	<p>The Company will issue to the Lead Manager up to 2.8 million unlisted options to subscribe for fully paid ordinary Shares exercisable at \$0.10 and expiring on the date which is three (3) years from the date of issue (Arranger Options).</p> <p>The Arranger Options will be issued to the Lead Manager on the basis of one (1) Arranger Option for every one dollar (\$1.00) of the Principal Amount paid by the Noteholder to the Company.</p>
Bonus Options	<p>In addition to the Convertible Note, the Company will issue to the Noteholder up to 19.6 million unlisted options to subscribe for fully paid ordinary Shares exercisable at \$0.08 and expiring on 30 September 2024 (Bonus Options).</p> <p>The Bonus Options will to be issued to the Noteholder on the basis of seven (7) Bonus Options for each one dollar (\$1.00) paid to the Company by the Noteholder.</p>

6.3 Listing Rule 7.1

The Company seeks Shareholder approval pursuant to Listing Rule 7.1 to issue the CNF Securities in accordance with the terms of the Note Deed.

A summary of the application of Listing Rule 7.1 is set out in section 2.2. The Note Deed requires the Company to obtain all necessary approvals (including shareholder approval) to the issue of the CNF Securities. Further, and as discussed above, 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.

Equity Securities issued with Shareholder approval under Listing Rule 7.1 will not count towards the Company's 15% Capacity. Further, under Exception 9 in Listing Rule 7.2, Equity Securities issued on the conversion of convertible securities (including Options and convertible notes) do not count towards the 15% Capacity provided that the Company issued the convertible securities:

- (1) before it was listed, and disclosed the existence and material terms of the Options in the prospectus, PDS or information memorandum lodged with ASX under the Listing Rule 1.1 condition 3; or
- (2) after it was listed and complied with the Listing Rules when it did so.

Accordingly, the Company is seeking Shareholder approval under Resolution 5 to issue the CNF Securities in accordance with Listing Rule 7.1 so that the CNF Securities (and any Shares issued upon exercise or conversion of the CNF Securities) do not count towards the Company's 15% Capacity.

6.4 Effect of Shareholder approval

If Resolution 5 is passed, the issue of the CNF Securities (and any Shares issued upon conversion or exercise of the CNF Securities, as applicable) will be excluded in calculating the Company's utilisation of its 15% Capacity under Listing Rule 7.1, which will provide the Company flexibility to issue Equity Securities in the future without obtaining Shareholder approval, if required.

If Resolution 5 is not passed, then:

- (1) the Company will fail to satisfy the Conditions Precedent requiring the Company to obtain all necessary approvals to the issue of the CNF Securities, and the Noteholder may terminate the Note Deed. If the Note Deed is terminated, then the Company will have ten (10) Business Days from termination to refund the Initial Draw Amount (to the extent drawn) plus any accrued interest to the Noteholder;
- (2) pursuant to the terms of the Note Deed, the Company will be unable to proceed with the Convertible Note Facility notwithstanding any available capacity the Company may have to issue any of the CNF Securities under its 15% Capacity under Listing Rule 7.1; and
- (3) the Company will have to consider alternative funding arrangements as required to ensure that the Company continues to be adequately funded to pursue its objectives.

6.5 Requirements of Listing Rule 7.3

It is a requirement of Listing Rule 7.3, that a listed entity seeking Shareholder approval under Listing Rule 7.1 provides the Shareholder with the following information:

(a) Listing Rule 7.3.1 – The names of the persons to whom the entity will issue the securities or the basis upon which those persons were or will be identified or selected.

- (1) The Convertible Note is to be issued to Wholesale Holdings Pty Ltd ACN 644 053 798 as trustee for the PHL Trust.
- (2) The Arranger Options are to be issued to Reach Markets Pty Ltd ACN 145 312 232.
- (3) The Bonus Options are to be issued to Wholesale Holdings Pty Ltd ACN 644 053 798 as trustee for the PHL Trust.

(b) Listing Rule 7.3.2 – The number and class of securities the entity will issue.

The Company will issue:

Securities	Description
Convertible Note	<p>One (1) unsecured Convertible Note with a face value equivalent to the Principal Amount, convertible into Shares at the Conversion Price.</p> <p>The number of Shares issued on conversion of the Convertible Note will depend on the extent to which the Convertible Note is converted and the Conversion Price at the time of conversion.</p> <p>Assuming full conversion, the Company will issue a minimum of 93,333,333 Shares and a maximum of 40,000,000 Shares to the Noteholder.</p>
Arranger Options	<p>The Company will issue one (1) Arranger Option for every dollar of the Principal Amount paid by the Noteholder to the Company. Assuming payment of the full Principal Amount, the Company will issue 2,800,000 Arranger Options to the Lead Manager.</p>
Bonus Options	<p>The Company will issue seven (7) Bonus Options for every dollar of the Principal Amount paid by the Noteholder to the Company.</p>

Assuming payment of the full Principal Amount, the Company will issue 19,600,000 Bonus Options to the Noteholder.

(c) **Listing Rule 7.3.3 – If the securities are not fully paid ordinary securities, a summary of the material terms of the securities**

A summary of the material terms of the CNF Securities is set out in section 6.2 to this Explanatory Memorandum.

(d) **Listing Rule 7.3.4 – The date or dates on or by which the entity will issue the securities.**

The CNF Securities are expected to be issued in a single issue as soon as possible following the passing of Resolution 5 and, in any event, not later than 3 months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules).

(e) **Listing Rule 7.3.5 – The price or other consideration the entity will receive for the securities.**

The subscription price paid by the Noteholder for the Convertible Note is equivalent to the Principal Amount. The Shares issued on conversion of the Convertible Note will be issued for nil cash consideration, as they will be issued in conversion of part or all (as applicable) of the Convertible Note, at the Conversion Price.

The Arranger Options and Bonus Options will also be issued for nil consideration. However, any Shares issued on:

- (1) exercise of the Bonus Options, will be issued at \$0.08; and
- (2) exercise of the Arranger Options, will be issued at \$0.10.

Assuming the Principal Amount advanced under the Convertible Note Facility is \$2,800,000 and that all of the Bonus Options and the Arranger Options are exercised prior to their expiry dates, the Company will raise a further **\$1,848,000**, comprised of:

- (1) \$1,568,000 from the exercise of the Bonus Options; and
- (2) \$280,000 from the exercise of the Arranger Options.

Value of Arranger Options

The value of the Arranger Options using a Black Scholes methodology is set out as follows:

Details	Input
Share price (5 Jul 2022)	\$0.056
Exercise price	\$0.10
Risk Free Rate (RBA 10 year Australian government bond rate at 5 July 2022)	3.55%
Volatility (Annualised)	75%
Term	3 years
Value per Arranger Option	\$0.020

Based on the above calculation the value of the Arranger Options is \$5,600.

Value of Bonus Options

The value of the Bonus Options using a Black Scholes methodology is set out as follows:

Details	Input
Share price (5 July 2022)	\$0.056
Exercise price	\$0.08
Risk Free Rate (RBA 10 year Australian government bond rate at 5 July 2022)	3.55%
Volatility (Annualised)	75%
Expiry	30/09/2024
Value per Bonus Option	\$0.019

Based on the above calculation the value of the Bonus Options is \$29,792.

(f) Listing Rule 7.3.6 – The purpose of the issue, including the use (or intended use) of any funds raised by the issue

The purpose of the issue of the CNF Securities is to raise capital to ensure the Company has adequate funding to continue grow its business through the expansion of the lending book with a key focus on achieving cashflow breakeven in the medium term.

The significant outcomes achieved over the June 2022 quarter reflect the strategic investments made in technology to date. The Company intends to shift focus away from product development to now focus on driving revenue growth.

Focus areas for the coming quarter include:

- (1) Customer growth through direct acquisition and partnerships.
- (2) Lending growth through ongoing expansion of customer base.
- (3) Additional Platform product growth in Lending, Insights and Small Business Card & Account.
- (4) Pipeline of initiatives for H1 FY23.

(g) Listing Rule 7.3.7 – If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement

The terms of the Note Deed are summarised above in section 6.2 to this Explanatory Memorandum.

(h) Listing Rule 7.3.8 – A voting exclusion statement

A voting exclusion statement is set out under Resolution 5 of the Notice of Meeting.

6.6 Directors' Recommendation

All of the Directors unanimously recommend that Shareholders vote in favour of Resolution 5, for the reasons set out above.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the resolutions the subject of this Meeting, including this Resolution 5, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman may change their voting intention on any resolution, in which case an ASX announcement will be made.

7. Interpretation

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

Altor means Altor Capital Management Pty Ltd as trustee for Altor AltFi Income Fund.

Altor Facility has the meaning given to that term in the Note Deed.

Arranger Fee has the meaning given to that term in the Note Deed.

Arranger Options means the unlisted Options to be issued to the Lead Manager at Completion in connection with the Convertible Note Facility on the Arranger Option Terms.

Arranger Option Terms means the terms and conditions applicable to the Arranger Options as set out in the Note Deed, including that the Arranger Options will be issued to the Lead Manager on the basis of one (1) option for every dollar of the Principal Amount paid by the Noteholder to the Company, exercisable at \$0.10 and expiring on the date which is three years from the date of issue.

ASIC means the Australian Securities and Investments Commission.

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

Bonus Option means an unlisted Option to be issued to the Noteholder at Completion in connection with the Convertible Note Facility on the Bonus Option Terms.

Bonus Option Terms means the terms and conditions applicable to the Bonus Options as set out in the Note Deed, including that the Bonus Options will be issued to the Noteholder on the basis of seven (7) options for every dollar of the Principal Amount paid by the Noteholder to the Company, exercisable at \$0.08 and expiring on 30 September 2024.

Chairperson means the chair of the Meeting.

CNF Securities means the Arranger Options, the Bonus Options and the Convertible Note.

Company or **Propell** means Propell Holdings Limited ACN 614 837 099.

Company Secretary means the registered Secretary of the Company.

Completion means the completion of the issue of the Convertible Note to the Noteholder in accordance with the terms of the Note Deed.

Constitution means the constitution of the Company (as amended from time to time).

Conversion Notice has the meaning set out in the Note Deed.

Conversion Price means the price payable by the Noteholder to convert the Convertible Note into Shares, as described in the Note Deed.

Convertible Note means the convertible note issued by the Company to the Noteholder pursuant to the terms of the Note Deed.

Convertible Note Facility means the arrangement between the Company and the Noteholder pursuant to which, among other things, the Noteholder will advance the Principal Amount to the Company and the Company will issue the Convertible Note to the Noteholder in accordance with the terms of the Note Deed.

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

Directors means the directors of the Company.

Employee Share and Option Plan or **ESOP** means the Company's employee incentive scheme adopted by the Company in 2020, more accurately described in the Prospectus.

Entitlement Offer means the entitlement offer announced on 20 April 2022 for eligible shareholders to subscribe for two (2) new Shares for every five (5) Shares held at a price of \$0.058.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Initial Draw Amount means \$500,000.00 or such other amount as determined by the parties in accordance with the terms of the Note Deed.

Lead Manager means Reach Markets Pty Ltd ACN 145 312 232.

Lead Manager Options means the 1,424,790 Options to be issued to the Lead Manager in payment of the Success Fee, exercisable at \$0.10 and expiring on the date which is three years from the date of issue.

Lender Options means the 3,500,000 Options to be issued to Altor in connection with the Loan Facility, exercisable at \$0.10 and expiring on the date which is three years from the date of issue, as announced by the Company on 13 April 2022.

Listing Rules means the Listing Rules of ASX.

Loan Facility means the wholesale lending facility in place between the Company and Altor, whereby Altor funds the purchase of new loans originated by the Company.

Materially Adverse Effect has the meaning given to that term in the Note Deed.

Meeting or **EGM** means the Extraordinary General Meeting to be held on 28 July 2022, at 12pm as convened by the accompanying Notice of Meeting.

Note Deed means the Convertible Note Deed between the Company and the Noteholder which contains the terms of the Convertible Note Facility, as set out in Schedule 3.

Notice of Meeting or **Notice** means the notice of meeting giving notice to Shareholders of the Meeting, accompanying this Explanatory Memorandum.

Option means an option to subscribe for a fully paid ordinary share in the capital of the Company.

Ordinary Resolution means a resolution of a Meeting passed by at least 50% of the votes cast by Shareholders entitled to vote on the resolution that Meeting.

Placement means the placement of 23,475,947 Shares to Placement Participants undertaken by the Company, as announced on 13 April 2022.

Placement Participants means those professional, sophisticated and other investors who participated in the Placement.

Placement Shares means the 23,475,947 Shares issued to the Placement Participants on 28 April 2022 in connection with the Placement, at a price of \$0.058 per Share, as announced by the Company on 13 April 2022.

Prospectus means the prospectus lodged by the Company with the ASX on 9 April 2021.

Resolution means a resolution set out in the Notice of Meeting.

Securityholder means the registered holder of a security in the Company (including a Shareholder and Optionholder).

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

Shareholder or **Member** means a holder of a Share.

Success Fee means the fee owed by the Company to the Lead Manager pursuant to the mandate agreement regarding the Placement and the Entitlement Offer, payable by the issue of one (1) Option for every one dollar (\$1.00) raised by the Lead Manager, with an exercise price of \$0.10 and expiring 3 years from the date of issue.

Schedule 1 Terms of Lender Options and Lead Manager Options

1. The Options shall be issued for nil cash consideration and will be exercisable at \$0.10 each (**Exercise Price**).
2. Unless exercised earlier, the Options will expire at 5:00pm on the date which is three (3) years from the issue date (**Expiry Date**) unless earlier exercised. Options not exercised before the Expiry Date will lapse.
3. The Options will entitle the holder to subscribe for one Share in the Company.
4. The Options are transferrable at any time before the Expiry Date, subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
5. The Options are exercisable at any time prior to the Expiry Date.
6. The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
7. Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue the Shares, which will be fully paid ordinary shares ranking pari passu with the existing Shares of the Company (**Resulting Shares**).
8. The Company will apply to the ASX to have the Resulting Shares granted quotation on the official list of the ASX.
9. There will be no participating entitlement inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, Optionholders will be notified by the Company in accordance with the requirements of the Listing Rules.
10. There are no rights to a change in Exercise Price, or in the number of Shares over which the Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any Options.
11. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of the holders of Options are to be changed in a manner consistent with the Listing Rules.
12. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.

Schedule 2 Terms of Director Options

1. The Options shall be issued for no cash consideration and will be exercisable at \$0.10 each (**Exercise Price**).
2. Unless exercised earlier, the Options will expire at 5:00pm on the date which is three years from the issue date (**Expiry Date**) unless earlier exercised. Options not exercised before the Expiry Date will lapse.
3. The Options will entitle the holder to subscribe for one Share in the Company.
4. The Options are transferrable at any time before the Expiry Date, subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
5. The Options are exercisable at any time prior to the Expiry Date.
6. The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
7. Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue the Shares, which will be fully paid ordinary shares ranking pari passu with the existing Shares of the Company (**Resulting Shares**).
8. The Company will apply to the ASX to have the Resulting Shares granted quotation on the official list of the ASX.
9. In respect of Options, Option holders do not participate in dividends or in bonus issues unless the Options are exercised.
10. Option holders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to Shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
11. In the event of a pro rata issue (except a bonus issue) made by the Company during the term of the Options the Company may adjust the exercise price for the Options in accordance with a specified formula.
12. The Board has the right to vary the entitlements of Participants to take account of the effect of capital reconstructions, bonus issues or rights issues.
13. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
14. The Board may impose as a condition of any offer of Shares and Options under the ESOP any restrictions on the transfer or encumbrance of such Shares and Options as it determines.
15. The Board may vary the ESOP.
16. The ESOP is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of a participant under the terms of his or her employment or arrangement.

Convertible Note Deed

Propell Holdings Ltd ACN 614 837 099

Company

Wholesale Holdings Pty Ltd ACN 644 053 798 ATF PHL Trust

Noteholder

For personal use only

Explanatory Memorandum

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This Deed is made on _____ 2022

Details

Company

Name Propell Holdings Ltd
ACN 614 837 099
Short form name **Company**
Notice details Address: Level 2, 307 Queens Street, Brisbane QLD 4000
Email:
Attention:

Noteholder

Name Wholesale Holdings Pty Ltd ATF PHL Trust
ACN 644 053 798
Short form name **Noteholder**
Notice details Address: 7/440 Collins, Melbourne VIC 3000
Email:
Attention:

Principal Amount means an amount nominated by the Noteholder prior to Completion, but which cannot exceed AUD\$2,800,000.00

Completion Date the date that is three (3) Business Days following satisfaction or waiver of all of Conditions Precedent in accordance with clause 2 of this Deed.

Interest Rate 10% per annum.

Interest Payment Date each of the following:

- the last day of each consecutive ninety (90) day period following Completion; and
- the Maturity Date.

Conversion Price Calculated in accordance with Term 5.3 of Schedule 1

Noteholder Account Account Name: Wholesale Holdings Pty Limited
BSB: 063 000
Account Number: 1412 7437

Recitals

- A. The Company agrees to issue, and the Noteholder agrees to subscribe for the Convertible Note on the Completion Date, on the terms of this Deed and on basis that the Noteholder is an Exempt Investor.
- B. The Convertible Note is issued on the terms set out in the Deed, and will be:
- (b) Convertible into ordinary shares, or
 - (c) if not Converted, Redeemed.

Operative terms

1. Defined terms & interpretation

1.1 Definitions and Interpretation

These meanings apply to this Deed (including its schedules) unless the contrary intention appears:

Accounting Standards means accounting standards, principles and practices applying by law or otherwise generally accepted and consistently applied in Australia.

Altor means Altor Capital Pty Ltd ACN 604 311 720 and its Related Bodies Corporate. It includes Altor Capital Management Pty Ltd (ACN 616 053 653) ATF Altor AltFi Income Fund.

Altor Facility means the facilities provided to the Company Group by Altor on or around 4 July 2022 in the amount of \$5,500,000.

Altor Interest means all Security Interests granted by the Company Group in favour of Altor as at the date of this Deed, being all Security Interests contemplated by the loan agreement between Altor Capital Management Pty Ltd (ACN 616 053 653) ATF Altor AltFi Income Fund and its subsidiary, BC Fund 2 Pty Ltd (dated 2018) and the Altor Facility.

Approvals (Arranger Options) means any approvals that are required to validly authorise and permit the Company to issue the Arranger Options and to permit the Arranger Options to be exercised in full on and from their issue date, and include but is not limited to:

- (a) any shareholder approval of the Company;
- (b) all necessary approvals required in accordance with the Corporations Act, including under section 260B of the Corporations Act; and
- (c) all necessary approvals required in accordance with the ASX Listing Rules (including Listing Rule 7).

Approvals (Bonus Options) means any approvals that are required to validly authorise and permit the Company to issue the Bonus Options and to permit the Bonus Options to be exercised in full on and from their issue date, and include but is not limited to:

- (a) any shareholder approval of the Company;
- (b) all necessary approvals required in accordance with the Corporations Act, including under section 260B of the Corporations Act; and
- (c) all necessary approvals required in accordance with the ASX Listing Rules (including Listing Rule 7).

Approvals (Notes) means any approvals that are required to validly authorise and permit the Company to issue the Convertible Note on the basis that the Convertible Note can be converted by the Noteholder to Ordinary Shares for an amount equal to the Principal Amount plus the

maximum amount of Interest which can accrue until the Maturity Date, divided by the Conversion Price, and include but is not limited to:

- (a) any shareholder approval of the Company;
- (b) all necessary approvals required in accordance with the Corporations Act, including under section 260B of the Corporations Act; and
- (c) all necessary approvals required in accordance with the ASX Listing Rules (including Listing Rule 7).

Arranger means Reach Markets Pty Ltd ACN 145 312 232.

Arranger Fee means the amount equal to 6% of the Principal Amount, plus GST.

Arranger Option Terms means the terms and conditions applicable to the Arranger Options, as set out in Schedule 5

Arranger Options means an unlisted Options to be issued to the Arranger at Completion on the basis of one (1) Arranger Option for every dollar of the Principal Amount paid by the Noteholder to the Company by Completion (excluding any GST payable by the Noteholder), on the Arranger Option Terms.

Asset Sale means the sale of all or substantially all of the business and assets of the Company on arm's length terms to one or more unrelated buyers as part of a single transaction.

Associates has the meaning given to that term in the Corporations Act.

ASX Listing Rules means the listing rules of the Australian Stock Exchange. **Listing Rules** has the same meaning.

Attorney means an attorney appointed by the Noteholder under a Finance Document.

Authorisation means any consent, authorisation, registration, filing, agreement, notarisation, certificate, permit, licence, approval, authority or exemption of, from or required by, a government agency or required by law. Where intervention or action of a government agency within a specified period would fully or partly prohibit or restrict something by law, Authorisation includes the expiry of that period without that intervention or action.

Authorised Representative means:

- (a) in respect of the Company, a director of the Company; or
- (b) in respect of the Noteholder, a person whose title or acting title includes 'manager', 'associate', 'director', 'executive', 'chief', 'head', 'counsel' or 'president', or a person notified to the other parties as being its attorney or authorised representative for the purposes of the Finance Documents.

Bonus Option means an unlisted Option to be issued to the Noteholder or its nominee at Completion on the basis of seven (7) Bonus Options for every dollar of the Principal Amount paid by the Noteholder to the Company by Completion (excluding any GST payable by the Noteholder), on the Bonus Option Terms.

Bonus Option Terms means the terms and conditions applicable to the Bonus Options, as set out in Schedule 4.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for business generally in Victoria.

Change in Control Share Sale means a sale of Ordinary Shares and/or other equity securities to one or more persons as part of a single transaction that results in a change in:

- (a) control of more than half the voting rights attaching to shares in the corporation; or

- (b) control of more than half the issued shares of the corporation (not counting any share which carries no right to participate beyond a specified amount in the distribution of either profit or capital).

Company Group means the Company and its subsidiaries, as that term is defined in the Corporations Act.

Completion means the completion of the issue of the Convertible Note to the Noteholder in accordance with clause 5.

Completion Date means the date specified in the Details.

Conditions Precedent means the conditions precedent listed in clause 2.1.

Confidential Information means all confidential, non-public or proprietary information, regardless of how the information is stored or delivered, disclosed between any of the parties under or in connection with this document and its negotiation, including the terms and existence of this Deed.

Conversion means the conversion of the Convertible Note (or part thereof if the context so requires) into Converted Shares in accordance with Term 5, and Convert, Converted and Convertible have corresponding meanings.

Conversion Date means each date that the Convertible Note (or part thereof if the context so requires) of the Noteholder is Converted into Ordinary Shares in accordance with this Deed.

Conversion Price means the amount specified in the Details.

Converted Shares has the meaning given to it in Term 5.3.

Convertible Note means a convertible note issued by the Company under the terms and conditions of this Deed.

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

Debt means any present or future actual or contingent debt or other monetary liability in respect of money borrowed or raised or any financial accommodation, including in respect of any:

- (a) bill of exchange, bond, debenture, note or other financial instrument (whether or not negotiable);
- (b) put option, buy-back or discounting arrangement in respect of any asset or property;
- (c) consideration for the acquisition of an asset or service payable more than 90 days after, as applicable, the date of the acquisition or the date on which the service is invoiced;
- (d) lease or hire purchase entered into primarily as a method of raising finance or financing the acquisition of the asset leased or hired (including any sale and lease back transaction);
- (e) obligation to deliver goods or other property or provide services paid for in advance by any financier or in relation to another financing transaction;
- (f) redeemable shares where the holder has the right (conditional or not) to require redemption;
- (g) dividend or amount of share capital reduction or share buyback which is declared or authorised and not paid;
- (h) receivables sold (other than to the extent they are sold on a non-recourse basis); or
- (i) guarantee of other Debt described above.

Deed means this Deed (including its schedules) constituting the Convertible Note.

Default means an event or circumstance specified in clause 10.1.

Details means the section of this Deed headed "Details".

Electronic Completion has the meaning given in clause 5.2.

Electronic Exchange has the meaning given in clause 16.1.

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, Security Interest, title retention, preferential right, trust arrangement, contractual right of set off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered.

Excluded Information means Confidential Information which:

- (a) is in or becomes part of the public domain otherwise than through breach of this document or any other obligation of confidentiality on the party;
- (b) a party can prove by contemporaneous written documentation was already known to it at the time of disclosure to it by another party (unless such knowledge arose from disclosure of information in breach of an obligation of confidentiality); or
- (c) a party acquires from a source other than another party where such source is entitled to disclose it.

Exempt Investor means an investor meeting the criteria in sub-sections 708(8), (10) or (11) of the Corporations Act.

Exit Event means:

- (a) a Change in Control Share Sale; or
- (b) an Asset Sale.

External Administrator means an administrator, controller or managing controller (each as defined in the Corporations Act), trustee, provisional liquidator, liquidator or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

Finance Document means:

- (a) this Deed;
- (b) a document that the Company and the Noteholder agree in writing is a 'Finance Document'; and
- (c) a document entered into or given under or in connection with, or for the purpose of amending or novating, any document referred above.

Government Agency means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.

Immediately Available Funds means bank cheque or electronic funds transfer through the RTGS (real-time gross settlement) payment system.

Incidental Amount has the meaning given to it in Term 8.1.

Initial Draw Amount means \$500,000.00

Initial Interest means any Interest accrued and payable to the Noteholder in accordance with clause 3.2.

Initial Payment Date has the meaning set out in clause 3.1.

Insolvency Event means, in respect of a person, any of the following occurring:

- (a) it becomes insolvent within the meaning of section 95A, or is taken to have failed to comply with a statutory demand under section 459F(1), or must be presumed by a court to be insolvent under section 459C(2), or is the subject of a circumstance specified in section 461 (whether or not an application to court has been made under that section) or, if the person is a Part 5.7 body, is taken to be unable to pay its debts under section 585, of the Corporations Act;
- (b) its Liquidation;
- (c) an effective resolution is passed for its Liquidation;
- (d) an External Administrator is appointed to it or any of its assets or any member of the Company Group has an External Administrator Appointed;
- (e) if a registered corporation under the Corporations Act, a step is taken under section 601AA, 601AB or 601AC of the Corporations Act to cancel its registration;
- (f) in respect of any natural person, that person has committed an act of bankruptcy within the meaning of section 40, or is or becomes bankrupt within the meaning of section 5 of the Bankruptcy Act 1966 (Cth);
- (g) an analogous or equivalent event to any listed above occurs in any jurisdiction; or
- (h) it stops or suspends payment to all or a class of creditors generally.

Interest has the meaning given to it in Term 4.1.

Interest Payment Date means the date(s) specified in the Details.

Interest Start Date means the earlier of:

- (a) 15 July 2022
- (b) Issue Date; and
- (c) the date of the Noteholder's payment of the Initial Draw Amount in accordance with clause 3.1.

Interest Rate means the rate specified in the Details.

Issue Date means the Completion Date.

Legal Cap means the maximum amount payable by the Company to the Noteholder for the costs incurred by the Noteholder in respect of preparation of all documentation required for the issue of the Convertible Note under this Agreement, being the amount of \$25,000.00 plus GST and disbursements.

Liquidation means:

- (a) a winding up, dissolution, liquidation, provisional liquidation, administration, bankruptcy or other proceeding for which an External Administrator is appointed, or an analogous or equivalent event or proceeding in any jurisdiction;
- (b) an arrangement, moratorium, assignment or composition with or for the benefit of creditors or any class or group of them; or
- (c) any re-organisation, deed of company arrangement or other administration involving one or more of its creditors

Material Adverse Effect means a material adverse effect on:

- (a) the validity or enforceability of all or a provision of a Finance Document;
- (b) the Noteholder's rights or remedies under any Finance Document; or
- (c) the ability of the Company to observe or perform its obligations under the Finance Documents.

Material Authorisation means any Authorisation which is:

- (a) necessary for the execution, delivery, performance, validity or enforceability of a Finance Document;
- (b) material to the Company's conduct of its business; or
- (c) necessary for the effectiveness of a Finance Document as a Security Interest (with the priority contemplated in it).

Maturity Date means the date this is thirty (30) months after Completion, unless extended by agreement between the parties in writing.

Noteholder Account means the account specified in the Details.

Note Certificate means a certificate evidencing a holding of the Convertible Note, substantially in the form set out in Schedule 2.

Option means an option to subscribe for Ordinary Shares.

Ordinary Share means a fully paid ordinary share in the Company.

Outstanding Amount means, at any time, the Principal Amount, less that portion of the Principal Amount that has been applied to a Conversion or Redemption of the Convertible Note.

Penalty Interest has the meaning given to it in Term 6.3.

Permitted Debt means Debt:

- (a) incurred under the Finance Documents;
- (b) owing under the Altor Facility, up to a maximum of \$7.5 million;
- (c) incurred by the Company in the ordinary course of business including, for the avoidance of doubt, any Debt incurred by the Company for the purposes of funding its loan book provided that the total amount of Debt incurred under this sub-paragraph cannot exceed \$7.5 million.
- (d) incurred to refinance any amount owing under a Permitted Debt for an equivalent principal amount provided that the Encumbrance granted in connection with that refinance has the same ranking and priority as the Encumbrance previously provided to the third-party being refinanced;
- (e) owed to trade creditors on account of services provided to the Company in the ordinary course of its ordinary business; or
- (f) to which the Noteholder consents in writing (unless the consent was conditional and any of the conditions are not complied with).

Permitted Encumbrance means:

- (a) the Altor Interest;
- (b) any Encumbrance granted to secure a Permitted Debt;

- For personal use only
- (c) an Encumbrance created after the date of this agreement to which the Noteholder has given its prior written consent and in respect of which:
 - (1) the money secured does not increase above the amount to which the Noteholder has consented; and
 - (2) any conditions to the consent have been fully complied with;
 - (d) an Encumbrance constituted or permitted by the Finance Documents; or
 - (e) an Encumbrance which arises only by operation of law in the ordinary course of ordinary business and in respect of which the money secured is not overdue for payment or is being contested in good faith.

Power means any right, power, discretion or remedy of an Attorney under any Finance Document or applicable law.

PPSA means the Personal Property Securities Act 2009 (Cth).

PPS Law means:

- (a) the PPSA and any regulation made at any time under the PPSA, including the PPS Regulations (each as amended from time to time); and
- (b) any amendment made at any time to any other legislation as a consequence of a law or regulation referred to in paragraph (a).

Principal Amount means the sum specified in the Details.

Redemption means the Redemption of the Convertible Note (or part thereof if the context so requires) in accordance with Term 6, and Redeem, Redeemed and Redeemable have corresponding meanings.

Redemption Amount has the meaning given to it in Term 6.2.

Redemption Date means each date that the Convertible Note (or part thereof if the context so requires) of the Noteholder is Redeemed in accordance with this Deed.

Related Body Corporate has the meaning it has in the Corporations Act.

Related Entity has the meaning it has in the Corporations Act.

Relevant Interest has the meaning given to that term in the Corporations Act.

Security Interest means any:

- (a) 'security interest' as defined in the PPS Law;
- (b) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or title retention arrangement, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements); and
- (c) thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset,

and includes any agreement to create any of them or allow them to exist.

Specified Clauses means clauses 1, 14, 15 and 16.

Sunset Date means 1 September 2022 or such other date agreed between the parties in writing.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

Terms means the Convertible Note terms set out in Schedule 1.

Volume Weighted Average Price has the meaning given in the ASX Listing Rules.

1.2 Interpretation

Unless the contrary intention appears, a reference in this Deed to:

- (a) **(variations or replacements)** a document (including this Deed) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this Deed, and a reference to this Deed includes its clauses, annexures and schedules;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law means common law, principles of equity and legislation (including regulations);
- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, joint venture, an unincorporated body or association, or any government agency;
- (g) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (h) **(two or more persons)** an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (i) **(jointly and individually)** an agreement, representation or warranty by two or more persons binds them jointly and each of them individually;
- (j) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (k) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (l) **(time of day)** to time is a reference to Melbourne time, even if the obligation is to be performed elsewhere;
- (m) **(reference to a group of persons)** a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
- (n) **(dollars)** Australian dollars, dollars, \$, A\$ or AUD is a reference to the lawful currency of Australia.
- (o) **(meaning not limited)** the words "include", "including", "for example" or "such as", when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;

- (p) **(grammatical forms)** other grammatical forms of defined words and expressions have corresponding meanings;
- (q) **(next day)** if an act under this Deed to be done by a party on or by a given day is done after 5.30pm on that day, it is taken to be done on the next day;
- (r) **(Next Business Day)** If an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day; and
- (s) **(headings)** Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this Deed.

2. Conditions Precedent

2.1 Conditions Precedent

Completion must not occur until all of the Conditions Precedent are fulfilled (or waived in accordance with this clause 2)

Item	Condition Precedent	Party entitled to benefit
1.	The Company obtaining the Approvals (Arranger Options).	Noteholder
2.	The Company obtaining the Approvals (Notes).	Noteholder
3.	The Company obtaining the Approvals (Bonus Options).	Noteholder
4.	Altor procuring an increase of the Altor Facility to an amount not less than \$7,500,000.00 and no more than \$15,000,000 (unless otherwise agreed by the Noteholder) and releasing the Company or any of its subsidiaries from any restrictions that may impact the Company's ability to issue any Convertible Note in accordance with this Deed.	Noteholder
5.	There being no event which results in, or is likely to result in, a Materially Adverse Effect.	Noteholder
6.	The Company paying all legal costs incurred by the Noteholder in the preparation, negotiation and execution of this Deed up to the Legal Cap	Noteholder
7.	The Company paying the Arranger Fee to the Arranger in Immediately Available Funds.	Noteholder

2.2 Waiver

- (a) A Condition Precedent may only be waived in writing by the party entitled to the benefit of that condition and will be effective only to the extent specifically set out in that waiver. If multiple parties are entitled to the benefit of a condition, it may only be waived by both parties in agreement.
- (b) A Condition Precedent may be waived subject to any conditions as the party waiving that Condition Precedent may reasonably determine. Without limiting this clause, a waiver may be on the condition that the party who was required to fulfil that Condition Precedent must use its best endeavours to satisfy that Condition Precedent as soon as possible (which may be after Completion).

2.3 Termination of Deed

- (a) If a Condition Precedent is not satisfied or waived in accordance with clause 2 above by the Sunset Date, then the Noteholder may terminate this Deed by notice to the Company.
- (b) If this Deed is terminated under this clause or at any time prior to Completion the Company must:

- (i) refund the Initial Draw Amount (to the extent paid) to the Noteholder within ten (10) Business Days of termination; and
- (ii) pay interest to the Noteholder in accordance clause 3.2.

2.4 Notice

Each party must promptly notify the other upon a Condition Precedent being satisfied or becoming incapable of being satisfied.

2.5 Effect of Termination

If this Deed is terminated in accordance with clause 2.3 above, then each party will be released from its obligations under this Deed other than:

- (a) clause 2.3(b) will continue to apply;
- (b) the Specified Clauses which will continue to apply;
- (c) the Company must pay all legal costs incurred by the Noteholder in the preparation, negotiation and execution of this Deed up to the Legal Cap.

2.6 Best Endeavours

The Company use best endeavours to ensure each Condition Precedent is satisfied as soon as possible, and in any event, by the Sunset Date.

3. Initial Draw

3.1 Payment of Initial Draw

- (a) Upon the later of:
 - (i) Condition 4, 6 and 7 being satisfied or waived;
 - (ii) 11 July 2022,the Noteholder will pay the Initial Draw Amount to the Company in Immediately Available Funds (**Initial Payment Date**).
- (b) Unless the Noteholder is entitled to repayment of the Initial Draw Amount under this Deed, the Initial Draw Amount will form part of the Principal Amount at Completion and will be repayable by the issue of the Convertible Note in accordance with clause 5.4 (other than Initial Interest).
- (c) For the avoidance of any doubt, the issue of the Convertible Note by the Company will be in full and final satisfaction of the Initial Draw Amount provided that:
 - (i) the issue price for the Convertible Note includes the amount of Initial Draw Amount; and
 - (ii) the Initial Interest has been paid to the Noteholder in accordance with clause 5.4.

3.2 Initial Interest

- (a) Interest will accrue to the Noteholder on the amount of the maximum amount of the Principal Amount (even though not paid in full) at the Interest Rate calculated daily from the Interest Start Date, until either:
 - (i) if the deed is terminated in accordance with clause 2.5, the date on which the Initial Draw Amount and all accrued interest has been repaid to the Noteholder;
 - or

- (ii) Completion, in which case the accrued interest will be paid to the Noteholder in accordance with clause 5.4.
- (b) For the avoidance of any doubt, the issue of the Convertible Note by Company in accordance with clause 5.4 will be in full and final satisfaction of the Initial Interest provided that:
- (i) the issue price for the Convertible Note includes the amount of Initial Draw Amount; and
- (ii) the Initial Interest has been paid to the Noteholder in accordance with clause 5.4.

4. General Terms

4.1 Issue Date

The Convertible Note is issued, and takes effect on, the Issue Date.

4.2 Interaction with Terms

The Convertible Note is issued on and held subject to the Terms.

4.3 Constitution and Issuance of the Convertible Note

The Principal Amount of the Convertible Note denominated in AUD and constituted by this Deed will be set out in respect of the Noteholder in the register on the Issue Date.

4.4 Principal Amount

The Principal Amount must be used by the Company for the purposes of:

- (a) funding the scaling of the Company's business with the intention to bring it to profitability; and
- (b) supporting the expansion of the lending book through hybrid capital underlay.

5. Completion

5.1 Time and Place of Completion

The parties elect to conduct Completion on the Completion Date by Electronic Completion.

5.2 Electronic Completion

For Completion to occur via Electronic Completion, under clause 5.1 of this Deed:

- (a) completion documents will be exchanged electronically via Electronic Exchange (except as otherwise indicated in clause 5.4);
- (b) payment will be effected by Immediately Available Funds,
- and Completion will only be effected when each of these transmissions and confirmations are confirmed as received by the relevant parties.

5.3 Noteholder's obligation at Completion

At Completion, the Noteholder must:

- (a) execute this Deed in duplicate;
- (b) provide an electronic copy (only) of the Deed to the Company (with one (1) copy of the original executed Deed to be retained by the Noteholder and one (1) copy of the original executed Deed to be sent to the Company's address as stated in the Details);
- (c) (if not already paid) pay the Principal Amount to the Company in Immediately Available Funds to the bank account nominated by the Company in writing;

- (d) promptly notify the Company that payment of the Principal Amount has been dispatched, with confirmation of the remittance sent to the Company's email address as stated in the Details.

5.4 **Company's obligations at Completion**

At Completion, the Company must:

- (a) execute this Deed in duplicate;
- (b) provide an electronic copy (only) of this executed Deed to the Noteholder (with one (1) copy of the original executed Deed to be retained by the Company and one (1) copy of the original executed Deed to be sent to the Noteholder's address as stated in the Details);
- (c) if the Company is reasonably able to, lodge a cleansing notice pursuant to section 708A(12C)(e) of the Corporations Act with regards to the maximum number of Converted Shares which may be issued on a Conversion;
- (d) issue the Arranger Options to the Arranger;
- (e) issue the Bonus Options to the Noteholder;
- (f) issue the Convertible Note to the Noteholder, and register the Noteholder as the holder of the Convertible Note;
- (g) record the Principal Amount the Noteholder's Convertible Note in the register;
- (h) pay the Initial Interest accrued to the Noteholder;
- (i) record in the register the details of the Noteholder's name, address, email address, contact number and bank account details as set out in this Deed, or otherwise as notified to the Company prior to Completion; and
- (j) issue the note certificate to the Noteholder in respect the Convertible Note, by Electronic Exchange.

5.5 **Simultaneous actions at Completion**

In respect of Completion:

- (a) the obligations of the parties under this Deed are interdependent; and
- (b) all actions required to be performed will be taken to have occurred simultaneously on the Completion Date.

5.6 **Notice to complete**

If Completion does not occur in accordance with this clause 5 because of the failure of any party (**Defaulting Party**) to satisfy any of its obligations under this clause 5 then:

- (a) the Company (where the Defaulting Party is the Noteholder); or
- (b) the Noteholder (where the Defaulting Party is the Company),

(in either case the **Non-Defaulting Party**) may give the Defaulting Party a notice requiring the Defaulting Party to satisfy those obligations within a period of not less than ten (10) Business Days after the date of the notice and specifying that time is of the essence in relation to that notice.

5.7 **Remedies for failure to comply with notice**

If the Defaulting Party fails to comply with a notice given under clause 5.6, the Non-Defaulting Party may without limiting its other rights or remedies available under this agreement or at law:

- For personal use only
- (a) immediately terminate this agreement, in which case the Non-Defaulting Party may seek damages for breach of this agreement; or
 - (b) seek specific performance of this agreement, in which case:
 - (i) if specific performance is obtained the Non-Defaulting Party may also seek damages for breach of this agreement; and
 - (ii) if specific performance is not obtained the Non-Defaulting Party may then terminate this agreement and may seek damages for breach of this agreement.

6. Security and ranking

6.1 Ranking

The obligations and liabilities of the Company under the Convertible Note:

- (a) rank behind the Altor Interest and all secured obligations of the Company (provided that the Company warrants to the Noteholder that the Altor Interest is the only secured obligation of the Company as at the date of this Deed); and
- (b) rank in priority to the obligations and liabilities of the Company under the Ordinary Shares and any other class of shares issued by the Company.

7. Warranties

7.1 Common Warranties

At the date of this Deed and the Completion Date, each party represents and warrants that:

- (a) **(incorporation and existence)** if it is a corporation, it has been incorporated as a company limited by shares or corporation in accordance with the laws of its place of incorporation set out in the Details, is validly existing under those laws and has power and authority to carry on its business as it is now being conducted;
- (b) **(power)** it has power and authority to enter into this Deed and comply with its obligations under it;
- (c) **(no contravention or exceeding power)** this Deed and the transactions under it do not:
 - (i) contravene the constitution or any law or material obligation by which it or a Related Body Corporate is bound or to which any of its assets are subject; or
 - (ii) cause a limitation on its powers or the powers of the directors of a Related Body Corporate to be exceeded; or
 - (iii) constitute a breach of any obligation (including but not limited to any statutory, material contractual or fiduciary obligation); or
 - (iv) cause a default under any material agreement or undertaking, by which it or a Related Body Corporate is bound;
- (d) **(authorisations)** it has in full force and effect the Authorisations necessary for it to enter into this Deed, to comply with its obligations and exercise its rights under it and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this Deed are valid, enforceable and binding against it, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity; and
- (f) **(no insolvency)** it is not subject to an Insolvency Event.

7.2 Exempt Investor

At the Completion Date, the Noteholder represents and warrants that it is an Exempt Investor.

7.3 Company Warranties

In addition to clause 7.1, at the date of this Deed and each day until the Convertible Note has been wholly Redeemed or Converted, the Company represents and warrants that:

- (a) **(Conversion and Issue)** the Convertible Note:
 - (i) as at Completion, will have been validly issued in accordance with the Corporations Act and the Listing Rules;
 - (ii) as at Completion, will have been issued with approval of the Company's shareholders (or issued where shareholder approval is not required);
 - (iii) is able to be Converted in accordance with the Terms in its entirety to Converted Shares (and Arranger Options and Bonus Options) and without requiring any further approvals of any kind (including ASX approval or Company shareholder approval), except where Term 5.12 applies;
- (b) **(Converted Shares):**
 - (i) the Converted Shares will be fully paid, unencumbered, registered in the name of the Noteholder and will rank equally with all fully paid ordinary shares on issue;
 - (ii) the Converted Shares can be issued to the Noteholder following Conversion on the terms of this Deed without requiring shareholder approval as required under ASX Listing Rule 7 as such shareholder approval has been obtained prior to Completion;
 - (iii) the Company will take all reasonable steps within its power to ensure that the Converted Shares will be freely tradeable on the ASX;
- (c) **(Bonus Options):**
 - (i) the Bonus Options can be issued to the Noteholder on the terms of this Deed without requiring shareholder approval required under ASX Listing Rule 7 as such shareholder approval has been obtained prior to Completion;
 - (ii) the Bonus Options can be exercised without requiring shareholder approval as required under ASX Listing Rule 7 as such shareholder approval has been obtained prior to Completion;
 - (iii) the Company will take all reasonable steps within its power to ensure that shares issued following exercise of the Bonus Options will be freely tradeable on the ASX;
- (d) **(Arranger Options):**
 - (i) the Arranger Options can be issued to the to the Arranger on the terms of this Deed without requiring shareholder approval as required under ASX Listing Rule 7 as such shareholder approval has been obtained prior to Completion;
 - (ii) the Arranger Options can be exercised without requiring shareholder approval as required under ASX Listing Rule 7 as such shareholder approval has been obtained prior to Completion;
 - (iii) the Company will take all reasonable steps within its power to ensure that shares issued following exercise of the Arranger Options will be freely tradeable on the ASX;

- (e) **(capacity)** except as specified otherwise in this Deed, the Company acts on its own behalf in entering into the Finance Documents, and not as a trustee or on another person's behalf, and it is not a trustee of any trust which is not specified in this Deed;
- (f) **(no immunity)** it is not immune from suit or execution;
- (g) **(Finance Documents)** each Finance Document to which the Company is expressed to be a party is (subject to equitable principles and insolvency laws generally affecting creditors' rights) valid, binding and enforceable against it in accordance with the terms of those documents, and the transactions contemplated by those documents are for its commercial benefit;
- (h) **(no conflicts)** its execution and performance of each Finance Document to which it is expressed to be a party does not and will not:
 - (i) conflict with or contravene section 208 or section 260A of the Corporations Act;
 - (ii) conflict with or contravene any other law or a judgment, ruling, order, document or agreement applying to it or its assets, its constituent documents or any Authorisation;
 - (iii) result in a security interest being created on, or crystallising over, any of its assets; or
 - (iv) result in a default, acceleration of date of payment, cancellation event, prepayment event or similar event (however described) under any agreement relating to any of its debt;
- (i) **(taxes)** it has paid all taxes due and payable by it;
- (j) **(solvency)** it is solvent and there are no reasonable grounds to suspect that it is unable to pay its debts as and when they become due and payable;
- (k) **(cross guarantee)** it has not executed a guarantee for the purpose of obtaining or complying with an order under part 2M.6 of the Corporations Act (or an equivalent provision);
- (l) **(litigation)** no litigation or administrative, arbitration, tax claim or other proceeding or action (including any action by a government agency), or series of proceedings and actions, is current or to its knowledge, is pending or is likely or threatened which, if adversely determined, would involve a claim or liability for, or require expenditure by the Company of, an amount exceeding A\$100,000;
- (m) **(ranking)** its payment obligations under the Finance Documents rank in right and priority of payment ahead of the claims of all its other creditors, except:
 - (i) as set out in clause 6;
 - (ii) the Permitted Encumbrance; and
 - (iii) those mandatorily preferred by law applying to companies generally or as agreed to by the Noteholder in writing;
- (n) **(financial statements)** its most recent financial statements provided to the Noteholder were prepared in accordance with the Accounting Standards (except as expressly disclosed otherwise in those financial statements), comply with applicable law and are a true and fair statement of:
 - (i) the financial position (and fully disclose or reflect all actual and contingent liabilities) of the subject entities as at the date to which the financial statements relate; and

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- (ii) the operational results of the subject entities during the period covered by the financial statements,
 - (o) **(copies of documents)** the most recent copies of documents provided by it or on its behalf to the Noteholder are true and complete copies of the originals, and the original documents are in full force and effect;
 - (p) **(information accurate)** all information (excluding financial projections, estimates and forecasts) provided by it or on its behalf to the Noteholder in connection with the Finance Documents is at the date of this document (or, if provided later, when provided) accurate in all material respects and not deficient, misleading or deceptive in any material respect (whether by its inclusion or by omission of other information);
 - (q) **(full disclosure)** it has, or persons acting under its instruction have, not withheld from providing to the Noteholder before the date of this Deed any information that the Company is required to disclose in order for the Company to comply with its disclosure requirements under the ASX Listing Rules or which could reasonably be expected to have a Material Adverse Effect;
 - (r) **(Permitted Encumbrance)** in respect of the Altor Facility and the Permitted Encumbrance, no member of the Company Group is in breach of any of its obligations under any Permitted Encumbrance or the Altor Facility and nothing has occurred:
 - (i) which is, or would constitute (with the giving of notice or passage of time or both), an event of default (however described) under the Altor Facility or under any Permitted Encumbrance; or
 - (ii) which would entitle a person to terminate or rescind the Altor Facility or any Permitted Encumbrance;
 - (s) **(amount secured)** the amount secured by the under the Altor Facility does not exceed A\$7.5 million;
 - (t) **(no Security Interests)** other than the Permitted Encumbrance, it has not granted any Security Interest to any other party;
 - (u) **(Debt):**
 - (i) it has no Debt other than Permitted Debt; and
 - (ii) no event of default (however described) has occurred or will (with the giving of notice or passage of time or both) occur under any document relating to:
 - (1) the Debt; and/or
 - (2) the Permitted Debt;
 - (v) **(own enquiries)** it has relied on its own investigations and enquiries regarding the transactions contemplated by the Finance Documents and has not relied on any information, advice or opinion (including as to interest rates or exchange rates) given or offered by or on the Noteholder's behalf even if in answer to any enquiry by or for it; and
 - (w) **(Material Adverse Effect)** it is not aware of any circumstance which has or is likely to have a Material Adverse Effect.

8. Undertakings

8.1 Status

The Company must (unless the Noteholder otherwise consents):

- (a) **(corporate existence)** maintain its corporate existence and its registration in the place of its registration as at the date of this Deed;

- (b) **(constituent documents)** not change its constituent documents in any way;
- (c) **(no merger)** not merge or consolidate with another entity; and
- (d) **(schemes)** not enter into or effect a scheme of arrangement or other scheme under which its assets or liabilities are vested in or assumed by another entity.

8.2 General business

The Company must (unless the Noteholder otherwise consents):

- (a) **(activity)** ensure that it does not undertake any business, dealing, transaction or other activity or acquire an asset or incur a liability or forgive any liability, other than as necessary for the conduct of its business in the ordinary course or its entry into and observance of its obligations and exercise of its rights under, each Finance Document;
- (b) **(carry on business)** carry on its business in a proper and efficient way;
- (c) **(maintain books)** keep proper and adequate books and records in accordance with the Accounting Standards and not change its financial year;
- (d) **(Material Authorisations)** obtain, renew and maintain, pay applicable fees for, comply with and provide to the Noteholder on request, copies of, all Material Authorisations;
- (e) **(comply with laws)** comply with all applicable laws, Authorisations and mandatory requirements of any government agency;
- (f) **(solvency)** maintain solvency at all times and not permit an Insolvency Event to occur;
- (g) **(Permitted Encumbrance)** not commit any act or omission, the effect of which results in or may result in:
- (i) a default occurring under the Altor Facility or the Permitted Encumbrance; or
 - (ii) the amount secured by the Altor Interest (or any other Permitted Encumbrance which secures the Altor Facility) exceeding A\$7.5 million; or
 - (iii) Altor taking any enforcement action under or in connection with the Permitted Encumbrance;
- (h) **(access and inspection)** upon the Noteholder entering reasonable written confidentiality arrangements with the Company, ensure that its business and any financial documents are available for inspection (other than where such inspection would mean that the Noteholder would have knowledge of 'inside information' (as defined in section 1042A of the Corporations Act):
- (i) at reasonable times by Noteholder and persons acting on the Noteholder's behalf; and
 - (ii) at any time without prior notice while a Default subsists,
- and in each case the Company must give reasonable assistance (and ensure that its employees and officers do the same) to them and allow them to inspect and copy extracts from its business and financial records'
- (i) **(pay Taxes)** pay when due all taxes assessed, levied or imposed on it or its assets, other than contested taxes, and pay any contested taxes promptly upon the final determination or settlement of any dispute in respect of the contested taxes;
- (j) **(provision of documents)** ensure that any document that is provided by the Company to its shareholders, creditors and/or any interested party are also provided to the Noteholder within three (3) business days of being issued to its shareholders, creditors and/or any interest party;

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- (k) **(Group structure)** ensure that the current legal or beneficial ownership of the Company is not altered without the prior written consent of the Noteholder, such consent to be provided or withheld in the Noteholder's sole and absolute discretion;
 - (l) **(ensure undertakings met)** ensure that each undertaking given to the Noteholder, its lawyers or another person on its behalf in connection with a Finance Document is complied with;
 - (m) **(cash covenant)** at all times, maintain at least A\$200,000 of cash reserves in its bank accounts, free from all Encumbrances and claims from third parties;
 - (n) **(no Security Interest)**: other than the Permitted Encumbrance, ensure that no Security Interest is granted by the Company; and
 - (o) **(share issue)** not issue any shares, options, convertible securities or other marketable securities without the Noteholder's prior written approval.

8.3 Notice to Noteholder

The Company must ensure that the Noteholder is notified, with reasonable details, on becoming aware of any of the following:

- (a) **(Permitted Encumbrance)** any enforcement action is taken by Altor under or in connection with the Permitted Encumbrance;
- (b) **(incorrect representation or warranty)** any representation or warranty made, repeated or taken to be made or repeated by it or on its behalf under a Finance Document becoming untrue, incorrect or misleading (whether by omission or otherwise) in any material respect when so made, repeated or taken to be made or repeated;
- (c) **(change in business or internal management)** any material change in its business, the nature of its business or its internal management from that which prevailed at the date of this document;
- (d) **(Exit Event, Default)** an Exit Event or Default occurring, and (if applicable) the steps taken or proposed to be taken to remedy it;
- (e) **(litigation)** any litigation or administrative, arbitration or other proceeding or action (including any action by a Government Agency) which is current or pending or, to its knowledge, likely or threatened which involves a claim or claims against it for amounts in aggregate exceeding A\$100,000 or its equivalent;
- (f) **(Government Agency)** any notice of a material nature to or from, or correspondence of a material nature with, a Government Agency in relation to it, its business or its assets;
- (g) **(bank accounts)** details (including the purpose of, the bank state branch, the account number and any other information requested by the Noteholder) of any bank accounts or transaction accounts opened with any other financial institution;
- (h) **(Group structure)** any proposed change to the legal or beneficial ownership of the Company together with an updated group structure plan on the change taking effect;
- (i) **(purchase money security interests)** if requested by the Noteholder, the creation or existence of any purchase money security interests (as defined in the PPSA) or any security interest perfected by control for the purposes of the PPS Law in any of its assets.

8.4 Provide information

The Company must provide to the Noteholder (unless the Noteholder otherwise consents):

- (a) **(reports, circulars)** copies of all financial statements and documents which it issues to its members, debenture holders, any market licensee operating a financial market (as defined in Chapter 7 of the Corporations Act) or any overseas stock exchange or its

creditors generally, on a quarterly basis or within a reasonable time after the Noteholder's request for same;

- (b) (**refinance strategy**) information and evidence, reasonably satisfactory to the Noteholder, of a refinance or repayment strategy of the Outstanding Amount no later than 3 months prior to the Maturity Date;
- (c) (**general updates**) information in connection with the Company's compliance with this Deed whenever requested by the Noteholder.

9. Register

9.1 Establishment of Register

The Company must establish and maintain a register in accordance with this clause 9 ("**Register**"). The Company must keep the Register at its registered office, or in any other place selected by the Company.

9.2 Entry in Register

The Company must ensure that the following information is included in the Register from time to time (as appropriate) in respect of the Convertible Note:

- (a) the name, address, telephone and fax number(s), and email address of the Noteholder (as notified to the Company);
- (b) the Principal Amount for the Noteholder's Convertible Note;
- (c) the Outstanding Amount for the Noteholder's Convertible Note;
- (d) the Issue Date;
- (e) the Maturity Date (subject to any extension);
- (f) the Interest Rate;
- (g) the payment instructions (if any) notified by the Noteholder; and
- (h) details of any Conversion or Redemption (if any) of the Convertible Note, including any partial Conversion or Redemption.

9.3 Inspection of Register

The Company must permit the Noteholder to inspect the Register:

- (a) on or immediately after the Completion Date;
- (b) on two (2) Business Days' prior notice; and
- (c) during normal business hours in the place where the Register is kept.

9.4 Register conclusive evidence

- (a) Entries in the Register in relation to the Convertible Note constitute conclusive evidence that the Noteholder is the owner of that Convertible Note, subject to correction for fraud or manifest error.
- (b) Except as required or permitted by law, the Company must treat the Noteholder as the absolute owner of the Convertible Note.

10. Default

10.1 Specified Defaults

A Default occurs if any one or more of the following occurs (whether or not within the Company's

control):

- (a) **(non-payment)** the Company fails to pay any amount payable by it, in the way and in the currency required, when due;
- (b) **(waiver condition)** the Company fails to satisfy within the time stipulated anything which the Noteholder made a condition of waiving a Default or waiving compliance with a condition precedent or undertaking in a Finance Document;
- (c) **(other obligation not complied with)** the Company fails to comply with any obligation under a Finance Document;
- (d) **(incorrect statement, warranty or representation)** a statement, representation or warranty made or repeated by or on behalf of the Company in a Finance Document, or in a document provided in connection with a Finance Document, is incorrect or misleading in a material respect when made or repeated;
- (e) **(vitiation of Finance Document)** any of the following occurs or is alleged by the Company to have occurred:
- (i) all or a provision of any Finance Document is terminated or is or becomes void, avoided, illegal, invalid, unenforceable or limited in its effect;
 - (ii) it becomes impossible or unlawful for the Company to perform a material obligation under a Finance Document; or
 - (iii) any party has the right to terminate or give a notice of termination due to breach or to rescind, treat as repudiated or avoid all or a provision of any Finance Document;
- (f) **(cross default - Debt)** debt of the Company in an amount exceeding A\$100,000 or its equivalent:
- (i) becomes due and payable, or capable of being declared due and payable, before its stated maturity, expiry or repayment date (other than at the option of the Company); or
 - (ii) is not paid when due or within any applicable grace period;
- (g) **(judgment)** any judgment is obtained against the Company for an amount exceeding A\$100,000 or its equivalent and not satisfied or stayed within 10 Business Days;
- (h) **(business stopped or changed)** the Company stops or threatens to stop carrying on its business or a material part of it or substantially changes the nature of its business without the Noteholder's written consent, which consent shall not be unreasonably withheld;
- (i) **(granting of secured interest)** the Company's grants a Security Interest to any party (other than the Permitted Encumbrance);
- (j) **(investigation)** a person is appointed under any legislation to investigate any material part of the affairs of the Company and that investigation, in the Noteholder's reasonable opinion, would have or be likely to have a Material Adverse Effect;
- (k) **(Material Authorisation)** any Material Authorisation is not obtained or maintained on terms acceptable to the Noteholder (acting reasonably) or is repealed, revoked, cancelled, suspended, terminated or expires or is varied or becomes subject to conditions in a manner unacceptable to the Noteholder, and is not replaced by another Authorisation acceptable to the Noteholder within 5 Business Days;
- (l) **(Government Agency action or breach of law or Authorisation):**
- (i) any Government Agency takes any action;

(ii) there is any claim or requirement of substantial expenditure or alteration of activity under, or breach of, any law; or

(iii) there is any breach or threatened breach of any Authorisation,

which in the Noteholder's reasonable opinion would have a Material Adverse Effect or any circumstance arises which may give rise to any such action, claim, requirement or breach;

(m) **(capital reduction and financial assistance)** without the Noteholder's consent, the Company:

(i) takes action to reduce its share capital (other than by redeeming redeemable preference shares) or to buy back its shares; or

(ii) passes a resolution of the type referred to in section 254N(1) or 260B of the Corporations Act, or a meeting to consider such a resolution is summoned or convened;

(n) **(dividend payment)** the Company pays a dividend or makes any other distribution of income or capital at any time prior to Conversion or Redemption;

(o) **(change in constituent documents)** the constituent documents of the Company are changed in any way without first obtaining any consent required under the Finance Documents;

(p) **(ASX Trading)**:

(i) the Company is removed from the official list of the ASX for any reason;

(ii) the Company's shares are suspended from trading at the initiative of the Company and the suspension:

(1) subsists for a period exceeding ten (10) Business Days; or

(2) will likely have a Material Adverse Effect; or

(iii) the Company's shares are suspended from trading at the initiative of the ASX and the suspension:

(1) subsists for a period exceeding ten (10) Business Days; or

(2) will likely have a Material Adverse Effect.

(q) **(Material Adverse Effect)** an event or series of events (whether related or not) occurs which, in the Noteholder's reasonable opinion, would have or be likely to have a Material Adverse Effect.

10.2 Effect of Default

If a Default subsists and the Default is not remedied within 10 Business Days (**Remedy Period**), the Noteholder may by notice to the Company either Redeem or Convert the Convertible Note (or part thereof) in accordance with the Terms.

10.3 Appointment of Attorney

If a Default by the Company is not remedied within the Remedy Period, the Company for valuable consideration, to secure the performance of its obligations under each Finance Document, appoints the Noteholder and each Authorised Representative as its attorney to do any or all of the following on its behalf and in its or the attorney's name while a Default subsists:

(a) prove in the Liquidation of the Company;

- For personal use only
- (b) anything which it must do under a Finance Document or under law in connection with a Finance Document;
 - (c) anything which the Attorney considers necessary or expedient to give effect to a Power or exercise of a Power, or to perfect any Finance Document, including by signing any document for that purpose; and
 - (d) anything which an Attorney is expressly empowered to do under a Finance Document on its behalf.

The Company agrees to ratify anything done by its Attorney under this power of attorney. An Attorney may delegate its powers (including the power to delegate) to any person for any period and may revoke the delegation.

10.4 Investigating Experts

The Noteholder may, at any time while a Default subsists and is not remedied within the Remedy Period, appoint accountants, insolvency practitioners or other experts (**Investigating Experts**) to investigate and report (to the Noteholder only) on matters related solely to the Default, on the basis that they and the Investigating Experts and the Noteholders keep all the reports and all information strictly confidential (as the Confidential Information of the Company for the purpose of clause 14), in which case the Company:

- (a) authorises, and agrees to give all reasonable assistance to, the Investigating Experts to undertake the investigation, and must pay the Investigating Experts' reasonable costs on demand by the Noteholder; and
- (b) authorises the disclosure to the Noteholder and its advisers of all information and documentation directly related to that investigation.

11. Note Certificates

11.1 Issue of Note Certificate

The Company must issue a Note Certificate to:

- (a) the Noteholder on the Issue Date; and
- (b) subsequently and subject to the Terms, any other Noteholder registered in the Register as the holder of that Convertible Note, within five (5) Business Days after the day on which the Company receives a valid transfer form which is substantially in the form as annexed in Schedule 3 of this Deed.

11.2 Replacement of Note Certificates

- (a) If any Note Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the registered office of the Company upon payment by the claimant of the reasonable expenses incurred in connection therewith.
- (b) Mutilated or defaced Note Certificates in the possession or control of the Noteholder must be surrendered before replacements will be issued.

11.3 Note conditions

The terms of this Deed are deemed to be included or endorsed on the Note Certificate.

12. Discharge and release

The Company is immediately discharged and released from its liabilities, obligations and undertakings for the Convertible Note, if the Convertible Note has been wholly Redeemed or Converted

13. Amendment

No terms of this Deed (including any Schedule to this Deed) may be amended, altered, added or deleted unless documented by an instrument executed by the parties.

14. Confidential Information

14.1 Disclosure of Confidential Information

Each party must keep the Confidential Information confidential and not disclose it or allow it to be disclosed to any third party, excluding legal, financial and tax advisors except:

- (a) as contemplated by clause 15.6;
- (b) in the case of the Noteholder making disclosure to its unitholders and/or investors;
- (c) with the prior written consent of the Company (in the case of Confidential Information belonging to the Company) or the Noteholder (in the case of Confidential Information belonging to the Noteholder); or
- (d) if it is required to do so by law, a Government Agency or a stock exchange.

14.2 Disclosure by recipient of Confidential Information

Any party disclosing information under clause 14.1 must use all reasonable endeavours to ensure that any person receiving Confidential Information from it keeps the information confidential, consistent with that party's confidentiality obligations in this clause 14.

14.3 Excluded Information

Clauses 14.1 and 14.2 do not apply to the Excluded Information.

14.4 Prior notification of disclosure

If a party wishes to disclose any Confidential Information not relating to it, that party must notify the party of which the Confidential Information is in respect to, of the proposed disclosure as far in advance as practicable and consult with the party of which the Confidential Information is in respect to as to the content of any such disclosure as far as reasonably possible.

14.5 Announcements or releases

A party may not make press or other announcements or releases relating to the negotiations of the parties in relation to or the terms or subject matter of or existence of this Deed without the prior written approval of the other party to the form and manner of the announcement or release unless and to the extent that disclosure is required to be made by a party by law, a Government Agency, the ASX Listing Rules or a stock exchange. The disclosing party must, as far as reasonably possible, consult with the other party as to the content of any such announcement or release.

14.6 Disclaimers

To the extent that any Confidential Information is provided to a party with an accompanying disclaimer, the party receiving that information acknowledges that it has received that information strictly on the basis of that disclaimer.

14.7 Obligations continue

The rights and obligations of a party under this clause 14 with respect to confidentiality continue to apply to that party even after it ceases to be a party to this Deed.

15. Notices and other communications

15.1 Form

Unless expressly stated otherwise in this Deed, all notices (including any notice of meeting for a meeting of Noteholders), certificates, consents, approvals, waivers and other communications in connection with this Deed must be:

- For personal use only
- (a) in writing and in legible English, signed by or on behalf of the party giving it (and in the case of emails, they are taken to be signed by the named sender); and
 - (b) addressed to the party to whom it is to be given (and in the case of emails, stating the name of the sender and the party that the sender represents).

15.2 Delivery

Notices must be:

- (a) left at the address;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address;
- (c) sent by email to the email address,

referred to in the Details (if sent to the Company) or in the Register (if sent to the Noteholder). If the intended recipient has notified changed contact details, then Notices must be sent to the changed contact details.

15.3 When effective

Notices take effect from the time they are received or taken to be received under clause 8.4 ("When taken to be received") (whichever happens first) unless a later time is specified in the Notice.

15.4 When taken to be received

Notices are taken to be received:

- (a) if it is left at the address, on its delivery to the relevant party;
- (b) if sent by post, 3 days after posting (or 7 days after posting if sent from one country to another); or
- (c) if sent by email:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,whichever happens first.

15.5 Receipt outside business hours

Despite anything else in this clause 15, if Notices are received or taken to be received under clause 15.4 ("When taken to be received") after 5.00pm on a Business Day or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day. For the purposes of this clause, the place in the definition of Business Day is taken to be the place specified in the Details as the address of the recipient and the time of receipt is the time in that place.

15.6 Provision to Arranger

Subject to any restrictions on such disclosure by laws, the Company and Noteholder must ensure that any documents, correspondence or Notices received or issued under this Deed are promptly provided to the Arranger at the same time of issue and receipt of that Notice. The Arranger's email address for service is managers@reachmarkets.com.au.

16. General

16.1 Electronic Exchange steps

The parties agree that Electronic Exchange may be conducted in respect of this Deed, or Completion, by:

- For personal use only
- (a) the exchange by email, to the email address as stated in the Details, of scanned copies of signed documents by each party, together with scanned copies of any authorisations (or relevant extracts of authorisations); and
 - (b) each party is taken to warrant that the scanned copies are true, complete and authentic copies of the signed documents and authorisations (or extracts); and
 - (c) unless otherwise agreed, each party will provide original executed documents (or counterparts, as the case may be) to the other party within ten (10) Business Days after Completion.

16.2 **Costs and expenses**

The Company shall pay the Noteholder's own costs in connection with the negotiation, preparation and execution of this Deed up to the Legal Cap.

16.3 **Electronic Execution**

- (a) In this clause, '**Electronic Transaction Law**' means each of the Electronic Transactions Act 2000 (NSW), the Electronic Transactions Act 1999 (Cth) and the Corporations Act 2001 (Cth) (as modified by the Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth)).
- (b) The parties agree that, for the purposes of the Electronic Transaction Law:
 - (i) this Deed may be validly created and exchanged by counterparts bearing an electronic signature of a party or, where applicable, a witness; and
 - (ii) the DocuSign platform is as reliable as appropriate in light of all the circumstances, for the purposes of execution of this Deed.
- (c) The parties intend that any soft copy so electronically signed will constitute an executed original counterpart, and any print-out of the copy with the relevant signatures appearing will also constitute an executed original counterpart.
- (d) This Deed shall not be challenged or denied any legal effect, validity or enforceability solely on the ground that it is in the form of an electronic record.
- (e) If this Deed has been signed electronically, each signatory on behalf of a party which is a corporation consents to the electronic execution of this Agreement under section 127(1) of the Corporations Act 2001 (Cth) (as modified by Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth)) and confirms that they hold the position named at their electronic signature.

16.4 **Partial exercising of rights**

Unless this Deed expressly states otherwise, if a party does not exercise a right, power or remedy in connection with this Deed fully or at a given time, that party may still exercise that right, power or remedy in connection with this Deed at a later time.

16.5 **Remedies cumulative**

Any right, power and remedy a party may have under this Deed is in addition to other rights and remedies given by law to that party independently of this Deed.

16.6 **Severability**

If the whole or any part of a provision of this Deed is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this Deed has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this Deed or is contrary to public policy.

16.7 **Assignment or novation**

- (a) The Company must not assign or novate all or any of its rights, benefits and obligations under this Deed.
- (b) The Noteholder may only assign or novate all or any of its rights and benefits under this Deed:
 - (i) on the same terms and subject to the same conditions as apply to the transfer of a Convertible Note as set out in the Terms; and
 - (ii) after first complying with the obligations under Term 7.1 of the Terms.

16.8 **Entire agreement**

This Deed constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

16.9 **Governing law and jurisdiction**

The law in force in Victoria, Australia governs this Deed. The parties submit to the non-exclusive jurisdiction of the courts of Victoria, Australia.

17. **Limitation of Liability**

17.1 **Trust**

The Trustee enters into this Deed only in its capacity as trustee of the Trust and in no other capacity.

17.2 **Limitation of liability**

Subject to clause 17.4, a liability of the Trustee arising under or in connection with this Deed is strictly limited to the extent to which (and can be enforced against the Trustee only to the extent to which) it can be satisfied out of the assets of the Trust out of which the Trustee is actually indemnified for the liability. Subject to clause 17.4, this limitation of the Trustee's liability applies despite any other provision of this Deed and extends to all liabilities and obligations of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this Deed.

17.3 **Claims against the Trustee**

A party may not sue the Trustee in any capacity other than as trustee of the Trust, including seeking the appointment of a receiver (except in relation to the assets of the Trust), a liquidator, an administrator or any similar person to the Trustee or prove in any liquidation, administration or arrangement of or affecting the Trustee (except in relation to the assets of the Trust).

17.4 **Exceptions to limitation**

The provisions of this clause shall not apply to any obligation or liability of the Trustee to the extent that it is not satisfied because under the trust deed establishing the Trust, or by operation of law, there is a reduction in the extent of the Trustee's indemnification out of the assets of the Trust, as a result of the Trustee's fraud, negligence, wilful misconduct, breach of trust or breach of duty.

17.5 **Definitions**

In this clause:

- (a) **Trust** means the Wholesale Holdings PHL Trust, established by deed with the Trustee dated 1 July 2022; and
- (b) **Trustee** means Wholesale Holdings Pty Ltd ACN 644 053 798.

Schedule 1 Convertible Note Terms

1. General terms of issues

1.1 General terms

The Convertible Note:

- (a) has been issued for the Principal Amount, as specified in the Register;
- (b) is interest bearing, as set out in Term 4 to this schedule (**Interest**);
- (c) is Convertible into Ordinary Shares in accordance with the provisions of Term 5 to this schedule (**Conversion**);
- (d) is Redeemable in accordance with the provisions of Term 6 to this schedule (**Redemption**);
- (e) is not transferrable, except in accordance with the provisions of Term 7 of this schedule (**Transfer of Convertible Note**); and
- (f) otherwise entitles its holder to the rights set out in, and is otherwise subject to, the provisions of this Deed.

1.2 No shareholder rights

Subject to law, prior to Conversion, a Convertible Note shall not confer on the Noteholder any:

- (a) beneficial entitlement to, or interest in, any Ordinary Share;
- (b) right to vote at a meeting of members of the Company;
- (c) beneficial or other right to be paid or credited a dividend or any other right to participate in a distribution of profits of the Company;
- (d) proprietary interest in any asset or cash flow of the Company; or
- (e) right to participate in any additional issuance of the Ordinary Shares, including any rights issue or bonus share issue.

1.3 Property in Convertible Note

The property in a Convertible Note for which any Note Certificate is issued is to be regarded for all purposes as situated where the Register is located.

2. Potential Exit Event

2.1 Exit Event

If the Company proposes to undertake an Exit Event, the Noteholder must, to the extent permitted by law, do all acts, matters and things within its power and execute any document as is reasonably required by the Company with respect to the Convertible Note held by the Noteholder to ensure that the Exit Event and/or such other action is effected or completed as soon as possible, including providing any reasonable appropriate consents, approvals or agreements to facilitate the Exit Event with respect to the Convertible Note held by the Noteholder.

2.2 Mandatory conversion or redemption on an Exit Event

- (a) The Convertible Note must be Converted into Ordinary Shares and/or Redeemed immediately prior to the completion of an Exit Event.
- (b) The Noteholder will make the election as to whether the Convertible Note will be Converted (or partially Converted) into Ordinary Shares or Redeemed (or partially Redeemed in accordance with Term, if applicable).

- (c) If the Noteholder does not make an election by ten (10) Business Days before the completion of an Exit Event (or such later time nominated by the Company) then the Noteholder will be deemed to have elected to Redeem the Convertible Note.
- (d) For the avoidance of doubt, the Conversion and/or Redemption will not occur if the relevant Exit Event is terminated or otherwise does not complete for any reason.

3. Company's undertakings

3.1 No additional indebtedness

Until the full Redemption or full Conversion of the Convertible Note in accordance with this Deed, the Company must not create, incur or agree to create or incur, any additional indebtedness, except where the additional indebtedness:

- (a) is a Permitted Debt;
- (b) is for the purpose of repaying the Outstanding Amount; or
- (c) is approved by the Noteholder in writing.

3.2 No distributions

Until the full Redemption or Conversion of the Convertible Note in accordance with this Deed, the Company will not declare or pay any dividend or make any other distributions.

3.3 Confidential quarterly reporting

- (a) The Company must provide quarterly updates to the Noteholder including without limitation, financial statements or reports, trading metrics or any other relevant information, provided that:
- (i) this will be on a strictly confidential basis; and
- (ii) no such information will be further disclosed by the Noteholder to any person except:
- (1) to the Noteholder's representatives or professional advisers for the purposes in connection with this Deed;
- (2) with the consent of the Company; or
- (3) if the Noteholder is required to do so by law, a stock exchange or any authority.
- (b) In addition to Term 3.3(a) above, quarterly meeting may be arranged by the Company and the Noteholder, to be conducted either in person or via audio-visual link.
- (c) For the avoidance of any doubt, the Company is not required to provide any such report where it would result in the Company being deemed to be selectively briefing the Noteholder, contrary to the relevant regulatory guidance.

4. Interest

4.1 Accrual

- (a) Subject to Term 4.1(e) and Term 6.3 of this schedule, interest on the Convertible Note accrues daily, without compounding, on the Outstanding Amount at the Interest Rate from Completion to (and including) the day prior to the Conversion or Redemption of the entirety of the Convertible Note (as the case may be) ("**Interest**").
- (b) All interest under this Deed shall be calculated on the basis of a 365-day year.

- (c) Interest will be paid by the Company to the Noteholder in Immediately Available Funds in arrears on each Interest Payment Date subject to the following
- (i) 50% of the Interest due will be payable on each Interest Payment Date in arrears; and
 - (ii) 50% of the Interest due will be accrued, deferred and payable on occurrence of any of the following:
 - (1) Conversion of the Convertible Note (with such deferred interest being applied to the extent of the Conversion);
 - (2) Redemption of the Convertible Note (with such deferred interest being payable to the extent of the Redemption); and
 - (3) the Maturity Date (with such deferred interest being payable in full).
- (d) For the avoidance of doubt, Interest may accrue until the Maturity Date, but Penalty Interest under Term 6.3 will accrue from the Maturity Date.
- (e) Where the Company is in Default under this Deed and the Noteholder can exercise rights under clause 10.2, the Interest Rate will be increased to 20% per annum for the period whilst the Default is subsisting until the Default has been remedied to the satisfaction of the Noteholder. There will be no double-counting of interest under this term and Term 6.3.

4.2 Payment on Conversion or Redemption

Subject to, and upon, Conversion or Redemption of the Convertible Note in its entirety, the Company is deemed to have paid all accrued Interest on the Convertible Note to the Noteholder under Term 4.1 (**Accrual**).

4.3 Payment of Interest

All Interest under this Deed will be paid by the Company to the Noteholder by payment to the Noteholder Account.

5. Conversion

5.1 General

The Convertible Note will convert in accordance with this clause 5.

5.2 Notice to Company prior to Maturity Date

- (a) Subject to Term 5.12, the Convertible Note (or part thereof) must be Converted into Ordinary Shares on the date that is two (2) Business Days after the Noteholder issues a notice to the Company stating that the Noteholder elects to Convert that part of the Convertible Note and the extent of the Outstanding Amount and accrued but unpaid Interest that the Noteholder wishes to apply to the Conversion (**Conversion Notice**).
- (b) Except where Term 5.12 or clause 10.2 applies, each Conversion Notice must be issued before the Maturity Date and must be for an amount no less than \$300,000.00 unless the balance is less than \$300,000 in which case, for the balance.
- (c) Once the Noteholder issues a Conversion Notice, the Company is not entitled to Redeem the part of the Convertible Note that is subject of the Conversion Notice (or issue a notice under Term 6.1(c) for that part of the Convertible Note).

5.3 Conversion

- (a) Subject to the application of the takeover provisions set out in Term 5.12, if the Convertible Note (or part thereof) is to be Converted into Ordinary Shares, the total

number of new Ordinary Shares into which the Convertible Note (or part thereof) shall be calculated in accordance with the following formula (**Converted Shares**):

$$N = A / B$$

where, for the purpose of this Term 5.3:

N = the total number of Converted Shares in the Company, which shall be rounded down to the nearest whole number

A = the Outstanding Amount to be applied in the Conversion plus the higher of:

- (i) any accrued but unpaid Interest on the Convertible Note, including deferred Interest in accordance with Term 4.1(c)(ii), to be applied in the Conversion up to the day prior to that Conversion Date, including Interest not yet payable; or
- (ii) an amount equivalent to twelve (12) months accrued Interest under this Deed on the Convertible Note to be applied in the Conversion, less the total of all Interest paid on that part of the Convertible Note.

B = the Conversion Price calculated using the following formula:

0.8 x 30-day Volume Weighted Average Price of the Company's share price (as adjusted for any subdivision, consolidation or reorganisation of capital) calculated as at the date of issue of the Conversion Notice,

provided always that if such calculation yields an amount:

- (i) less than \$0.03, the Conversion Price shall fixed at \$0.03; and
- (ii) greater than \$0.07, the Conversion Price shall be fixed at \$0.07.

(b) Except where Term 5.12 applies, subject to, and upon Conversion:

- (i) the Company is deemed to have Converted that part of Convertible Note for an amount equal to the Outstanding Amount (plus accrued but unpaid Interest) applied as part of the Conversion;
- (ii) the Noteholder is deemed to have subscribed for the Converted Shares for the aggregate amount in sub-paragraph (i), and at the issue price per Converted Share of the Conversion Price;
- (iii) the issue of the Converted Shares is taken to satisfy the Company's obligation to pay that portion of the Principal Amount together with any accrued and outstanding Interest that was part of the Conversion;
- (iv) the Company may retain the amount of any rounding under paragraph (a) (being any difference between A and the amount which is N x B (being less than the issue price for one Converted Share));
- (v) the remainder of the Convertible Note that has not been Converted will remain subsisting and held by the Noteholder subject to this Deed.

5.4 Issue of Converted Shares

On each Conversion Date, the Company must issue the Converted Shares in respect of the Convertible Note to the extent Converted, to the Noteholder.

5.5 Converted Shares

Converted Shares issued on each Conversion Date will be issued, as at that date:

- (a) free from Encumbrances, pre-emptive and other third party rights other than any restrictions resulting from any escrow requirement from the relevant stock exchange; and
- (b) fully paid and ranking equally in all respects (including right to participate in a distribution of profits of the Company), and constituting one class, with the other Ordinary Shares on issue at that Conversion Date.

5.6 Acknowledgement

If not already a member of the Company, the Noteholder acknowledges and agrees that upon the issue to it of Converted Shares pursuant to this Term 5, it will be a member of the Company and will be bound by the constitution of the Company as in force from time to time.

5.7 Cancellation

Upon the issue of Converted Shares pursuant to the Conversion of Convertible Note:

- (a) the Convertible Note will be cancelled only to the extent of the Conversion and is taken to have been Converted to that extent;
- (b) the Register will be updated to record the extent of the Conversion and the cancellation of that part of the Convertible Note;
- (c) the Convertible Note may not be reinstated to the extent of cancellation under this clause;
- (d) the Company will be fully released from all obligations and liabilities in connection with the cancelled part of the Convertible Note;
- (e) the remainder of the Convertible Note that has not been Converted will remain subsisting and held by the Noteholder subject to this Deed.

5.8 Partial Exercise or Repayment

The Noteholder may:

- (a) partially Redeem the Convertible Note only:
 - (i) upon the occurrence of an event of default as set out in Term 6.1(b); or
 - (ii) otherwise in accordance with Term 2.2 or Term 5.12; and
- (b) partially Convert the Convertible Note at any time, provided that Redemption has not already occurred and otherwise subject to the terms of this Deed.

5.9 No Dealing

The Noteholder acknowledges that following issue of any Converted Shares, there may be escrow restrictions imposed by the ASX. As such, the Noteholder must not transfer or dispose of all or any part of, or transfer, dispose of or grant any right or interest in, the Converted Shares that it holds that are subject to any such restrictions.

5.10 Reorganisation of Capital

In the event that a reorganisation of capital occurs in respect of the Company (including any share subdivision or share consolidation), then rights of the Noteholder shall be altered to the extent necessary in order to comply with any ASX Listing Rule applicable to a reorganisation of capital as at the time of the Company's reorganisation.

5.11 Nomination

Notwithstanding any provision to the contrary, the Noteholder may nominate a third-party or its own unitholder(s) (**Nominee**) to receive Converted Shares in accordance with this Deed. Any nomination of a Nominee must be notified by the Noteholder to the Company before the issue of the Converted Shares.

5.12 Takeover Restrictions

- (a) Notwithstanding any other provision in this Deed, if section 606 of the Corporations Act applies to the Company and the Noteholder notifies the Company that it intends to Convert the Convertible Note (**Notice**) and such Conversion would result in the Noteholder (together with their Associates) acquiring a Relevant Interest in 20% or more of the Shares in the Company (**Threshold**) then:
 - (i) if the Notice is given within 60 Business Days before the Maturity Date (**Election Period**), the Noteholder must make an election at its discretion in accordance with subclause (d) (**Election**) as to how the Noteholder wishes to deal with that

part of the Convertible Note which, if Converted, would cause the Threshold to be exceeded (**Surplus Note**); or

- (ii) if the Notice is given prior to the commencement of the Election Period, the Company must convene a general meeting to seek approval from the shareholders of the Company in accordance with section 611 of the Corporations Act (**Shareholder Approval**).
- (b) For the avoidance of any doubt, the balance of the Convertible Note which would not exceed the Threshold (if any) will be Converted in accordance with the terms of this Deed.
- (c) If Shareholder Approval:
- (i) is obtained, the Convertible Note will Convert to Shares in accordance with terms of the Shareholder Approval granted; and
 - (ii) is not obtained for any reason, the Noteholder must make an Election at its discretion in accordance with subclause (d) as to how the Noteholder wishes to deal with the Surplus Note.
- (d) Where Shareholder Approval is not obtained or where Term 5.12(a)(i) applies, then within ten (10) Business Days after the general meeting being convened (**Election Date**) the Noteholder must make an Election in writing to the Company as to whether it wishes to either:
- (i) Redeem the Surplus Note in accordance with Term 6;
 - (ii) continue to hold the Surplus Note until the Maturity Date (**Hold**); or
 - (iii) vary the Surplus Note (**Vary**) so that, from the Election Date:
 - (1) the term of the Surplus Notes is extended by 3 years; and
 - (2) interest accrues on the Surplus Notes in accordance with Term 4.
- (e) In the event the Noteholder elects to Hold or Vary the Surplus Note:
- (i) the Company must cancel the certificate relating to the Converted part of the Convertible Note and issue a new certificate for the Surplus Note; and
 - (ii) this Deed otherwise continues to apply to the Surplus Note, where references to the Convertible Note will be deemed to be the Surplus Note; and
 - (iii) the Noteholder is at liberty to Convert or Redeem the Surplus Note in accordance with this Deed provided always that Term 5.12 will apply in respect of any Conversion.

6. Redemption

6.1 Redemption

Subject to any Conversion or early Redemption in accordance with this Deed:

- (a) the outstanding Convertible Note will be Redeemed on the Maturity Date;
- (b) where the Noteholder has issued a notice to the Company under clause 10.2 of this Deed, under Term 2.2 or under Term 5.12 requiring Redemption of the Convertible Note (or part thereof) and advising of the extent of the Outstanding Amount and accrued but unpaid Interest that the Noteholder wishes to apply to the Redemption, the Convertible Note will be Redeemed to the extent requested by the Noteholder;
- (c) where:

- (i) the Company issues a notice to the Noteholder that it intends to Redeem the Convertible Note (and the extent of the Redemption) (**Redemption Intention Notice**) provided that a Redemption Notice must be in an amount equal to or in excess of \$300,000.00 unless the balance is less than \$300,000 in which case, for the balance; and
- (ii) the Noteholder has failed to respond to the Redemption Intention Notice within five (5) Business Days of receipt notifying the Company in writing that it:
 - (A) does not consent to the proposed Redemption of the Convertible Note; and
 - (B) elects to Convert the Convertible Note to the same or lesser extent specified in the Redemption Intention Notice (such notice is taken to be a conversion notice under Term 5.1),

the Convertible Note will be Redeemed by the Company on the 8th Business Day after service of the Redemption Intention Notice:

- (C) if no notice is issued by the Noteholder under Term 6.1(c)(ii) in response, to the extent specified in the Redemption Intention Notice; or
- (D) if a notice is issued by the Noteholder under Term 6.1(c)(ii) in response, to the extent that the Noteholder has not elected to Convert that part of the Convertible Note specified in the Redemption Intention Notice,

(each a **Redemption Date**).

6.2 Redemption Amount

On each Redemption Date, upon the Redemption of a Convertible Note (or part thereof), the Company will pay the Noteholder an amount equal to (**Redemption Amount**):

$C + D + E$

where, for the purposes of this Term 6.3:

C = the Outstanding Amount (or where there is a partial Redemption, the Outstanding Amount to be applied as part of the Redemption).

D = either:

- (a) if Redeemed within 12 months of the Issue Date and where the Company has Redeemed under Term 6.1(c) or Term 6.1(b) because a Default has occurred, an amount equivalent to twelve (12) months accrued Interest under this Deed on the Convertible Note to be applied in the Redemption, less the total of all Interest paid on that part of the Convertible Note; or
- (b) if Redeemed in any other circumstance, any accrued but unpaid Interest under this Deed on the part of the Convertible Note being Redeemed up to the day prior to that Redemption Date (but no later than the day prior to the Maturity Date).

E = the amount determined in accordance with Term 6.3 below, if applicable.

6.3 Redemption Fee

Where the Convertible Note (or part thereof) is being redeemed under Term 6.1(b) or 6.1(c), on the relevant Redemption Date of the Convertible Note (or part thereof), the Company will pay the Noteholder a fee equal to 10% of the Outstanding Amount attributable to the portion of the Convertible Note being redeemed by the Company on the relevant Redemption Date.

6.4 Penalty Interest

If the Convertible Note has not been Converted or Redeemed in full by the Maturity Date, interest will accrue on the applicable Redemption Amount (or any unpaid portion) at a rate of 20% per annum, calculated daily and compounding monthly (**Penalty Interest**), from the Maturity Date to the date when full payment of the Redemption Amount (including any accrued

Interest and together with any additional accrued Penalty Interest) is received by the Noteholder.

6.5 Cancellation of Convertible Note

Upon the full payment of the Redemption Amount (including any applicable Penalty Interest) in accordance with this Term 6:

- (a) the Convertible Note will be cancelled only to the extent of the Redemption and is taken to have been Redeemed to that extent;
- (b) the Register will be updated to record the Redemption and the cancellation of that part of the Convertible Note;
- (c) the Convertible Note may not be reinstated to the extent of the cancellation under this clause;
- (d) the Company will be released from all obligations and liabilities in connection with the cancelled part of the Convertible Note;
- (e) the remainder of the Convertible Note that has not been Redeemed will remain subsisting and held by the Noteholder subject to this Deed.

7. Transfer of Convertible Note

7.1 Transfer

The Noteholder may transfer or dispose of all or any part of, or transfer, dispose of or grant any right or interest in, the Convertible Note that it holds, provided that the transfer, disposal or grant is to an investor who confirms that they are an Exempt Investor and that the transfer or disposal is exempt from any disclosure, registration or filing requirements under any applicable foreign laws.

7.2 Valid transfer

A transfer, disposal or grant of any right, title or interest in a Convertible Note is only a valid transfer under this Deed if it is in compliance with Term 7.1. A Transfer Form is only a valid Transfer Form in respect of a valid transfer.

7.3 Recording valid transfers

Subject to Terms 7.1 and 7.2, and payment of any applicable stamp duty or transaction taxes (for which the Company will not be liable), the Company must promptly accept an application contained in a valid Transfer Form by making an entry in the Register recording the transfer of the relevant Convertible Note.

7.4 Invalid transfer

The Company is not obliged to record or register any transfer, grant or disposal that is in breach of Term 7.1, and any right, entitlement or benefit under this Deed in respect of the Convertible Note that is subject of such transfer, grant or disposal, will be suspended until the breach is rectified.

7.5 Registration

- (a) Upon an entry of a valid transfer being made in the Register, the Company and the Noteholder must recognise the valid transferee as the registered owner of the relevant Convertible Note and as being entitled to all rights vested in Noteholder under this Deed from that time.
- (b) A transferor will for all purposes be, and will be deemed to be, the registered owner of the relevant Convertible Note until an entry is made in the Register recording the transfer, the name and address of the transferee and the other matters required to be entered into the Register by the Company from time to time.

8. Payments

8.1 Manner of payment to the Noteholder

Any money payable in cash in respect of a Convertible Note must be paid in Australian dollars by:

- (a) Immediately Available Funds into the bank account nominated by the Noteholder in writing from time to time (or by cheque mailed to the registered address of the Noteholder if the Noteholder has failed to provide details of a registered account); or
- (b) any method requested by the Noteholder.

For the purpose of making payments to the Noteholder, any fraction of a cent will be disregarded. The Company will not be obliged to make any single payment to the Noteholder under this Deed of an amount of less than \$1.00 (**Incidental Amount**), and the Noteholder will be taken to have directed the Company to retain any Incidental Amount.

8.2 Withholding tax

- (a) All payments or credits to, or to the account of the Noteholder, will be made net of any Taxes in respect thereof required by law to be withheld, deducted or paid by the Company except to the extent that the Company (acting reasonably) is satisfied that the Noteholder is exempt from any such Tax or is a person in respect of whom any such withholding, deduction or payment is not required to be made. Any Noteholder claiming any such exemption or to be such a person must provide the Company with such evidence as the Company may from time to time require to satisfy itself (acting reasonably) as to the validity of such claim.
- (b) If a law requires the Company to deduct an amount in respect of Taxes from a payment under this Deed such that the Noteholder would not actually receive on the due date the full amount provided for under this Deed, then the Company agrees to:
 - (i) deduct the amount for the Taxes; and
 - (ii) pay to the relevant authority an amount equal to the amount deducted in accordance with applicable law and give the original receipt received from the relevant authority to the Noteholder.

Schedule 2 Form of Note Certificate

**Propell Holdings Ltd ACN 614 837 099 (Company)
Note Certificate No. [X]**

Noteholder:	[X]
Issue Date:	[insert]
Principal Amount of Convertible Note:	AUD\$[X]
Total amount paid for Convertible Note:	AUD\$[X]
Maturity Date:	[insert] subject to the terms of the Convertible Note Deed

The Convertible Note is issued under a Convertible Note Deed dated insert (**Convertible Note Deed**) executed by the Company and the Noteholder. The rights and obligations of the Noteholder and the Company are subject to the terms and conditions of the Convertible Note Deed (including its schedules). Capitalised terms used in this notice have the meaning given to them in the Convertible Note Deed. Any transfer, grant or disposal of any right, title or interest in the Convertible Note is subject to the terms of the Convertible Note Deed.

Dated:

Executed as a deed poll
EXECUTED by **Propell Holdings Ltd ACN 614 837 099** in accordance with section 127(1) of the Corporations Act 2001 (Cth):

Signature of Director

Signature of Director/Secretary

Name of Director (*please print*)

Name of Director/Secretary (*please print*)

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Schedule 3 Transfer Form

To: The Directors
Propell Holdings Ltd ACN 614 837 099 (**Company**)
Level 2, 307 Queens Street,
Brisbane, QLD, 4000

TRANSFER FORM

In respect of Convertible Note issued by the Company under a Convertible Note Deed executed by the Company and the Noteholder dated [X] 2021 (**Convertible Note Deed**). This is a Transfer Form for the purposes of the Convertible Note Deed. Capitalised terms defined in the Convertible Note Deed have the same meaning in this transfer form unless the contrary intention appears.

Transferred Convertible Note [insert number of Convertible Note] (with the Principal Amount of \$[X]) issued under the terms of the Convertible Note Deed.

Transferor [insert name of transferor] [insert address of transferor]

Transferee [insert name of transferee] [insert address of transferee]

Date of transfer / / 20

Registration request Please register the transfer of the Transferred Convertible Note from the Transferor to the Transferee, in the Register.

- 1. The Transferor warrants that:
 - (a) it is the registered holder of the Transferred Convertible Note; and
 - (b) it is legally authorised to transfer the Transferred Convertible Note to the Transferee; and
 - (c) the transfer to the Transferee is a valid transfer, conducted in compliance with the restrictions in terms of the Transferred Convertible Note.
- 2. The Transferee:
 - (a) warrants that it is an Exempt Investor;
 - (b) agrees to accept the transfer of the Transferred Convertible Note;
 - (c) acknowledges that it accepts the transfer on condition that it is bound by the terms of the Convertible Note Deed upon being registered as the holder of the Transferred Convertible Note.

EXECUTED by [X]

in accordance with section 127(1) of the Corporations Act 2001 (Cth):

Signature of Director

Signature of Director/Secretary

Name of Director (*please print*)

Name of Director/Secretary (*please print*)

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EXECUTED by [X]

in accordance with section 127(1) of the Corporations Act 2001 (Cth):

Signature of Director

Signature of Director/Secretary

Name of Director (*please print*)

Name of Director/Secretary (*please print*)

Instructions:

- 1. This Transfer Form should be lodged at the Company's registered office.
- 2. In case of joint Noteholders, the Noteholder must sign. If there is insufficient space on this form, please attach a separate page containing the name, address and signature of the Noteholder.
- 3. If this form has been signed by an attorney and the relevant power of attorney has not already been produced to the Company, such power of attorney must be forwarded with this form for noting and return.

For personal use only

Schedule 4 – Bonus Option Terms

Each Bonus Option entitles the holder (**Bonus Option Holder**) to subscribe for and be issued one fully paid ordinary shares (**Share**) in Propell Holdings Ltd ACN 614 837 099 (**Company**) on the following terms:

1. Subject to clause 2 and any restrictions imposed by the Australian Securities Exchange (**ASX**), each Bonus Option is exercisable at any time after the date on which the Option is issued (**Issue Date**), until and including their expiry date on the date of 30 September 2024 (**Bonus Option Expiry Date**). Any Bonus Options not exercised by the Bonus Option Expiry Date will automatically lapse on the Bonus Option Expiry Date.
2. The Bonus Options may be exercised for part or all of the Bonus Options issued by the Bonus Option Holder giving written notice in the form set out below (**Bonus Option Notice of Exercise**) to the Company at its registered office prior to the Bonus Option Expiry Date.
3. The exercise price for each Bonus Option (which is payable in cash or readily available funds immediately on exercise) is the price of \$0.08 per Share (**Bonus Option Exercise Price**).
4. On receipt by the Company of the Bonus Option Notice of Exercise and payment of the Bonus Option Exercise Price, the Company must, within 2 Business Days and if the Shares are listed on the ASX within the time period prescribed by the Listing Rules of the ASX (**ASX Listing Rules**):
 - (a) allot to the Bonus Option Holder one (1) ordinary share in the Company for every Bonus Option exercised by the Bonus Option Holder;
 - (b) cause to be despatched to the Bonus Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s; and
 - (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Bonus Options that remain unexercised.
5. Shares allotted on the exercise of Bonus Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of a Bonus Option) and will be subject to the provisions of the Constitution of the Company.
6. The Bonus Options are transferable by a Bonus Option Holder on written notice to the Company, and where the Shares are quoted, in accordance with the ASX Listing Rules, provided that the Bonus Options cannot be transferred or assigned within 12 months after the Issue Date except in accordance with the Corporations Act.
7. If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any Bonus Options, the number of Bonus Options to which each Bonus Option Holder is entitled or the Bonus Option Exercise Price of his or her Bonus Options or both must be reorganised in accordance with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
8. A Bonus Option does not confer the right to participate in new issues of capital offered to holders of Shares (**Rights Entitlement**) during the currency of the Bonus Options without exercising the Bonus Options. However, the Company will use reasonable endeavours to procure that for the purpose of determining Rights Entitlements to any such issue, the Bonus Option Holder is to receive at least 2 business days written notice from the Company of the pending closing or record date and sufficient time for the Bonus Option Holder to exercise the Bonus Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.
9. In the event of the liquidation of the Company, all unexercised Bonus Options will lapse upon the occurrence of that liquidation.

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10. The Bonus Options do not provide any entitlement to dividends paid to ordinary shareholders.
 11. The Bonus Options do not entitle the Bonus Option Holder to vote at any meeting of shareholders.
 12. To the extent (if any) that any of these Bonus Option Terms are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these Bonus Option Terms are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms; and
 13. These Bonus Option Terms are governed by the laws of the State of Victoria. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

Schedule 5– Arranger Option Terms

Each Arranger Option entitles the holder (**Arranger Option Holder**) to subscribe for and be issued one fully paid ordinary share (**Share**) in Propell Holdings Ltd ACN 614 837 099 (**Company**) on the following terms:

1. Subject to clause 2 and any restrictions imposed by the Australian Securities Exchange (**ASX**), each Arranger Option is exercisable at any time after the date which the Arranger Option is issued (**Arranger Option Issue Date**), until and including their expiry date on the date that is three (3) years thereafter (**Arranger Option Expiry Date**). Any Arranger Options not exercised by the Arranger Option Expiry Date will automatically lapse on the Arranger Option Expiry Date.
2. The Arranger Options may be exercised for part or all of the Arranger Options issued by the Arranger Option Holder giving written notice in the form set out below (**Arranger Option Notice of Exercise**) to the Company at its registered office prior to the Arranger Option Expiry Date.
3. The exercise price for each Option (which is payable in cash or readily available funds immediately on exercise) is the price of \$0.10 per Share (**Arranger Option Exercise Price**).
4. On receipt by the Company of the Arranger Option Notice of Exercise and payment of the Arranger Option Exercise Price, the Company must, within 2 Business Days and if the Shares are listed on the ASX within the time period prescribed by the Listing Rules of the ASX (**ASX Listing Rules**):
 - (a) allot to the Arranger Option Holder one Share in the Company for each Arranger Option exercised by the Arranger Option Holder;
 - (b) cause to be despatched to the Arranger Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s; and
 - (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Arranger Options that remain unexercised.
5. Shares allotted on the exercise of Arranger Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an Arranger Option) and will be subject to the provisions of the Constitution of the Company.
6. The Arranger Options are transferable by an Arranger Option Holder on written notice to the Company, and where the Shares are quoted, in accordance with the ASX Listing Rules, provided that the Arranger Options cannot be transferred or assigned within 12 months after the Arranger Option Issue Date except in accordance with the Corporations Act.
7. If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any Arranger Options, the number of Arranger Options to which each Arranger Option Holder is entitled or the Arranger Option Exercise Price of his or her Arranger Options or both must be reorganised in accordance with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
8. An Arranger Option does not confer the right to participate in new issues of capital offered to holders of Shares (**Rights Entitlement**) during the currency of the Arranger Options without exercising the Arranger Options. However, the Company will use reasonable endeavours to procure that for the purpose of determining Rights Entitlements to any such issue, the Arranger Option Holder is to receive at least 2 business days written notice from the Company of the pending closing or record date and sufficient time for the Arranger Option Holder to exercise the Arranger Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.
9. In the event of the liquidation of the Company, all unexercised Arranger Options will lapse upon the occurrence of that liquidation.

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10. The Arranger Options do not provide any entitlement to dividends paid to ordinary shareholders.
 11. The Arranger Options do not entitle the Arranger Option Holder to vote at any meeting of shareholders
 12. To the extent (if any) that any of these Arranger Option Terms are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these Arranger Option Terms are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms; and
 13. These Arranger Option Terms are governed by the laws of the State of Victoria. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

EXECUTION

EXECUTED AS A DEED by **Wholesale Holdings Pty Ltd ACN 644 053 798 ATF PHL Trust** in accordance with section 127(1) of the Corporations Act 2001 (Cth):

Signature of Director

Signature of Director/Secretary

Name of Director *(please print)*

Name of Director/Secretary *(please print)*

EXECUTED AS A DEED by **Propell Holdings Ltd ACN 614 837 099** in accordance with section 127(1) of the Corporations Act 2001 (Cth):

Signature of Director

Signature of Director/Secretary

Name of Director *(please print)*

Name of Director/Secretary *(please print)*

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Proxy, representative and voting entitlement instructions

Proxies and representatives

Members are entitled to appoint a proxy to attend and vote on their behalf. Where a member is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the member may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a member of the Company.

Members who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by electronic mail transmission to the address listed below** not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

By hand:	By post:	Online:	By Fax
Link Market Services Limited Level 12, 680 George Street, Sydney NSW 2000	Propell Holdings Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia	www.linkmarketservices.com.au	+61 2 9287 0309

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

A proxy form is attached to these instructions.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, members will be taken to be those persons who are registered as members at 5pm, the day before the Meeting, being 13 July 2022. Accordingly, members registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

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

Individual: Where the membership is in one name, the member must sign.

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

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Propell Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Propell Holdings Limited and entitled to participate in and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **12:00pm (Brisbane time) on Tuesday, 23 August 2022 at Level 11, 82 Eagle Street, Brisbane QLD 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.


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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification for issue of Shares – Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval for the terms of the Convertible note facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval for the issue of Options to Aitor Capital Management Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Approval for the issue of Options to Managing Director – Mr Michael Davidson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval for the issue of Options to the Lead Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **12:00pm (Brisbane time) on Sunday, 21 August 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Propell Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

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

**IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**