



**sensenetworks**<sup>®</sup>  
Making Cities Smarter

## **Notice of Annual General Meeting & Explanatory Statement**

**SenSen Networks Limited**  
**ACN 121 257 412**

**To be held at:** Computershare, Yarra Falls, 452 Johnston Street, Abbotsford  
Melbourne VIC 3067 Australia

**To be held on:** Wednesday, 31 October 2018

**Commencing:** 10:00 am AEDT

This Notice of Annual General Meeting and Explanatory Statement should be read in their entirety.  
If shareholders are in doubt as to how they should vote, they should seek advice from their  
accountant, solicitor or other professional adviser prior to voting.



## Letter from the Executive Chairman

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Dear Shareholders,

We are pleased to invite you to the Annual General Meeting of SenSen Networks Limited (**Company**).

In addition to customary resolutions, the Directors have called this Annual General Meeting for the purposes of ASX Listing Rules 10.11 and 7.1 and Chapter 2E of the Corporations Act to invite Shareholders to approve the issue of Shares to repay the outstanding loans remaining on the Company's balance sheet payable to David Smith, former directors and the former CFO rather than out of cashflow and to approve the re-election of Ms Heather Scheibenstock and Mr Zenon Pasieczny as Directors.

This Annual General Meeting will also seek approval for a number of updates to the Constitution of the Company, including to approve:

- direct voting provisions; and
- proportional takeover provisions.

All of the Directors entitled to make a recommendation in respect of a particular Resolution recommend that you vote in favour of adopting that Resolution.

With respect to the Annual General Meeting, this booklet contains the following:

- The notice of meeting for the Annual General Meeting which contains information about the business to be conducted at the Annual General Meeting, including the Resolutions to be put to the Annual General Meeting (see Part B);
- Information explaining the business to be conducted at the Annual General Meeting (see the Explanatory Statement at Part D); and
- How to vote, or appoint a proxy to vote on the Resolutions to be passed at the Annual General Meeting (see Part C).

Please read the whole of this booklet carefully as it provides important information on the Annual General Meeting, items of business and the Resolutions that you, as a Shareholder, are being asked to vote on.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary, Mr David Smith, on 03 9417 5368.

By order of the Board

Dated: 7 September 2018



Subhash Challa  
**Executive Chairman**  
**SenSen Networks Limited**

## Important dates

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Despatch of this Notice of Annual General Meeting	30 September 2018
Deadline for lodgement of proxy forms for the Annual General Meeting	10:00am AEDT on 29 October 2018
Annual General Meeting	10:00am AEDT on 31 October 2018
Company notifies ASX that the Resolutions have been passed at the Annual General Meeting	31 October 2018

## Part A – Glossary

<b>\$</b>	Australian dollars.
<b>AEDT</b>	Australian Eastern Daylight Savings Time.
<b>Annual General Meeting</b>	The 2018 annual general meeting of Shareholders.
<b>ASIC</b>	The Australian Securities & Investments Commission.
<b>ASX</b>	The Australian Securities Exchange operated by ASX Limited.
<b>ASX Listing Rules</b>	The listing rules of the ASX.
<b>Board</b>	The board of directors of the Company.
<b>Closely Related Party</b>	<ul style="list-style-type: none"> <li>• a spouse or child of the Shareholder; or</li> <li>• has the meaning given in section 9 of the Corporations Act.</li> </ul>
<b>Company</b>	SenSen Networks Limited ACN 121 257 412.
<b>Constitution</b>	The constitution of the Company.
<b>Director Loan</b>	The outstanding loan plus any payables owed to current Director (David Smith) to the Company, detail of which is provided in <b>paragraph 4</b> of Part D.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Commonwealth) for the time being in force together with the regulations of the Corporations Act.
<b>Directors</b>	The directors of the Company.
<b>Explanatory Statement</b>	The explanatory statement accompanying the Notice of Annual General Meeting and contained in Part D.
<b>Former Officer Loans</b>	The outstanding loans plus any payables owed to former directors, Wayne Mitchell, Wesley Harder, Michael Rhodes, and former CFO, Barry Neal to the Company, detail of which is provided in <b>paragraph 5</b> of Part D.
<b>Glossary</b>	The glossary contained in Part A to this booklet.
<b>Group</b>	The Company and its Subsidiaries.
<b>Key Management Personnel</b>	Has the meaning given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
<b>Notice of Annual General Meeting</b>	The notice of the Annual General Meeting accompanying the Explanatory Statement for the Annual General Meeting and contained in Part B.
<b>Part</b>	A part of this booklet.
<b>Proxy Form</b>	The proxy form accompanying this booklet.
<b>Resolution(s)</b>	The resolution(s) contained in the Notice of Annual General Meeting.
<b>Shareholders</b>	The holders of all shares issued in the Company and <b>Shareholder</b> means any one of them.
<b>Shares</b>	All of the shares on issue in the share capital of the Company and <b>Share</b> means any one of them.
<b>Subsidiaries</b>	Has the meaning given in section 9 of the Corporations Act.

## Part B – Notice of Annual General Meeting

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### Time and place

Notice is hereby given that the Annual General Meeting of the Company will be held as follows:

- Held at Computershare, Yarra Falls, 452 Johnston Street, Abbotsford, Melbourne VIC 3067 Australia.
- Commencing at 10:00am AEDT on Wednesday, 31 October 2018.

### Explanatory Statement

The Explanatory Statement which accompanies and forms part of this Notice of Annual General Meeting describes the matters to be considered at the Annual General Meeting.

### Defined terms

Defined terms used in this Notice of Annual General Meeting have the meanings given to them in the Glossary accompanying this Notice of Annual General Meeting at Part A.

## ORDINARY BUSINESS

### 1. Agenda Item 1 - Financial statements and reports

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To receive and consider the Company's 2018 Annual Report, which comprises the Directors' Report, the Auditor's Report and the Financial Report for the financial year ending 30 June 2018.

### 2. Agenda Item 2 - Resolutions

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#### Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, Shareholders adopt the Remuneration Report for the financial year ended 30 June 2018 as disclosed in the Directors' Report for the year ending 30 June 2018.”*

Please note that the vote on this resolution is advisory only, and does not bind the Directors or the Company.

**Short Explanation:** This Resolution is required as a result of section 250R(2) of the Corporations Act, which requires that a resolution that the Remuneration Report of the Company be adopted must be put to a vote. The vote on this Resolution is advisory only and does not bind the Company.

**Voting exclusion statement:** In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- a member of the Key Management Personnel whose remuneration details are included in the remuneration report; or
- a Closely Related Party of such member.

However, the above persons may cast a vote on this Resolution if:

- the person does so as a proxy; and
- the vote is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the remuneration report or a Closely Related Party of such a member; and
- either:
  - the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
  - the voter is the Chair of the Annual General Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution and expressly authorises the Chair to vote as the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company or, if the Company is part of a consolidated entity, for the entity.

## **Resolution 2: Re-election of Mr Zenon Pasieczny**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That Mr Zenon Pasieczny who retires as a Director of SenSen Networks Limited in accordance with Rules 73.1 and 73.2 of the Constitution and, being eligible and offering himself for re-election, be re-elected as a Director of the Company.”*

**Short Explanation:** This Resolution is required as Rules 73.1 and 73.2 of the Company's Constitution provides that at each annual general meeting of the Company,  $\frac{1}{3}$  of the Directors for the time being or, if that number is not 3 or a multiple 3, then the number nearest to but not exceeding  $\frac{1}{3}$ , must retire from office but no Director may retain office for more than 3 years without submitting themselves for re-election even though the submission results in more than  $\frac{1}{3}$  of the Directors retiring from office.

## **Resolution 3: Re-election of Heather Scheibenstock**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That Ms Heather Scheibenstock who retires as a Director of SenSen Networks Limited in accordance with Rules 69.2 of the Constitution and, being eligible and offering herself for re-election, be re-elected as a Director of the Company.”*

**Short Explanation:**

This Resolution is required as Rule 69.2 of the Company's Constitution, provides that any Director appointed by the Board holds office only until the next annual general meeting of the Company and is then eligible for re-election but is not taken into account in determining the number of Directors who are to retire by rotation at that meeting.

## **Resolution 4: Approval of conversion mechanism in Director Loan and issue of Shares to Mr David Smith on conversion of Director Loan**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, approval be given for the inclusion of the conversion mechanism in the Director Loan between the Company and Mr David Smith such that the Director Loan of \$194,357 becomes a convertible Director Loan, a form of 'equity security' together with the issue of 1,275,827 Shares upon conversion of the convertible Director Loan on the terms and conditions set out in the Explanatory Statement.”*

**Short explanation:**

The inclusion of a conversion mechanism into the Director Loan effectively transforms the Director Loan into a "convertible security", a form of equity security.

Approval under ASX Listing Rule 10.11 is being sought given ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, "equity securities" (which includes Shares) to a related party unless an exception to ASX Listing Rule 10.12 applies. Approval is also required for the purposes of complying with Chapter 2E of the Corporations Act, which governs the giving of a financial benefit to a related party.

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr David Smith or any of his associates.

However, the Company need not disregard a vote cast in favour if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **Resolution 5: Approval of conversion mechanism in Former Officer Loan and issue of Shares to Mr Wesley Harder on conversion of Former Officer Loan**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval be given for the inclusion of the conversion mechanism in the Former Officer Loan between the Company and Mr Wesley Harder such that the Former Officer Loan of \$50,130 becomes a convertible Former Officer Loan, a form of 'equity security' together with the issue of 329,070 Shares upon conversion of the convertible Former Officer Loan on the terms and conditions set out in the Explanatory Statement.”*

### **Short explanation:**

The inclusion of a conversion mechanism into the Former Officer Loan effectively transforms the Former Officer Loan into a "convertible security", a form of equity security.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more "equity securities" (which includes the convertible security and the shares on conversion) during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**Placement Capacity**). Approval under ASX Listing Rule 7.1 is being sought so as not to reduce the Placement Capacity.

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Wesley Harder or any of his associates or a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, the Company need not disregard a vote cast in favour if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **Resolution 6: Approval of conversion mechanism in Former Officer Loan and issue of Shares to Mr Wayne Mitchell on conversion of Former Officer Loan**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval be given for the inclusion of the conversion mechanism in the Former Officer Loan between the Company and Mr Wayne Mitchell such that the Former Officer Loan of \$322,998 becomes a convertible Former Officer Loan, a form of 'equity security' together with the issue of 2,120,272 Shares upon conversion of the convertible Former Officer Loan on the terms and conditions set out in the Explanatory Statement.”*

### **Short explanation:**

The inclusion of a conversion mechanism into the Former Officer Loan effectively transforms the Former Officer Loan into a "convertible security", a form of equity security.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more "equity securities" (which includes the convertible security and the shares on conversion) during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**Placement Capacity**). Approval under ASX Listing Rule 7.1 is being sought so as not to reduce the Placement Capacity.

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by Mr Wayne Mitchell or any of his associates or a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, the Company need not disregard a vote cast in favour if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **Resolution 7: Approval of conversion mechanism in Former Officer Loan and issue of Shares to Mr Michael Rhodes on conversion of Former Officer Loan**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval be given for the inclusion of the conversion mechanism in the Former Officer Loan between the Company and Mr Michael Rhodes such that the Former Officer Loan of \$77,716 becomes a convertible Former Officer Loan, a form of 'equity security' together with the issue of 510,155 Shares upon conversion of the convertible Former Officer Loan on the terms and conditions set out in the Explanatory Statement.”*

### **Short explanation:**

The inclusion of a conversion mechanism into the Former Officer Loan effectively transforms the Former Officer Loan into a "convertible security", a form of equity security.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more "equity securities" (which includes the convertible security and the shares on conversion) during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**Placement Capacity**). Approval under ASX Listing Rule 7.1 is being sought so as not to reduce the Placement Capacity.

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Michael Rhodes or any of his associates or a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, the Company need not disregard a vote cast in favour if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **Resolution 8: Approval of conversion mechanism in Former Officer Loan and issue of Shares to Mr Barry Neal on conversion of Former Officer Loan**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval be given for the inclusion of the conversion mechanism in the Former Officer Loan between the Company and Mr Barry Neal such that the Former Officer Loan of \$86,548 becomes a convertible Former Officer Loan, a form of 'equity security' together with the issue of 568,131 Shares upon conversion of the convertible Former Officer Loan on the terms and conditions set out in the Explanatory Statement.”*

### **Short explanation:**

The inclusion of a conversion mechanism into the Former Officer Loan effectively transforms the Former Officer Loan into a "convertible security", a form of equity security.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more "equity securities" (which includes the convertible security and the shares on conversion) during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**Placement Capacity**). Approval under ASX Listing Rule 7.1 is being sought so as not to reduce the Placement Capacity.

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Barry Neal or any of his associates or a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, the Company need not disregard a vote cast in favour if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 9: Approval for the modification of the Constitution**

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

*“That for the purposes of section 136(2) of the Corporations Act, the Constitution of the Company be modified by making the amendments contained in the document tabled at the Annual General Meeting and signed by the Chairman for the purposes of identification.”*

**Short explanation:** This Resolution is required under section 136(2) of the Corporations Act to approve the amendment of a company's constitution.

The proposed amendments to the Constitution are described in the Explanatory Memorandum accompanying this Notice of Meeting.

### **OTHER BUSINESS**

To transact any other business which may be brought forward in accordance with the Constitution.

## **Part C – How to vote**

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If you are entitled to vote at the Annual General Meeting, you may vote by attending the meeting in person or by attorney, proxy or, in the case of corporate shareholders, corporate representative.

### **1. How to vote**

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You may vote in one of two ways:

- attending the meeting and voting in person (if a corporate shareholder, by representative); or
- voting by proxy (see below on how to vote by proxy).

### **2. Your vote is important**

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

### **3. Corporations**

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To vote at the Annual General Meeting, a Shareholder that is a corporation must appoint an individual to act as its representative. The appointment must comply with section 250D of the Act. The representative should bring to the Annual General Meeting evidence of his or her appointment, including any authority under which it is signed.

Alternatively, a corporation may appoint a proxy.

### **4. Voting in person**

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

### **5. Voting by proxy**

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#### **General**

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

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

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

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed. Further details on these changes are set out below.

### **Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

### **Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

## **6. Eligibility to vote**

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The Directors have determined under Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those that are registered Shareholders at 7:00pm AEDT on 29 October 2018. If you are not the registered holder of a relevant Share at that time you will not be entitled to vote in respect of that Share.

## **7. Voting procedure**

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Every question arising at this Annual General Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Constitution.

On a show of hands, every Shareholder entitled to vote who is present in person or by proxy, representative or attorney, will have one vote. Upon a poll, every person entitled to vote who is present in person or by proxy, representative or attorney will have one vote for each voting share held by that person.

## **8. Enquiries**

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For all enquiries, please contact the Company Secretary, Mr David Smith on (03) 9417 5368 (within Australia) and +61 3 9417 5368 (outside Australia).

## **Part D – Explanatory Statement**

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This Explanatory Statement forms part of the Notice of Annual General Meeting convening the Annual General Meeting of Shareholders of the Company to be held at Computershare, Yarra Falls, 452 Johnston Street, Abbotsford, Melbourne VIC 3067 Australia, commencing at 10:00am AEDT on Wednesday, 31 October 2018.

This Explanatory Statement is to be read in conjunction with the Notice of Annual General Meeting.

### **Purpose**

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

The Directors recommend Shareholders read the Notice of Annual General Meeting and this Explanatory Statement in full before making any decisions relating to the Resolutions contained in the Notice of Annual General Meeting.

### **Defined terms**

Defined terms used in this Explanatory Statement have the meanings given to them in the Glossary accompanying this Explanatory Statement at Part A.

### **Further information**

If you have any queries in respect to any of the matters set out in this booklet, please contact the Company Secretary, Mr David Smith on (03) 9417 5368 (within Australia) and +61 3 9417 5368 (outside Australia).

## **1. Agenda Item 1 – Financial statements and reports**

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### **Purpose of Resolution**

The 2018 Annual Report for the year ending 30 June 2018 includes the Directors' Reports, the Auditor's Report and the Financial Report (which includes the financial statements and directors' declaration).

The Corporations Act requires that the report of the directors, the auditor's report and the financial report be laid before the annual general meeting.

Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's constitution requires a vote of shareholders at the annual general meeting on the 2018 Annual Report.

### **Questions to the Chairman**

Shareholders will be given reasonable opportunity at the meeting to raise questions and make comments on the 2018 Annual Report.

In addition to asking questions at the meeting, shareholders may address written questions to the Chairman about the management of the Company or to the Company's auditor, BDO Audit Pty Ltd, if the question is relevant to:

- the content of the Auditor's Report; or
- the conduct of its audit of the Financial Report to be considered at the Annual General Meeting.

*Note: Under section 250PA(1) Corporations Act a shareholder must submit the question to the Company no later than the fifth business day before the day on which the AGM is held.*

Written questions for the auditor must be delivered by Wednesday, 24 October 2018.

## **2. Resolution 1: Adoption of Remuneration Report**

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### **Purpose of Resolution**

The Remuneration Report of the Company for the financial year ending 30 June 2018 is set out in the Directors' Report contained in the 2018 Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company.

The Corporations Act at section 250R(2) requires that a resolution that the Remuneration Report of the Company be adopted must be put to a vote.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the meeting.

This Resolution is an ordinary resolution.

### **Voting consequences**

In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Company.

However, Part 2G.2, division 9 of the Corporations Act provides that if at least 25% of the votes cast on this Resolution are voted against the adoption of the Remuneration Report at the Annual General Meeting, then:

- if comments are made on the Remuneration Report at the Annual General Meeting, the Company's Remuneration Report for the next financial year will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reason for this; and
- if at the next Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report are against such adoption, the Company will be required to put to Shareholders a resolution proposing that a general meeting be called to consider the election of Directors of the Company (**Spill Resolution**). If a Spill Resolution is passed, all of the Directors, other than the managing director, will cease to hold office at the subsequent general meeting, unless re-elected at that meeting.

### **Voting exclusion and Directors' recommendations**

As set out in the notes to Resolution 1, a voting exclusion statement applies with respect to the voting on this Resolution by certain persons connected to the Company.

The Board recommends that Shareholders vote in favour of adopting the Remuneration Report.

The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 1, subject to compliance with the Corporations Act.

## **3. Resolution 2: Re-election of Zenon Pasieczny**

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### **Purpose of Resolution**

Mr Zenon Pasieczny was elected as a Director of the Company on 29 August 2017.

Zenon Pasieczny retires in accordance with Rule 73.1 and 73.2 of the Constitution, and being eligible, offers himself for re-election as a Director.

This Resolution is an ordinary resolution.

## **The law**

Rule 73.1 and 73.2 of the Company's Constitution provides that at each annual general meeting of the Company,  $\frac{1}{3}$  of the Directors for the time being or, if that number is not 3 or a multiple 3, then the number nearest to but not exceeding  $\frac{1}{3}$ , retire from office but no Director may retain office for more than 3 years without submitting themselves for re-election even though the submission results in more than  $\frac{1}{3}$  of the Directors retiring from office. The Director(s) to retire at an annual general meeting are those that have been longest in office since election. Under Rule 69.2 of the Company's Constitution, the election of a Director (previously appointed by the Board) at the next annual general meeting is not taken into account in determining the number of Directors who are to retire by rotation at that meeting.

ASX Listing Rule 14.4 provides that a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

David Smith was last re-elected as a Director on 30 November 2017 and the balance three directors were appointed as Directors on 29 August 2017.

Given there are five Directors, this means that one Director must retire. As three Directors were appointed on 30 November 2017, one of those three Directors must retire. Given the application of Rule 69.2, Ms Heather Scheibenstock (a Board appointment) is not taken into account in determining the number of Directors who are to retire by rotation at the Annual General Meeting.

In determining which of the three Directors would retire, Rule 73.3 of the Company's Constitution provides that the Director or Directors to retire are determined by lot unless they otherwise agree between or among themselves.

**The Directors have determined that Mr Zenon Pasieczny will retire and stand for re-election.**

### **Director resume**

Mr Pasieczny (MBA, Maastricht School of Management, The Netherlands) is an experienced venture capital investor screening 300+ deals annually and investing in only a handful.

He backed SenSen for its potential as an Australian technology company with innovative and IP-driven solutions, helping it grow from an R & D focused startup to a globally respected industry leader.

Zenon is closely involved in SenSen's strategic marketing and delivery of global communication messages to customers, partners and the media.

He is Director of venture capital firm Saphet Capital Management and Managing Director of The House Family Office providing strategic and commercial advice to select global clients.

### **Directors' recommendations and interests**

The Board (with Zenon Pasieczny abstaining) recommends that shareholders vote in favour of Resolution 2.

The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 2.

## **4. Resolution 3: Re-election of Heather Scheibenstock**

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### **Purpose of Resolution**

Ms Heather Scheibenstock was appointed as a Director of the Company on 7 September 2018.

Heather Scheibenstock retires in accordance with Rule 69.2 of the Constitution, and being eligible, offers herself for re-election as a Director.

This Resolution is an ordinary resolution.

## The law

Under Rule 69.2 of the Company's Constitution, any Director appointed by the Board holds office only until the next annual general meeting of the Company and is then eligible for re-election but is not taken into account in determining the number of Directors who are to retire by rotation at that meeting.

Heather Scheibenstock was elected as a Director by the Board on 7 September 2018 and, as such, must stand down at the Annual General Meeting and stand for re-election.

## Director resume

Heather Scheibenstock GAICD has extensive experience within gaming and hospitality industries specialising in strategic planning, business development, stakeholder engagement and offshore growth.

Heather is an experienced non-executive director across a range of industries and has previously held senior executive roles at Echo Entertainment Ltd and Solaire Resort and Casino (Bloomberry Resorts Corporation).

Heather is currently a non-executive director of Ainsworth Game Technology (ASX:AGI) and Ability Options.

She is a graduate of the Australian Institute of Company Directors, a member of Women on Boards, and currently studying at the Governance Institute of Australia.

Heather is currently Managing Director of Innovation of business, a hospitality consulting company.

## Directors' recommendations and interests

The Board (with Heather Scheibenstock abstaining) recommends that shareholders vote in favour of Resolution 3.

The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 3.

## 5. Resolution 4: Approval of conversion mechanism in Director Loan and issue of Shares to Mr David Smith on conversion of Director Loan

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### Overview and Background

David Smith has an outstanding loan to the Company in the amount of \$194,357 (**Director Loan**).

This Resolution seeks Shareholder approval of a conversion mechanism (**Conversion Mechanism**) such that the Director Loan will become a convertible Director Loan, meaning that \$194,357 of the payment obligation of the Company may be satisfied (at the election of the Company) by way of the issue of Shares in the Company. This amount is net of the relevant PAYG amounts which the company will pay to the ATO.

Under the terms of the Director Loan, the Director Loan can be repaid:

- in cash; or
- subject to shareholder approval, by the issue of Shares in the Company, at the election of the Company's Board.

As detailed in the notice of meeting for the extraordinary general meeting held on 29 August 2017, if the Company's Board wishes to repay the Director Loan by way of the issue of Shares:

- the conversion mechanism and the issue of Shares will be subject to Shareholder approval; and

- the number of Shares to be issued will be calculated by dividing the amount of the Director Loan by the 30-day VWAP of the Company's Shares trading on the ASX.

To conserve cashflow, the SenSen Board (with David Smith abstaining) has resolved that the Company would seek Shareholder approval:

- of the Conversion Mechanism so that the Director Loan becomes a convertible Director Loan; and
- to repay the Director Loan by way of the issue of Shares in the Company to David Smith which will remove that liability from the Company's balance sheet. The number of Shares to be issued on conversion of the Director Loan will be calculated by dividing \$194,357 by \$0.152338 per Share (**Conversion Price**). This Conversion Price is the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.

The Conversion Mechanism allows (at the election of the Company) for 100% of the Director Loan to be repaid by way of the issue of Shares in the Company at a fixed price to David Smith as detailed in the table below:

Name	Total Director Loan	Amount to be Converted - 100%	New Shares to be Issued (@0.152338)	Total Shares held after conversion (assuming Resolution is passed)
David Smith	\$194,357	\$194,357	1,275,827	10,612,015 (this includes his associates)

This Resolution seeks Shareholder approval:

- under ASX Listing Rule 10.11 to approve the Director Loan becoming a convertible Director Loan, (being an 'equity security'), and hence for the issue of an equity security to a related party; and
- under Chapter 2E of the Corporations Act for the provision of a financial benefit to a related party.

## The law

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

#### Overview of the regulatory approval requirements

Shareholder approval under Resolution 4 is required for the purposes of complying with Chapter 2E of the Corporations Act, which governs the giving of financial benefits to related parties.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit (which includes issuing securities) to a related party (which includes a director, controlling entities and entities controlled by other related parties) of the Company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- prior Shareholder approval is obtained for the giving of the financial benefit.

#### Related party

The Corporations Act provides that a director of a public company is a related party of the public company. As such David Smith is a related party of the Company.

## Financial benefit

The Corporations Act provides that the issuing of securities to a related party constitutes a "financial benefit". As such, for the purposes of Chapter 2E of the Corporations Act:

- revising the terms of the Director Loan to include the Conversion Mechanism so that it can be repaid by way of the issue of Shares (i.e. becoming a convertible loan); and
- the issue by the Company of the Shares to David Smith,

will constitute the provision of a financial benefit to David Smith.

While it is arguable that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required given the Conversion Price is the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018, and hence the financial benefit is on terms that would be reasonable in circumstances if the Company and David Smith were dealing at arm's length terms, the Directors have nonetheless decided that for good corporate governance reasons, the financial benefit would be put to Shareholders for approval under Chapter 2E of the Corporations Act.

### **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, "equity securities" to a related party unless an exception to ASX Listing Rule 10.12 applies.

In the event the Shareholders approve the Conversion Mechanism in the Director Loans, this effectively transforms the Director Loans into a "convertible security". A convertible security is a form of equity security.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

In the event Resolution 4 is approved, any Shares issued upon exercise of the Conversion Mechanism in the Director Loans would then fall under Exception 7 to listing rule 10.12 and not require further shareholder approval under Listing Rule 10.11.

### **ASX Listing Rule 7.1**

As approval for the issue of the 'equity securities' to David Smith is being sought under ASX Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

### **Specific information**

Section 219 of the Corporations Act and Listing Rule 10.13 sets out the information that must be included in the notice of meeting provided to Shareholders for the purpose of obtaining shareholder approval under Chapter 2E of the Corporations Act and under Listing Rule 10.11 respectively.

This information is set out below:

<b>Listing Rule 10.13 and Section 219 of the Corporations Act requirements</b>	<b>Information</b>
Identity of the related parties which may receive the financial benefit / equity securities:	The equity securities / financial benefit, by way of the: <ul style="list-style-type: none"><li>• Conversion Mechanism in the Director Loan; and</li><li>• Shares to be issued in repayment of the Director Loan,</li></ul> are being issued to David Smith, a Director of the Company.

<p>Nature and value of the financial benefit:</p>	<p>The proposed issue of Shares to David Smith in satisfaction of the Director Loan constitutes the giving of a financial benefit.</p> <p>Details are provided below:</p> <table border="1" data-bbox="517 241 1374 450"> <thead> <tr> <th data-bbox="517 241 759 376">Related Party</th> <th data-bbox="759 241 1179 376">Total Director Loan</th> <th data-bbox="1179 241 1374 376">New Shares to be Issued at \$0.152338 per Share</th> </tr> </thead> <tbody> <tr> <td data-bbox="517 376 759 450">David Smith</td> <td data-bbox="759 376 1179 450">\$194,357</td> <td data-bbox="1179 376 1374 450">1,275,827</td> </tr> </tbody> </table> <p>The number of Shares to be issued was determined by dividing the amount of the Director Loan by \$0.152338, being the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.</p>	Related Party	Total Director Loan	New Shares to be Issued at \$0.152338 per Share	David Smith	\$194,357	1,275,827											
Related Party	Total Director Loan	New Shares to be Issued at \$0.152338 per Share																
David Smith	\$194,357	1,275,827																
<p>Related party's existing interest:</p>	<p>As at the date of this Notice of Meeting, David Smith has the following interests in the Company:</p> <table border="1" data-bbox="517 645 1374 1429"> <thead> <tr> <th data-bbox="517 645 759 703">Related Party</th> <th data-bbox="759 645 1179 703">Number of Shares</th> <th data-bbox="1179 645 1374 703">% of shares</th> </tr> </thead> <tbody> <tr> <td data-bbox="517 703 759 1429" rowspan="6">David Smith and associated entities</td> <td data-bbox="759 703 1179 808"><u>Direct interest</u> 5,800,174 Shares</td> <td data-bbox="1179 703 1374 808">1.41%</td> </tr> <tr> <td data-bbox="759 808 1179 987"><u>Indirect interest</u> Octopi Enterprises Pty Ltd (controlled by David Smith) 1,150,000 Fully Paid Ordinary Shares</td> <td data-bbox="1179 808 1374 987">0.28%</td> </tr> <tr> <td data-bbox="759 987 1179 1144">DAGIDOCH Pty Ltd atf the Smith Family Superannuation Fund (controlled by David Smith) 1,176,547 Shares</td> <td data-bbox="1179 987 1374 1144">0.29%</td> </tr> <tr> <td data-bbox="759 1144 1179 1256">Spouse 907,467 Shares</td> <td data-bbox="1179 1144 1374 1256">0.22%</td> </tr> <tr> <td data-bbox="759 1256 1179 1361">Children 302,000 Shares</td> <td data-bbox="1179 1256 1374 1361">0.08%</td> </tr> <tr> <td data-bbox="517 1361 759 1429"><b>TOTAL</b></td> <td data-bbox="759 1361 1179 1429"><b>9,336,188 Shares</b></td> <td data-bbox="1179 1361 1374 1429"><b>2.28%</b></td> </tr> </tbody> </table>	Related Party	Number of Shares	% of shares	David Smith and associated entities	<u>Direct interest</u> 5,800,174 Shares	1.41%	<u>Indirect interest</u> Octopi Enterprises Pty Ltd (controlled by David Smith) 1,150,000 Fully Paid Ordinary Shares	0.28%	DAGIDOCH Pty Ltd atf the Smith Family Superannuation Fund (controlled by David Smith) 1,176,547 Shares	0.29%	Spouse 907,467 Shares	0.22%	Children 302,000 Shares	0.08%	<b>TOTAL</b>	<b>9,336,188 Shares</b>	<b>2.28%</b>
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	<b>TOTAL</b>	<b>9,336,188 Shares</b>	<b>2.28%</b>															
<p>The maximum number of securities to be issued:</p>	<p>Upon the approval of the Conversion Mechanism in the Director Loan, the Director Loan is convertible into a maximum number of Shares as follows:</p> <table border="1" data-bbox="517 1509 1374 1659"> <thead> <tr> <th data-bbox="517 1509 1011 1592">Name</th> <th data-bbox="1011 1509 1374 1592">New Shares to be issued (\$0.152338 per Share)</th> </tr> </thead> <tbody> <tr> <td data-bbox="517 1592 1011 1659">David Smith</td> <td data-bbox="1011 1592 1374 1659">1,275,827</td> </tr> </tbody> </table> <p>The number of Shares to be issued was determined by dividing the amount of the Director Loan by \$0.152338, being the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.</p>	Name	New Shares to be issued (\$0.152338 per Share)	David Smith	1,275,827													
Name	New Shares to be issued (\$0.152338 per Share)																	
David Smith	1,275,827																	
<p>Dilutive effect of the Share issue on Shareholders:</p>	<p>The issue of the Shares on the conversion of the Director Loan will have a dilutionary effect on the interests of Shareholders in the Company of 0.31%.</p>																	
<p>The date by which the securities will be issued:</p>	<p>The equity securities in the form of the <u>convertible</u> Director Loan will be issued immediately upon Shareholder approval of the Conversion Mechanism for the Director Loan.</p> <p>The Shares on conversion of the Director Loan will be issued no later than 1 month after the date of the Annual General Meeting.</p>																	

The issue price:	The Director Loan is for a total amount of \$194,357. Upon the approval of the Conversion Mechanism, 100% of the Director Loan may be converted into 1,275,827 Shares at an issue price per Share of \$0.152338 per Share.	
Terms of the equity securities:	The terms of the Director Loan along with the Conversion Mechanism are provided below:	
	Parties	The Company and David Smith.
	Loan Amount	\$194,357
	Interest	Nil
	Security	Nil
	Repayment Date	The Shares will be issued no later than 1 month after the date of the Annual General Meeting.
	Conversion	Subject to approval of Resolution 4: <ul style="list-style-type: none"> <li>David Smith– \$194,357 owed by the Company to David Smith may be satisfied by way of the issue of 1,275,827 Shares, calculated by dividing \$194,357 by \$0.152338, being the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.</li> </ul>
The Shares to be issued to David Smith on conversion of the Director Loan will be on the same terms as all other ordinary shares on issue in the Company.		
The intended use of funds raised:	By making the Director Loan a convertible loan, the Company satisfies the repayment of 100% of the obligation under the Director Loan in the amount of \$194,357.	
Directors' interest in the outcome:	Other than as set out in this table, none of the directors have any other interest in the outcome this Resolution.	
Directors' recommendation:	See paragraph 4.7 which provides a recommendation from the non-interested Directors.	
Voting exclusion statement:	A voting exclusion statement is contained in Resolution 4.	

#### Any other information

In respect to Resolution 4, neither the Board nor the Company is aware of any other information that would reasonably be required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution, other than as stated in this Explanatory Statement.

#### 4.5 Independent Expert's Report

The Corporations Act does not specifically require that an independent expert's report be provided to the Shareholders in relation to the Related Party Benefit. Although not specifically required, ASIC Regulatory Guide 111 recommends that a company commission an expert report for transactions involving a related party.

The Directors have elected not to obtain an independent expert report in the present case. This is on the basis that the:

- value of the financial benefit is easily quantified given the:
  - Conversion Price is the 30 day VWAP of the Company to 6 September 2018;
  - Director Loan is being converted into Shares at this price; and
  - No discount to the VWAP is being applied;

- the transaction is not significant from the point of view of the Company; and
- the non-interested directors have the expertise and resources to provide independent advice to members about the value of the financial benefit.

#### 4.6 Voting requirements and voting exclusion

Resolution 4 is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders.

A voting exclusion statement is contained after Resolution 4. Votes cast by Shareholders contrary to the voting exclusion statement will be disregarded.

#### 4.7 Recommendation

The Board (excluding David Smith) unanimously recommends that shareholders vote in favour of Resolution 4.

The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 4.

## 5. Resolution 5 – 8: Approval of conversion mechanism in Former Officer Loans and issue of Shares to Wesley Harder, Wayne Mitchell, Michael Rhodes and Barry Neal on conversion of Former Officer Loans

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### 5.1 Overview and background

Each of Wayne Mitchell, Wesley Harder, Michael Rhodes and Barry Neal, (being former officers of the Company) have outstanding loans to the Company as detailed below (**Former Officer Loans**):

Lender	Former Officer Loans amount
Wayne Mitchell	\$322,998
Wesley Harder	\$50,130
Michael Rhodes	\$77,716
Barry Neal	\$86,548
<b>TOTAL</b>	<b>\$537,392</b>

Resolutions 5 – 8 (inclusive) seek Shareholder approval of a conversion mechanism (**Conversion Mechanism**) such that the Former Officer Loans will become convertible Former Officer Loans, meaning that the total \$537,392 of the payment obligation of the Company to those former officers may be satisfied (at the election of the Company) by way of the issue of Shares in the Company. This amount is net of the relevant PAYG amounts which the company will pay to the ATO.

Under the terms of the Former Officer Loans, the Former Officer Loans can be repaid:

- in cash; or
- subject to shareholder approval, by the issue of Shares in the Company, at the election of the Company's Board.

As detailed in the notice of meeting for the extraordinary general meeting held on 29 August 2017, if the Company's Board wishes to repay the Former Officer Loans by way of the issue of Shares:

- the conversion mechanism and the issue of Shares will be subject to Shareholder approval; and
- the number of Shares to be issued will be calculated by dividing the amount of the Former Officer Loans by the 30-day VWAP of the Company's Shares trading on the ASX.

To conserve cashflow, the SenSen Board (with David Smith abstaining) has resolved that the Company would seek Shareholder approval:

- of the Conversion Mechanism so that the Former Officer Loans becomes convertible Former Officer Loans; and
- to repay the Former Officer Loans by way of the issue of Shares in the Company to each of Wayne Mitchell, Wesley Harder, Michael Rhodes and Barry Neal which will remove that liability from the Company's balance sheet. The number of Shares to be issued on conversion of the Former Officer Loans will be calculated by dividing \$537,392 (being the total loan amount of the Former Officer Loans) by \$0.152338 per Share (**Conversion Price**). This Conversion Price is the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.

The Conversion Mechanism allows (at the election of the Company) for 100% of the Former Officer Loans to be repaid by way of the issue of Shares in the Company at a fixed price to each of Wayne Mitchell, Wesley Harder, Michael Rhodes and Barry Neal as detailed in the table below:

Name	Total Director Loan	Amount to be Converted - 100%	New Shares to be Issued (@0.152338)	Total Shares held after conversion (assuming Resolutions are passed)
Wayne Mitchell	\$322,998	\$322,998	2,120,272	6,278,630 (this includes his associates)
Wesley Harder	\$50,130	\$50,130	329,070	2,152,798 (this includes his associates)
Michael Rhodes	\$77,716	\$77,716	510,155	1,029,935 (this includes his associates)
Barry Neal	\$86,548	\$86,548	568,131	1,433,611 (this includes his associates)
<b>TOTAL</b>	<b>\$537,392</b>	<b>\$537,392</b>	<b>3,527,628</b>	<b>10,894,974</b>

These Resolutions seek Shareholder approval under ASX Listing Rule 7.1 to approve the Former Officer Loans becoming convertible Former Officer Loans (being an 'equity security'), and hence for the issue of an equity securities without reducing the 15% placement capacity of the Company.

## 5.2 The law - ASX Listing Rule 7.1

In the event the Shareholders approve the Conversion Mechanism in the Former Officer Loans, this effectively transforms each Former Officer Loan into a "convertible security". A convertible security is a form of equity security.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities (which include a convertible security) during any 12month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**15% Placement Capacity**) without Shareholder approval.

In the event Resolution 5, Resolution 6, Resolution 7 and Resolution 8 are passed, the issue of the equity securities under those resolutions will not exceed this 15% Placement Capacity. Notwithstanding that, approval under ASX Listing Rule 7.1 is being sought so that the issue of Wayne Mitchell, Wesley Harder, Michael Rhodes and Barry Neal does not reduce the 15% Placement Capacity.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 7.2 do not apply in the current circumstances.

In the event Resolutions 5 – 8 (inclusive) are approved, any Shares issued upon exercise of the Conversion Mechanism in the Former Officer Loans would then fall under Exception 4 to listing rule 7.2 and not require further shareholder approval under Listing Rule 7.1.

### 5.3 Specific information

Under and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the equity securities to be issued to each of Wayne Mitchell, Wesley Harder, Michael Rhodes and Barry Neal:

ASX Listing Rule 7.3 sets out the information that must be included in the notice of meeting provided to Shareholders for the purpose of obtaining shareholder approval under ASX Listing Rule 7.1.

This information is set out below:

Listing Rule 7.3 requirements	Information												
The name of the person to whom the Company will issue the equity securities.	<p>The equity securities / financial benefit, by way of the:</p> <ul style="list-style-type: none"> <li>• Conversion Mechanism in the Former Officer Loans; and</li> <li>• Shares to be issued in repayment of the Former Officer Loans,</li> </ul> <p>are being issued to:</p> <table border="1" data-bbox="518 882 1374 1240"> <thead> <tr> <th data-bbox="518 882 858 960">Name</th> <th data-bbox="858 882 1374 960">Former officer details:</th> </tr> </thead> <tbody> <tr> <td data-bbox="518 960 858 1032">Wayne Mitchell</td> <td data-bbox="858 960 1374 1032">Former director (resigned on 13 October 2017)</td> </tr> <tr> <td data-bbox="518 1032 858 1104">Wesley Harder</td> <td data-bbox="858 1032 1374 1104">Former director (resigned on 13 October 2017)</td> </tr> <tr> <td data-bbox="518 1104 858 1176">Michael Rhodes</td> <td data-bbox="858 1104 1374 1176">Former director (resigned on 13 October 2017)</td> </tr> <tr> <td data-bbox="518 1176 858 1240">Barry Neal</td> <td data-bbox="858 1176 1374 1240">Former CFO (resigned on 13 October 2017)</td> </tr> </tbody> </table>	Name	Former officer details:	Wayne Mitchell	Former director (resigned on 13 October 2017)	Wesley Harder	Former director (resigned on 13 October 2017)	Michael Rhodes	Former director (resigned on 13 October 2017)	Barry Neal	Former CFO (resigned on 13 October 2017)		
Name	Former officer details:												
Wayne Mitchell	Former director (resigned on 13 October 2017)												
Wesley Harder	Former director (resigned on 13 October 2017)												
Michael Rhodes	Former director (resigned on 13 October 2017)												
Barry Neal	Former CFO (resigned on 13 October 2017)												
The maximum number of equity securities to be issued:	<p>Upon the approval of the Conversion Mechanism in the Former Officer Loans, the Former Officer Loans are convertible into a maximum number of Shares as follows:</p> <table border="1" data-bbox="518 1357 1374 1794"> <thead> <tr> <th data-bbox="518 1357 858 1447">Name</th> <th data-bbox="858 1357 1374 1447">New Shares to be issued (\$0.152338 per Share)</th> </tr> </thead> <tbody> <tr> <td data-bbox="518 1447 858 1518">Wayne Mitchell</td> <td data-bbox="858 1447 1374 1518">2,120,272</td> </tr> <tr> <td data-bbox="518 1518 858 1590">Wesley Harder</td> <td data-bbox="858 1518 1374 1590">329,070</td> </tr> <tr> <td data-bbox="518 1590 858 1662">Michael Rhodes</td> <td data-bbox="858 1590 1374 1662">510,155</td> </tr> <tr> <td data-bbox="518 1662 858 1733">Barry Neal</td> <td data-bbox="858 1662 1374 1733">568,131</td> </tr> <tr> <td data-bbox="518 1733 858 1794"><b>TOTAL:</b></td> <td data-bbox="858 1733 1374 1794"><b>3,527,628</b></td> </tr> </tbody> </table> <p>The number of Shares to be issued was determined by dividing the amount of the Former Officer Loans by \$0.152338, being the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.</p>	Name	New Shares to be issued (\$0.152338 per Share)	Wayne Mitchell	2,120,272	Wesley Harder	329,070	Michael Rhodes	510,155	Barry Neal	568,131	<b>TOTAL:</b>	<b>3,527,628</b>
Name	New Shares to be issued (\$0.152338 per Share)												
Wayne Mitchell	2,120,272												
Wesley Harder	329,070												
Michael Rhodes	510,155												
Barry Neal	568,131												
<b>TOTAL:</b>	<b>3,527,628</b>												
The date by which the Company will issue the equity securities:	<p>The equity securities in the form of the convertible Former Officer Loans will be issued immediately upon Shareholder approval of the Conversion Mechanism in the Former Officer Loans.</p> <p>The Shares on conversion of the Former Officer Loans will be issued no later than 3 months after the date of the Annual General Meeting.</p>												

<p>The issue price of the equity securities:</p>	<p>The Former Officer Loans are for a total amount of \$537,392.</p> <p>Upon the approval of the Conversion Mechanism, 100% of the Former Officer Loans will be converted into a total of 3,527,628 Shares at an issue price per Share of \$0.152338 per Share as detailed below:</p> <table border="1" data-bbox="515 280 1369 745"> <thead> <tr> <th data-bbox="515 280 869 398">Name</th> <th data-bbox="869 280 1034 398">Total Outstanding Debt</th> <th colspan="2" data-bbox="1034 280 1369 398">New Shares to be Issued (@\$0.152338)</th> </tr> </thead> <tbody> <tr> <td data-bbox="515 398 869 465">Wayne Mitchell</td> <td data-bbox="869 398 1034 465"></td> <td data-bbox="1034 398 1185 465">\$322,998</td> <td data-bbox="1185 398 1369 465">2,120,272</td> </tr> <tr> <td data-bbox="515 465 869 533">Wesley Harder</td> <td data-bbox="869 465 1034 533"></td> <td data-bbox="1034 465 1185 533">\$50,130</td> <td data-bbox="1185 465 1369 533">329,070</td> </tr> <tr> <td data-bbox="515 533 869 600">Michael Rhodes</td> <td data-bbox="869 533 1034 600"></td> <td data-bbox="1034 533 1185 600">\$77,716</td> <td data-bbox="1185 533 1369 600">510,155</td> </tr> <tr> <td data-bbox="515 600 869 667">Barry Neal</td> <td data-bbox="869 600 1034 667"></td> <td data-bbox="1034 600 1185 667">\$86,548</td> <td data-bbox="1185 600 1369 667">568,131</td> </tr> <tr> <td data-bbox="515 667 869 745"><b>TOTAL</b></td> <td data-bbox="869 667 1034 745"></td> <td data-bbox="1034 667 1185 745"><b>\$537,392</b></td> <td data-bbox="1185 667 1369 745"><b>3,527,628</b></td> </tr> </tbody> </table>	Name	Total Outstanding Debt	New Shares to be Issued (@\$0.152338)		Wayne Mitchell		\$322,998	2,120,272	Wesley Harder		\$50,130	329,070	Michael Rhodes		\$77,716	510,155	Barry Neal		\$86,548	568,131	<b>TOTAL</b>		<b>\$537,392</b>	<b>3,527,628</b>
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Barry Neal		\$86,548	568,131																						
<b>TOTAL</b>		<b>\$537,392</b>	<b>3,527,628</b>																						
<p>Terms of the equity securities:</p>	<p>The terms of the Former Officer Loans along with the Conversion Mechanism are provided below:</p> <table border="1" data-bbox="515 831 1369 2078"> <tr> <td data-bbox="515 831 675 1003">Parties:</td> <td data-bbox="675 831 1369 1003"> <p>The Company and Wayne Mitchell.  The Company and Wesley Harder  The Company and Michael Rhodes  The Company and Barry Neal</p> </td> </tr> <tr> <td data-bbox="515 1003 675 1176">Loan Amount:</td> <td data-bbox="675 1003 1369 1176"> <ul style="list-style-type: none"> <li>• Wayne Mitchell– \$322,998</li> <li>• Wesley Harder– \$50,130</li> <li>• Michael Rhodes – \$77,716</li> <li>• Barry Neal – \$86,548</li> </ul> </td> </tr> <tr> <td data-bbox="515 1176 675 1234">Interest:</td> <td data-bbox="675 1176 1369 1234">Nil</td> </tr> <tr> <td data-bbox="515 1234 675 1292">Security:</td> <td data-bbox="675 1234 1369 1292">Nil</td> </tr> <tr> <td data-bbox="515 1292 675 1384">Repayment Date:</td> <td data-bbox="675 1292 1369 1384">The Shares will be issued no later than 3 months after the date of the Annual General Meeting.</td> </tr> <tr> <td data-bbox="515 1384 675 2078">Conversion:</td> <td data-bbox="675 1384 1369 2078"> <p>Subject to approval of Resolutions 5 – 8 (inclusive):</p> <ul style="list-style-type: none"> <li>• Wayne Mitchell – \$322,998 owed by the Company to Wayne Mitchell may be satisfied by way of the issue of 2,120,272 Shares, calculating by dividing \$322,998 by \$0.152338 being the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.</li> <li>• Wesley Harder – \$50,130 owed by the Company to Wesley Harder may be satisfied by way of the issue of 329,070 Shares, calculating by dividing \$50,130 by \$0.152338 being the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.</li> <li>• Michael Rhodes – \$77,716 owed by the Company to Michael Rhodes may be satisfied by way of the issue of 510,155 Shares, calculating by dividing \$77,716 by \$0.152338 being the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.</li> <li>• Barry Neal – \$86,548 owed by the Company to Barry Neal may be satisfied by way of the issue of 568,131 Shares, calculating by dividing \$86,548 by \$0.152338 being the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.</li> </ul> </td> </tr> </table>	Parties:	<p>The Company and Wayne Mitchell.  The Company and Wesley Harder  The Company and Michael Rhodes  The Company and Barry Neal</p>	Loan Amount:	<ul style="list-style-type: none"> <li>• Wayne Mitchell– \$322,998</li> <li>• Wesley Harder– \$50,130</li> <li>• Michael Rhodes – \$77,716</li> <li>• Barry Neal – \$86,548</li> </ul>	Interest:	Nil	Security:	Nil	Repayment Date:	The Shares will be issued no later than 3 months after the date of the Annual General Meeting.	Conversion:	<p>Subject to approval of Resolutions 5 – 8 (inclusive):</p> <ul style="list-style-type: none"> <li>• Wayne Mitchell – \$322,998 owed by the Company to Wayne Mitchell may be satisfied by way of the issue of 2,120,272 Shares, calculating by dividing \$322,998 by \$0.152338 being the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.</li> <li>• Wesley Harder – \$50,130 owed by the Company to Wesley Harder may be satisfied by way of the issue of 329,070 Shares, calculating by dividing \$50,130 by \$0.152338 being the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.</li> <li>• Michael Rhodes – \$77,716 owed by the Company to Michael Rhodes may be satisfied by way of the issue of 510,155 Shares, calculating by dividing \$77,716 by \$0.152338 being the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.</li> <li>• Barry Neal – \$86,548 owed by the Company to Barry Neal may be satisfied by way of the issue of 568,131 Shares, calculating by dividing \$86,548 by \$0.152338 being the 30-day VWAP of the Company's Shares trading on the ASX, up to 6 September 2018.</li> </ul>												
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	The Shares to be issued to on conversion of the Former Officer Loans will be on the same terms as all other ordinary shares on issue in the Company.
The intended use of funds raised:	By making the Former Officer Loans convertible loans, the Company satisfies the repayment of 100% of the obligation under the Former Officer Loans in the amount of \$537,392.
Voting exclusion statement:	A voting exclusion statement is contained in Resolution 5, Resolution 6, Resolution 7 and Resolution 8.

#### 5.4 Voting requirements

Resolution 5, Resolution 6, Resolution 7 and Resolution 8 are each ordinary resolutions and so require the approval of more than 50% of the votes cast by Shareholders.

A voting exclusion statement is contained after each of Resolution 5, Resolution 6, Resolution 7 and Resolution 8. Votes cast by Shareholders contrary to the voting exclusion statement will be disregarded.

#### 5.5 Recommendation

The Board (excluding David Smith) recommends that shareholders vote in of favour Resolution 5, Resolution 6, Resolution 7 and Resolution 8.

The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 5, Resolution 6, Resolution 7 and Resolution 8.

## 6. Resolution 9: Approval for the modification of the Constitution

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### 6.1 The Resolution

The Company is currently governed by its existing Constitution which has been in effect since the Company was listed on the ASX as 'Orpheus Energy Limited' in 2015.

Under section 136(2) of the Corporations Act, it is proposed to amend the Company's Constitution by special resolution of shareholders. The rationale and a summary of the key changes proposed by Resolution 9 are set out below.

- **Proportional takeover provision**

It is proposed that a new rule 163 be included in the Constitution of the Company to enable the Company to refuse to register shares acquired under a proportional takeover bid unless shareholders approve the bid.

A proportional takeover offer is a takeover offer where the offer made to each shareholder is only for a proportion of that shareholder's shares, and not for the shareholder's entire shareholding.

The Corporations Act requires that the following information be provided to shareholders when they are considering the inclusion or renewal of a proportional takeover provision in the Constitution. The following information comprises the statement required under section 648G(5) of the Corporations Act.

#### Effect of the provision

If a takeover offer is made under a proportional takeover bid for a class of the Company's securities, the Directors must ensure that a resolution to approve the takeover bid (**Approval Resolution**) is voted by the shareholders of the class of shares being bid, not less than 14 days before the last day of the bid period (**Deadline**).

The only persons entitled to vote on the Approval Resolution are those persons who, as at the end of the day on which the first offer under the takeover bid was made, held shares included in the bid class in respect of which the offer was made.

The bidder under the takeover bid and its associates are not entitled to vote on the Approval Resolution.

Each person entitled to vote has one vote for each share in the relevant class held by the person at that time. The vote on the Approval Resolution is decided on a simple majority. The Approval Resolution will be taken to have been passed if more than 50% of votes are cast in favour of the Approval Resolution, otherwise it is taken to have been rejected.

The Directors will breach the Corporations Act if they fail to ensure the Approval Resolution is voted on. However, if the Approval Resolution is not voted on as at the end of the day before the Deadline, the Approval Resolution is taken to have been passed.

If the Approval Resolution is passed (or taken to have been passed) by shareholders, the transfers resulting from the bid must be registered if they comply with other provisions of the Corporations Act and the Constitution.

If the Approval Resolution is rejected, binding acceptances must be rescinded as soon as practicable after the Deadline, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn at the end of the Deadline. The proportional takeover provisions do not apply to full takeover bids.

Rule 163 will expire three years after its reinsertion into the Constitution, unless renewed by a further special resolution of shareholders.

#### Reasons for proposing this special resolution

A proportional takeover bid involves an offer for only a proportion of each shareholder's securities. This may allow control of the Company to pass without shareholders having the chance to sell all their securities to the bidder and assist a bidder to take control of the company without payment of an adequate control premium.

Shareholders, other than the bidder and its associates, may be exposed to the risk of being left as a minority in the Company as well as the loss of potential to receive an adequate control premium for their remaining shares. The proportional takeover provisions lessen these risks because they allow shareholders to decide whether a proportional takeover bid is acceptable in principle, is appropriately priced and should be permitted to proceed.

#### Knowledge of acquisition proposals

At the date this Notice of Meeting was prepared, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

#### Potential advantages and disadvantages

While the proportional takeover provisions have previously been in force under the Constitution, there have been no full or proportional takeover bids for the Company at any time since it listed as 'Orpheus Energy Limited' in 2011. Therefore, there is no example against which to review the advantages or disadvantages of the provisions for the Directors and the shareholders respectively.

The Directors consider that the proposed renewal of the proportional takeover provisions has no potential advantages or potential disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved.

The potential advantages of the proposed renewal of the proportional takeover provisions for shareholders are:

- shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- the provisions may assist shareholders to avoid being locked in as a minority;
- the bargaining power of shareholders is increased, and may assist in ensuring that any proportional takeover bid is adequately priced; and
- knowing the view of the majority of shareholders may help each individual shareholder assess the likely outcome of the proportional takeover bid and to decide whether to approval or reject that offer.

The potential disadvantages of the proposed renewal of the proportional takeover provisions for shareholders are:

- it may discourage offers of proportional takeover bids for shares in the Company and may depress the share price;
- shareholders may lose an opportunity of selling some of their shares at a premium; and
- the likelihood of a proportional takeover bid being successful may be reduced.

The Directors consider that the potential advantages of the proportional takeover provisions for shareholders outweigh the potential disadvantages. In particular, shareholders as a whole are able to decide whether or not a proportional takeover bid should be permitted to proceed.

#### Shareholders may act

If the special resolution to approve the proportional takeover provisions in Rule 163 of the Constitution is passed, shareholders who together hold not less than 10% (by number) of the issued securities in a class of securities in the Company to which the provisions apply may, within 21 days after the day on which the special resolution is passed, apply to the Court to have the proportional takeover provisions set aside to the extent to which it relates to that class of shareholders.

On an application, the Court may make an order setting aside the proportional takeover provisions if it is satisfied that it is appropriate in all the circumstances to do so. Otherwise the Court must dismiss the application. Unless and until an application is finally determined by the making of an order setting aside the proportional takeover provision, the Company is taken for all purposes to have validly included the proportional takeover provision applying to that class of shareholders.

- **Direct voting provision**

It is proposed that a new rule 66.3 be included in the Constitution to allow Shareholders who are unable to attend and vote at the General Meetings to vote their shares directly without needing to appoint a proxy to act on their behalf.

- **Reference to "ASTC Rules" revised to "ASX Settlement Operating Rules"**

It is proposed that all references to "ASTC Rules" in the Constitution be revised to "ASX Settlement Operating Rules" to reflect the change of name which became effective in 2005.

- **Number of Directors**

It is proposed that a rule 67.1 be revised to rectify an error so that it stipulates that the number of Directors must be more than three and less than 10.

## **6.2 Proposed amendments for modified Constitution**

The proposed amendments to the Company's Constitution are set out below.

### Proportional Takeover

That the following new rule 163 be inserted into the Constitution:

#### *Rule 163 Proportional Takeovers*

##### *163.1 Definitions*

*The following definitions apply in this rule 163:*

- (a) **Approving Resolution** means a resolution approving the Proportional Takeover Bid in accordance with rule 163.2;*
- (b) **Approving Resolution Deadline** in relation to a Proportional Takeover Bid means the day that is the 14th day before the last day of the Bid Period;*
- (c) **Bid Period** means the period during which offers under the Proportional Takeover Bid remain open;*
- (d) **Bidder** means the person making the offers under the Proportional Takeover Bid;*
- (e) **Proportional Takeover Bid** means an offmarket bid for a specified proportion of shares in a class of shares in the Company; and*
- (f) a reference to "a person associated with" another person has the meaning given to that expression by Division 2 of Part 1.2 of the Corporations Act.*

##### *163.2 When a Proportional Takeover Bid is made*

*If offers are made under a Proportional Takeover Bid for securities of the Company:*

- (a) other than where a transfer is effected in accordance with the takeover provisions (if any) under the ASX Settlement Operating Rules, the registration of a transfer giving effect to a takeover contract resulting from the acceptance of an offer under the Proportional Takeover Bid is prohibited unless and until an Approving Resolution is passed in accordance with this rule 163.2;*
- (b) a person (other than the Bidder or a person associated with the Bidder) who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held shares in the class is entitled to vote on an Approving Resolution and, for the purpose of so voting, is entitled to one vote for each of the shares;*
- (c) an Approving Resolution is to be voted on:
  - (i) at a meeting convened and conducted by the Company of persons entitled to vote on the Approving Resolution; or*
  - (ii) by means of a postal ballot conducted by the Company;**
- (d) the Directors must ensure that an Approving Resolution is voted on in accordance with rule 163.2(c); and*

- (e) *an Approving Resolution that has been voted on, is taken to have been passed if the proportion that the number of votes in favour of resolution bears to the total number of votes on the resolution is greater than 50%, otherwise the Approving Resolution is taken to be rejected.*

#### 163.3 *Deadline for passing an Approving Resolution*

*To be effective, an Approving Resolution must be passed before the Approving Resolution Deadline.*

#### 163.4 *Application of general law principles*

*The rules of this Constitution that apply to a meeting of members apply:*

- (a) *with such modifications as the circumstances require, to a meeting convened under rule 163.2(c)(i); and*
- (b) *as if the meeting convened under rule 163.2(c)(i) were a meeting of members of the Company.*

#### 163.5 *Notice required when vote taken*

*If an Approving Resolution is passed in accordance with rules 163.2(e) and 163.3, the Company must, on or before the Approving Resolution Deadline, give:*

- (a) *the Bidder; and*
- (b) *each notifiable securities exchange in relation to the Company,*

*a written notice stating that the Approving Resolution has been voted on and whether the resolution was passed or rejected.*

#### 163.6 *Where no vote taken*

*If no Approving Resolution has been voted on in accordance with this rule 163 as at the end of the day before the Approving Resolution Deadline, an Approving Resolution is taken to have been passed in accordance with rule 163.*

#### 163.7 *Effect of rejection of Approving Resolution*

*If an Approving Resolution is voted on before the Approving Resolution Deadline in accordance with rule 163.3 and is rejected:*

- (a) *despite section 652A of the Corporations Act:*
  - (i) *all offers under the Proportional Takeover Bid that have not been accepted as at the end of the Approving Resolution Deadline; and*
  - (ii) *all offers under the Proportional Takeover Bid that have been accepted and from whose acceptance binding contracts have not resulted as at the end of the Approving Resolution Deadline,*

*are taken to be withdrawn at the end of the Approving Resolution Deadline; and*
- (b) *a person who has accepted an offer made by the Bidder pursuant to the Proportional Takeover Bid from whose acceptance a binding contract has resulted is entitled to rescind that contract.*

### 163.8 ASX Settlement Operating Rules

*Nothing in this rule 163 authorises the Company to interfere with any takeover transfer procedures contained in the ASX Settlement Operating Rules.*

### 163.9 Where this rule ceases to apply

*This rule 163 ceases to have effect on the third anniversary of the most recent renewal of this rule 163 approved by members pursuant to section 648G(4) of the Corporations Act.*

### Direct Voting

That the following new rule 66.3 be inserted into the Constitution:

#### *Rule 66.3 Direct voting*

- (a) *The Directors may determine that, for any meeting of members or class of meeting, a member who is entitled to attend that meeting and vote on a resolution at that meeting may submit a direct vote.*
- (b) *A "direct vote" includes a vote delivered to the Company by post, fax or any other electronic means approved by Directors.*
- (c) *The Directors may determine the regulations governing the use of and the members' rights relating to "direct votes" for the purposes of any meeting of members or class meeting.*
- (d) *Without limiting rule 66.3(c) the Directors may specify the form, method, process and timing of giving a "direct vote" in respect of any meeting of members or class meeting, and any other requirements, in order for the direct vote to be valid at that meeting.*

### Reference to "ASTC Rules" revised to "ASX Settlement Operating Rules"

It is proposed that all references to "ASTC Rules" in the Constitution be revised to "ASX Settlement Operating Rules" to reflect the change of name which became effective in 2005.

The revisions are proposed to the following clauses:

<b>Clause</b>	<b>Revision</b>
New definition of ASX Settlement Operating Rules	means the operating rules of ASX Settlement (or of any relevant organisation which is an alternative to, or successor or replacement of, ASX Settlement or any applicable CS facility licensee), as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.
New definition of ASX Settlement	means ASX Settlement Pty Ltd ACN 008 504 532.
Replacement of ASTC Rules with ASX Settlement Operating Rules	Rule 3.2, Rule 3.3, Rule 13.9, Rule 14.2(c), Rule 26.14, Rule 29, Rule 30.1, Rule 31.1, Rule 34.1, Rule 34.2, Rule 34.4, Rule 34.5, Rule 35 and Rule 160.1,

### Number of Directors

Rule 67.1 be deleted in its entirety and replace with the following:

*Rule 67.1 The number of Directors must be three or more but less than 10.*

### **6.3 Overview of regulatory approval requirements**

Under section 136(2) of the Corporations Act, a company can modify its constitution or a provision of its constitution by special resolution.

### **6.4 Effective date**

Under section 137(a), the modification is effective on the date on which the resolution is passed if it specifies no later date.

Given no later date is specified in the Resolution, the modification is effective on the date the Resolution is passed.

### **6.5 Obtaining a copy of the Constitution**

A copy of the modified constitution will be sent to any Shareholder on request and will also be available for inspection at the office of the Company during normal business hours prior to the Annual General Meeting and available for inspection at the Annual General Meeting.

### **6.6 Voting requirements**

Resolution 9 is a special resolution and so requires the approval of 75% or more of the votes cast by Shareholders.

### **6.7 Recommendation**

The Board recommends that shareholders vote in of favour Resolution 9.

The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 9.



**Lodge your vote:**

 **Online:**  
www.investorvote.com.au

 **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) www.intermediaryonline.com

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 181864**

**SRN/HIN:**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10:00am (AEDT) on Monday, 29 October 2018**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Sensen Networks Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Sensen Networks Limited to be held at Computershare, Yarra Falls, 452 Johnston Street, Abbotsford Melbourne VIC 3067 Australia on Wednesday, 31 October 2018 at 10:00am (AEDT) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 4, 5, 6, 7 and 8 (except where I/we have indicated a different voting intention below) even though Items 1, 4, 5, 6, 7 and 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 4, 5, 6, 7 and 8 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Zenon Pasiieczny	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Heather Scheibenstock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of conversion mechanism in Director Loan and issue of Shares to Mr David Smith on conversion of Director Loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of conversion mechanism in Former Officer Loan and issue of Shares to Mr Wesley Harder conversion of Former Officer Loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of conversion mechanism in Former Officer Loan and issue of Shares to Mr Wayne Mitchell conversion of Former Officer Loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of conversion mechanism in Former Officer Loan and issue of Shares to Mr Michael Rhodes conversion of Former Officer Loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of conversion mechanism in Former Officer Loan and issue of Shares to Mr Barry Neal conversion of Former Officer Loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval for the modification of the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /