



engage:BDR Limited
ACN 621 160 585

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Friday, 17 July 2020

Time of Meeting:
11.00am (AEST)

Due to the ongoing COVID-19 pandemic, the meeting will be held virtually via a webinar conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Following recent modifications brought to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (no.1) 2020, **no hard copy** of the Notice of Annual General Meeting and Explanatory Memorandum will be circulated. The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Stock Exchange Announcement platform and on the Company's website <https://engagebdr.com/>.

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay

engage:BDR Limited

ACN 621 160 585

Registered office: Scottish House, Level 4, 90 William Street, Melbourne, Victoria, 3000

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of engage:BDR Limited (the “Company”) will be held virtually via a webinar conferencing facility at 11.00am (AEST) on Friday, 17 July 2020 (“Annual General Meeting” or “Meeting”).

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances results from COVID-19. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct a poll on the resolutions in the Notice using the proxies filed prior to the Meeting.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form which will be enclosed with a copy of the Notice, delivered to you by email or post (depending on your communication preferences).

Shareholders attending the AGM virtually will be able to ask questions and the Company has now made provision for Shareholders who register their attendance before the start of the meeting to also cast their votes on the proposed resolutions. Shareholders who intend to join the AGM are asked to dial-in 30 minutes prior to the start of the meeting to allow the Company to take your details. The virtual meeting can be attended using the following details:

The live webcast can be attended using the following details:

When: Friday, 17 July 2020 at 11:00am (AEST)
Topic: EN1 Annual General Meeting

Register in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_4Tk8zqg6TIGZozE2GNGWfg

After registering, you will receive a confirmation email containing information about joining the meeting. The Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

The Company is happy to accept and answer questions submitted prior to the meeting by email to mleydin@leydinfreyer.com.au. Where a written question is raised in respect of the key management personnel of the Company, the resolutions to be considered at the meeting, the Company will address the relevant question during the course of the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions). If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement to ASX.

Any shareholders who wish to attend the AGM online should therefore monitor the Company's website and its ASX announcements for any updates about the AGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at asx.com.au (ASX: EN1) and on its website at <https://engagebdr.com/>.

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, includes defined terms and describes in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

ORDINARY BUSINESS:

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors and auditors for the financial year ended 31 December 2019.

Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly, no resolution will be put to shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass the following ordinary resolution:

“That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Director’s report) for the financial year ended 31 December 2019 be adopted.”

A voting exclusion statement as set out below in this Notice applies to this Resolution 1.

Resolution 2: Re-election of Mr Kurtis Rintala as a Director of the Company

To consider and, if thought fit, to pass the following ordinary resolution:

“That Mr Kurtis Rintala, being a Director who retires by rotation pursuant to ASX Listing Rule 14.4, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

Resolution 3: Ratification of Prior Issue of 10,391,461 Fully Paid Ordinary Shares

To consider and, if thought fit, to pass the following ordinary resolution:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the issue of 10,391,461 fully paid ordinary shares to Viriathus Limited for settlement of creditor balances as described in the Explanatory Statement which accompanied and formed part of the Notice of the Meeting.”

A voting exclusion statement as set out below in this Notice applies to this Resolution 3.

Resolution 4: Ratification of Prior Issue of 30,420,738 Fully Paid Ordinary Shares

To consider and, if thought fit, to pass the following ordinary resolution:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the issue of 30,420,738 fully paid ordinary shares to Alto Opportunity Master Fund SPC – Segregated Master Portfolio B in accordance with the Convertible Securities Purchase Agreement as described in the Explanatory Statement which accompanied and formed part of the Notice of the Meeting.”

A voting exclusion statement as set out below in this Notice applies to this Resolution 4.

Resolution 5: Ratification of prior issue of ZCS

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the issue of one (1) unlisted zero coupon convertible amortizing security (Series B) to Alto Opportunity Master Fund SPC – Segregated Master Portfolio B as described in the Explanatory Statement which accompanied and formed part of the Notice of the Meeting.”

A voting exclusion statement as set out below in this Notice applies to this Resolution 5.

Resolution 6: Approval to issue ZCS amortisation and/or collateral replenishment shares

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 is given for the issue of fully paid ordinary shares to Alto Opportunity Master Fund SPC – Segregated Master Portfolio B (and/or its nominee(s)) in satisfaction of amortisation instalments under the zero coupon convertible amortising securities or to reinstate collateral shares capitalised to satisfy amortisation instalments (or a combination of both) as described in the Explanatory Statement which accompanied and formed part of the Notice of the Meeting.”

A voting exclusion statement as set out below in this Notice applies to this Resolution 6.

Resolution 7: Approval to issue potential further ZCSs

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 is given for the issue of up to a further six (6) ZCSs to Alto Opportunity Master Fund SPC – Segregated Master Portfolio B (and/or its nominee(s)) as described in the Explanatory Statement which accompanied and formed part of the Notice of the Meeting.”

A voting exclusion statement as set out below in this Notice applies to this Resolution 7.

Resolution 8: Approval to issue up to 100,000,000 Shares

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 is given for the issue of up to 100,000,000 fully paid ordinary shares as described in the Explanatory Statement which accompanied and formed part of the Notice of the Meeting.”

A voting exclusion statement as set out below in this Notice applies to this Resolution 8.

SPECIAL BUSINESS

Resolution 9: Approval of 10% Placement Facility

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

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 at an issue price of not less than 75% of the volume weighted average market (closing) price of the Company’s ordinary shares calculated over the last fifteen (15) days on which trades of the Company’s ordinary shares were recorded on ASX immediately before the date on which the issue price is agreed or the date on which the issue is made and otherwise on the terms and conditions in the Explanatory Statement which accompanied and formed part of the Notice of the Meeting.”

By order of the Board



Melanie Leydin
Company Secretary
Dated: 5 June 2020

Notes

- 1. Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
- 2. Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting. On a poll, members have one vote for every fully paid ordinary share held.

3. Proxies

- Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- Each shareholder has a right to appoint one or two proxies.
- A proxy need not be a shareholder of the Company.
- If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
- Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
- If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
- A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
- If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy.
- To be effective, proxy forms must be received by the Company's share registry (Computershare Investor Services Pty Ltd) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 11:00am (AEST) on Wednesday, 15 July 2020. Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. How the Chair will vote Undirected Proxies

Subject to the restrictions set out in Note 6 below, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

6. Voting Exclusion Statement:

Resolution 1

In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (**KMP voter**), unless the KMP voter is casting a vote on this resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:

- (a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the KMP voter is by the Chair of the meeting and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or the consolidated entity.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of Resolution 1. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 2

There are no voting exclusions on these resolutions.

Resolutions 3, 4 and 5

The Company will disregard any votes cast in favour of Resolutions 3, 4 and 5 by or on behalf of any person who participated in the relevant issue, as named in the respective resolutions, or any associates of those persons.

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

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

Resolutions 6, 7 and 8

The Company will disregard any votes cast in favour of resolutions 6, 7 and 8 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issues (except a benefit solely by reason of being a holder of ordinary shares in the Company) or any associates of that person.

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

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

Resolution 9

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement on this Resolution is not currently required by Listing Rule 7.3A.7.

7. Special Resolution

Resolution 9 is proposed as a special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

8. Enquiries

Shareholders are invited to contact the Company Secretary on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Purpose of Information

This Explanatory Statement ("**Statement**") accompanies and forms part of the Company's Notice of Annual General Meeting ("**Notice**") for the 2019 Annual General Meeting ("**Meeting**") will be held virtually via a webinar conferencing facility at 11.00am (AEST) on Friday, 17 July 2020.

The Notice incorporates, and should be read together, with this Statement.

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 31 December 2019 which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years.

Alternatively, you may access the Annual Report at the Company's website: <https://engagebdr.com/> or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

Shareholders will have the opportunity to ask questions about or make comments on, the 2019 Annual Report and the management of the company. The auditor will be invited to attend, to answer questions about the audit of the Company's 2019 Annual Financial Statements.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's December 2019 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty-five (25%) per cent of the total votes cast on that resolution and accordingly, a spill resolution will not under any circumstances be required for the Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Board Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of Annual General Meeting), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

Voting Exclusions

Refer to Note 6 for voting exclusions on this Resolution.

Resolution 2: Re-election of Mr Kurtis Rintala as a Director of the Company

Background

ASX Listing Rule 14.4 states that a Director of an entity must not hold office (without re-election) past the third Annual General Meeting following the Director's appointment. In accordance with ASX Listing Rule 14.4, Mr Kurtsi Rintala retires by rotation and, being eligible, offers himself for re-election.

Mr Rintala is one of the co-founders of engage:BDR. He serves as an Executive Director and is the Chief Operating Officer overseeing the day-to-day operations and leading the execution of the strategic direction of the Company.

Mr Rintala is responsible for establishing policies that promote the company culture and vision. He sets goals for performance and growth and leads employees to encourage maximum performance and dedication. He evaluates performance by analysing and interpreting data and metrics. Mr Rintala began his career in the technology industry in 2003 as an early member of the Internet start up, LowerMyBills.com.

Board recommendation

The Board (with Mr Rintala abstaining) recommend that Shareholders vote in favour of Resolution 2.

Resolution 3: Ratification of Prior Issue of 10,391,461 Fully Paid Ordinary Shares

The Company is seeking Shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the prior issue of 10,391,461 fully paid ordinary shares to Viriathus Limited on 7 November 2019. The shares were issued at a deemed issue price of \$0.027 (2.7 cents) per share to settle outstanding creditor balances. An Appendix 3B in relation to this issue was lodged with the ASX on 7 November 2019.

The 10,391,461 fully paid ordinary shares were issued without shareholder approval under the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rule 7.1 and/or Listing Rule 7.1A (provided that the previous issue of securities did not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1 and 7.1A (if applicable). The prior issue of ordinary shares on 7 November 2019 continues to use the capacity of the company to issue further securities without shareholder approval. The Company seeks approval under Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under Listing Rule 7.1 and 7.1A. If the shareholders pass Resolution 3 then the shares issued on 7 November 2019 will no longer use the capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval. If shareholders do not pass Resolution 3 then the shares issued on 7 November 2019 will continue to use the capacity available to the Company under the ASX Listing Rules.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the securities were issued to Viriathus Limited, which is not a related party of the Company;
- (b) the number and class of securities issued were 10,391,461 fully paid ordinary shares in the Company;
- (c) the shares were issued on 7 November 2019;
- (d) the shares were issued at a deemed issue price of \$0.027 (2.7 cents) per share;
- (e) there were no funds received from this issue. The shares were issued for non-cash consideration at a deemed issue price of \$0.027 per share, being the settlement of creditor balances; and
- (f) the purpose of the issue was the settlement of creditor balances.

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 3.

Voting Exclusions

Refer to Note 6 for voting exclusions on this Resolution.

Resolution 4: Ratification of Prior Issue of 30,420,738 Fully Paid Ordinary Shares

The Company is seeking Shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the prior issue of 30,420,738 fully paid ordinary shares to Alto Opportunity Master Fund SPC – Segregated Master Portfolio B (the “Investor”) at a deemed issue price of \$0.013 (1.3 cents) per share in accordance with the Convertible Securities Purchase Agreement (“Agreement”), dated 23 September 2019, between the Company and the Investor. An Appendix 2A in relation to this issue was lodged with the ASX on 3 March 2020.

The 30,420,738 fully paid ordinary shares were issued without shareholder approval under the Company’s 15% placement capacity pursuant to ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

ASX Listing Rule 7.4 provides that where a company’s shareholders ratify the prior issue of securities made pursuant to ASX Listing Rule 7.1 and/or Listing Rule 7.1A (provided that the previous issue of securities did not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1 and 7.1A (if applicable). The Company seeks approval under Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under Listing Rule 7.1 and 7.1A.

Resolution 5 therefore seeks shareholder ratification of the prior issue of the 30,420,738 shares in accordance with ASX Listing Rule 7.4. By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity pursuant to ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval. If shareholders pass Resolution 5 then these shares will no longer use the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval. If shareholders do not pass Resolution 5 then these shares will continue to use the placement capacity available to the Company under the ASX Listing Rules.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the securities were issued to Alto Opportunity Master Fund SPC – Segregated Master Portfolio B, which is not a related party of the Company;
- (b) the number and class of securities issued were 30,420,738 fully paid ordinary shares in the Company;
- (c) the shares were issued on 3 March 2020;
- (d) the shares were issued at a deemed issue price of \$0.013 (1.3 cents) per share;
- (e) there were no funds received from the issue of the shares; and
- (f) the shares were issued under the Agreement between the Company and the Investor in respect of the zero coupon convertible amortising securities issued on 25 September 2019 which requires collateral shares to be maintained at approximately 4.9% of the total then issued shares of the Company by being replenished if the number of collateral shares falls below 2.5% of the total then issued shares of the Company. Further details of the terms of the Agreement are set out in Annexure A and were set out in the Company’s announcement to ASX on 23 September 2019;
- (g) a summary of the Agreement is attached in Appendix A.

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 4.

Voting Exclusions

Refer to Note 6 for voting exclusions on this Resolution.

Resolution 5: Ratification of Prior Issue of ZCS

The Company is seeking Shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the prior issue of one (1) Zero Coupon Security (ZCS) to Alto Opportunity Master Fund SPC – Segregated Master Portfolio B (the “Investor”) in accordance with the Convertible Securities Purchase Agreement (“Agreement”), dated 23 September 2019, between the Company and the Investor. The ZCS had an issue price of US\$382,500 and face value of US\$450,000. An Appendix 3G in relation to this issue was lodged with the ASX on 16 March 2020.

The ZCS was issued without shareholder approval under the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rule 7.1 and/or Listing Rule 7.1A (provided that the previous issue of securities did not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1 and 7.1A (if applicable). The Company seeks approval under Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under Listing Rule 7.1 and 7.1A.

Resolution 5 therefore seeks shareholder ratification of the prior issue of the ZCS in accordance with ASX Listing Rule 7.4. By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity pursuant to ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval. If shareholders pass Resolution 5 then this ZCS will no longer use the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval. If the ZCS were to convert to ordinary shares, the Company's capacity to issue equity securities under ASX Listing Rule 7.1 (and, subject to the relevant shareholder approval being held at the time, ASX Listing Rule 7.1A) will be increased. If shareholders do not pass Resolution 5 then this ZCS will continue to use the placement capacity available to the Company under the ASX Listing Rules.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the security was issued to Alto Opportunity Master Fund SPC – Segregated Master Portfolio B, which is not a related party of the Company;
- (b) the number and class of security issued was one (1) ZCS;
- (c) the ZCS has an issue price of US\$382,500 and face value of US\$450,000. The ZCS is secured and has a maturity date of 31 May 2021. The ZCS is convertible at the election of Alto at the rate of one fully paid ordinary share for every \$0.35 (35 cents) of the face value converted, at the US\$/A\$ exchange published by the Reserve Bank of Australia ("RBA") on the day before conversion. The ZCS otherwise has terms as set out in the announcement of the Company released to ASX on 16 March 2020 and in the cleansing notice with respect to the ZCS released to ASX on 16 March 2020. If the face value of US\$450,000 were to be converted at A\$0.35 (35 cents) at the RBA's exchange rate of US\$0.6457 to A\$1, being the closing exchange rate published by the Reserve Bank Australia on 15 March 2020 (the business day before the issue of the ZCS), this would result in a total of approximately 1,991,194 million shares being issued;
- (d) the ZCS was issued on 13 March 2020;
- (e) the purpose of the issue was to raise funds which have been, or will be, used for general corporate and working capital purposes;
- (f) the ZCS was issued under the Agreement, a summary of which is attached in Appendix A

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 5.

Voting Exclusions

Refer to Note 6 for voting exclusions on this Resolution.

BACKGROUND TO RESOLUTIONS 6 AND 7 – RENEWAL OF ZCS APPROVALS

At the Company's General Meeting held on 18 March 2020, Shareholders approved resolutions regarding the Convertible Securities Purchase Agreement ("**Agreement**") with Alto Opportunity Master Fund SPC – Segregated Master Portfolio B ("Alto" or "the Investor"), who is not a related party of the Company, for the issue of Zero Coupon Securities (ZCS). The approvals applied for three months after that General Meeting. Resolutions 6 and 7 are proposed for the renewal of those approvals for a further three months and to further provide for the reinstatement of collateral shares potentially used to meet amortisation instalments.

The entry into the Agreement was announced by the Company on 23 September 2019.

The Agreement is structured as an initial drawdown (tranche) with the potential for a further 7 drawdowns (each with a face value of US\$4.12 million and issue price of US\$3.5 million (or such other amounts as the Company and Alto may agree on a tranche by tranche basis)) subject to and conditional upon the satisfaction or waiver of conditions, including the agreement of Alto, as set out in the announcement made by the Company and released to ASX on 23 September 2019.

If the conditions of all 7 subsequent tranches to be drawn down are satisfied or waived (including Alto agreeing to proceed with individual tranches) the total potential value of the issue of all 8 drawdowns would be US\$30.9 million and the aggregate issue price before costs would be approximately US\$26.25 million.

On 25 September 2019, the Company announced that it had issued the initial tranche (Series A) ZCS to the Alto with an issue price of US\$1.75 million and face value of US\$2.06 million. The ZCS is secured and has a maturity date of 30 November 2020. The ZCS is convertible at the election of Alto at the rate of one fully paid ordinary share for every \$0.35 (35 cents) of the face value converted, at the US\$/A\$ exchange published by the Reserve Bank of Australia on the day before conversion.

On 13 March 2020, the Company announced that it had issued a further tranche ZCS. Series B, to Alto with an issue price of US\$382,500 and face value of US\$450,000. The ZCS is secured and has a maturity date of 31 May 2021. The ZCS is convertible at the election of Alto at the rate of one fully paid ordinary share for every \$0.35 (35 cents) of the face value converted, at the US\$/A\$ exchange published by the Reserve Bank of Australia on the day before conversion.

The face value of the ZCSs have been, or will be, amortised by 12 monthly instalments in shares or cash commencing 60 days from the issue date. The terms of payment of amortisation instalments are set out below:

- If the amortisation instalment is paid in cash, the amount payable is 103% of 1/12th of the face value of the relevant ZCS (plus any then outstanding costs or other amounts).
- If the Company wishes to satisfy an amortisation instalment by issuing shares instead of paying cash, its ability to do so will be subject to having obtained Shareholder approval in anticipation of the issue of shares to satisfy amortisation instalment(s), unless the Company's existing placement capacity is sufficient for the issue of the shares to satisfy amortisation instalment(s) without requiring further Shareholder approval. The number of shares to be issued to satisfy an amortisation instalment is calculated as follows:

$$A / P = S$$

Where:

A = the amortisation instalment amount.

P = the lower of \$0.35 (35 cents) or 85% of either the two lowest daily VWAP (in AUD to three decimal places provided that if the resultant number contains four or more decimal places, such number shall be rounded down to the next lowest number containing three decimal places) in the 20 trading days before the amortisation instalment is due or the daily VWAP on the last trading day before the instalment payment is due.

S = the number of shares to be issued to satisfy the amortisation instalment amount.

- If the Company chooses to satisfy amortisation instalment(s) by issuing shares but is unable to issue some or all of such shares, the instalment (or applicable part) is payable in cash at 110% of the face value amortised.

A summary of the terms of the ZCSs are set out in Annexure A and in the announcement released to ASX on 23 September 2019.

Since the issue of the initial tranche (Series A) ZCS in September 2019 the Company has amortised US\$1,069,333.35 of the face value by a combination of cash payments and capitalisation of collateral shares.

Resolution 5 seeks Shareholder ratification of shares issued to reinstate capitalised collateral shares. Shares may be issued as part of amortising the ZCS or to replenish capitalised collateral shares after the date of this Notice of Meeting.

Since the issue of the Series B ZCS in March 2020 the Company has the Company has amortised none of the face value by capitalisation of collateral shares. Shares may be issued as part of amortising the ZCS or to replenish capitalised collateral shares after the date of this Notice of Meeting.

Resolution 6: Approval to issue ZCS amortisation and/or collateral replenishment shares

Resolution 6 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 to enable it to issue shares to satisfy amortisation instalments under the ZCS on issue as set out above, if it chooses to do so and the conditions for paying the

applicable amortisation instalment by issuing shares are satisfied or waived. Shares may be issued to satisfy amortisation instalments, or to reinstate collateral shares capitalised to satisfy amortisation instalments (or a combination of both). Further information about capitalisation of collateral shares, and maintaining collateral shares, is set out above in respect of Resolution 5.

If Shareholders approve the issue of shares by passing Resolution 6, the Shareholder approval is only valid for three months from the Meeting in accordance with ASX Listing Rule 7.3.4. Accordingly, the Shareholder approval sought under Resolution 6 may be used by the Company to issue shares to satisfy or reinstate capitalised collateral shares during that period, and the Company will be likely to seek further Shareholder approvals in future to issue additional shares to satisfy amortisation instalments or reinstate capitalised collateral shares, whether under the existing ZCS or under the further ZCSs (the approval for the issue of which is sought under of Resolution 7) as an alternative to issuing shares to meet amortisation instalments under its placement capacity.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of Shareholders at a general meeting.

The potential issues of shares to satisfy amortisation instalments or to reinstate capitalised collateral shares may exceed the 15% limit in Listing Rule 7.1. The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain further Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of shares under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1. The Company therefore proposes Resolution 6 to seek the approval of Shareholders under and for the purposes of Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to proceed with issues of shares to satisfy amortisation instalments or to reinstate capitalised collateral shares, if the conditions for issuing or capitalising shares to meet amortisation instalments are met and the Company chooses to satisfy amortisation instalments (in whole or in part) by issues of shares rather than by paying cash. This allows the Company greater flexibility, and may enable it to preserve its cash resources for other purposes. In addition, the issues will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1. Receipt of Shareholder approval does not, however, mean the Company will issue all or any of the shares, and the decision to issue shares to satisfy amortisation instalments, if the conditions for issuing or capitalising shares to meet amortisation instalments are met, remains with the Board. The issue of shares would also increase the Company's capacity to issue equity securities under ASX Listing Rule 7.1 (and, subject to the relevant shareholder approval being held at the time, ASX Listing Rule 7.1A).

If Resolution 6 is not passed, the Company will not be able to make issues of shares to satisfy amortisation instalments or to reinstate capitalised collateral shares unless (and then only to the extent) it has capacity under Listing Rule 7.1 at the time. It therefore may not have the flexibility of choosing whether to satisfy one or more, or all or part of, amortisation instalments by issuing shares and would be required to use cash to make the payments. It would also potentially reduce the Company's ability to issue shares or other equity securities for other purposes, if the 15% capacity under Listing Rule 7.1 were to be used to satisfy amortisation instalments or to reinstate capitalised collateral shares.

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) the shares will be issued to Alto Opportunity Master Fund SPC – Segregated Master Portfolio B (and/or its nominee(s)) (“the Investor”). The Investor is not a related party of the Company;
- (b) the number of shares to be issued is to be calculated in accordance with the formula set out on page 10 of this Explanatory Statement. If amortisation instalments totalling US\$209,166.67, being 1/12th of the aggregate face value of the Series A (US\$2.06 million) and Series B (US\$450,000) ZCSs, were to be paid by issuing shares at A\$0.007 (0.7 cents)¹ at the RBA's exchange rate of US\$0.694 to A\$1 as at 3 June 2020, a total of approximately 35.34 million shares would be issued for that instalment. If collateral shares are capitalised to meet the payment, the number of capitalised collateral shares to be reinstated would be calculated in the same manner. The shares will be fully paid ordinary shares;
- (c) the Company proposes issuing the shares the subject of this Resolution 6 periodically to meet amortisation instalments under the ZCS or to reinstate capitalised collateral shares. No shares will be issued under the

1. For purposes of this example, the lowest closing price in the 20 trading days to and including 3 June 2020 of A\$0.009 (0.9 cents) has been used to represent the 2 lowest daily VWAPs. The full description of how the price to be applied is determined is set out in “P” the formula on page 10.

Shareholder approval sought under Resolution 6 more than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules);

- (d) fully paid ordinary shares shall be issued to satisfy amortisation instalments under the ZCS or to reinstate capitalised collateral shares. The shares will be issued at a deemed price calculated in accordance with “P” of the formula set out on page 10 in the case of shares issued to satisfy amortisation instalments under the ZCS or a deemed price reflecting the market price at the time of issue for shares issued to reinstate capitalised collateral shares;
- (e) no funds will be raised from the issue of shares. The shares are proposed to be issued to satisfy amortisation instalment(s) under the existing issued ZCS or reinstate collateral shares capitalised for that purpose; and
- (f) the shares would be issued under the Agreement. Further details of the terms of the agreement are set out in Annexure A and were set out in the Company’s announcement to ASX on 23 September 2019.

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 7.

Voting Exclusions

Refer to Note 6 for voting exclusions on this Resolution.

Resolution 7: Approval to issue potential further ZCSs

Resolution 7 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to 6 potential additional tranches of ZCSs under the Agreement to Alto. The terms of the up to 6 potential additional tranches of ZCSs are set out in Annexure A and were set out in the announcements made by the Company to ASX on 23 September 2019 and 16 March 2020.

Shareholders previously approved the issue of up to 7 potential additional tranches of ZCSs at the Company’s General Meeting on 18 March 2020. One further tranche (Series B) was issued on 3 March 2020 prior to this General Meeting. None of the further potential additional tranches of ZCSs have been issued since that meeting. The approval lapses 3 months after that meeting, and a refreshed approval is sought by the proposal of Resolution 7.

The issue of each of the additional tranches of ZCS is subject to and conditional upon the satisfaction or waiver of conditions as described in the announcement made by the Company on 23 September 2019, and Alto agreeing to the issue of the applicable additional tranche.

If Shareholders approve the issue of the further ZCSs, the Shareholder approval is only valid for three months from the Meeting in accordance with ASX Listing Rule 7.3.2. The Company might not elect to issue any or all of the further ZCSs, Alto might not agree to the issue of further ZCSs, or the conditions for the issue of further ZCSs might not be satisfied or waived, during the three month period after the Meeting for which the Shareholder approval applies.

Issues of further ZCSs more than three months after the Meeting would use placement capacity of the Company unless a further, refreshed Shareholder approval has been obtained at a later meeting. In addition, if Shareholders do not approve Resolution 7 then issues of further ZCSs would only be possible if sufficient placement capacity is available to the Company at the time (or a later approval were to be obtained).

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of Shareholders at a general meeting.

The issues of further ZCSs could exceed the 15% limit in Listing Rule 7.1. The Company therefore seeks the approval of Shareholders under Listing Rule 7.1. While there has been no decision to issue further ZCSs, the Company wishes to retain as much flexibility as possible to issue further ZCSs into the future without having to obtain further Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the potential issue ZCS under Listing Rule 7.1.

Resolution 7 seeks the required Shareholder approval under and for the purposes of Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to issue further tranches of ZCSs within 3 months after the Meeting if the conditions for issuing ZCSs are met, the Company chooses issue one or more further ZCSs and Alto agrees to the issue of one or more further ZCSs to it. In addition, any issues of ZCSs will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1. Receipt of Shareholder approval does not, however, mean the Company will issue any further tranches of ZCSs. If the ZCSs were

to convert to ordinary shares, the Company's capacity to issue equity securities under ASX Listing Rule 7.1 (and, subject to the relevant shareholder approval being held at the time, ASX Listing Rule 7.1A) will be increased.

If Resolution 7 is not passed, the Company will not be able to issue further tranches of ZCSs unless (and then only to the extent) that it has capacity under Listing Rule 7.1 at the time. It therefore may not have the flexibility of choosing whether to issue further tranches of ZCSs and as a result would not be able to use ZCSs to raise additional funds. It would also potentially reduce the Company's ability to issue shares or other equity securities for other purposes, if the 15% capacity under Listing Rule 7.1 were to be used to issue a ZCS, again if (and then only to the extent) that it has capacity under Listing Rule 7.1 at the time.

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) the ZCSs will be issued to Alto Opportunity Master Fund SPC – Segregated Master Portfolio B (and/or its nominee(s)) (“the Investor”). The Investor is not a related party of the Company;
- (b) the maximum number of securities that may be issued is 6 ZCSs. The ZCSs are zero coupon convertible amortising securities;
 - o If the face value of a further ZCS were to be US\$4.12 million (the maximum provided for above), conversion at A\$0.35 (35 cents) at the RBA's exchange rate of US\$0.694 to A\$1 at 3 June 2020 would result in a total of approximately 16.96 million shares being issued. If an amortisation instalment of US\$343,300, being 1/12th of a face value of US\$4.12 million, were to be paid by issuing shares at A\$0.007 (0.7 cents)², at that exchange rate a total of approximately 70.67 million shares would be issued for that instalment;
- (c) potential additional tranches of ZCSs shall have the same terms as the ZCS already issued, but for the conditions of issue and the total face value and issue price. The terms of any additional tranche of ZCS will be as set out in the announcement of the Company released to ASX on 23 September 2019;
- (d) none of the potential additional tranches of ZCSs will be issued under the Shareholder approval sought under Resolution 7 more than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). As noted above, the Company might not choose to issue any or all of the further ZCSs the subject of Resolution 7 (whether within the three months of the Meeting or at all);
- (e) each further ZCS shall have a face value of up to US\$4.12 million and an issue price of up to US\$3.5 million (or such other amounts as the Company and Alto may agree on a tranche by tranche basis);
- (f) the purpose of the issue would be to raise funds which would be used for the Company's general corporate and working capital purposes applying at the time; and
- (g) the ZCSs would be issued under the Agreement. Further details of the terms of the agreement are set out in Annexure A and were set out in the Company's announcement to ASX on 23 September 2019.

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 7.

Voting Exclusions

Refer to Note 6 for voting exclusions on this Resolution.

Resolution 8: Approval to issue up to 100,000,000 Shares

Resolution 8 seeks shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to 100,000,000 fully paid ordinary shares at an issue price to be determined following the Meeting but not less than 80% of the VWAP of the Company's ordinary shares for the 5 days on which trades are recorded prior to the issue date.

The shares the subject of this Resolution 8 may be issued in response to interest received in respect of investment in the Company's securities, including in settlement of outstanding creditor balances. The recipients of these shares are not known as at the date of the Meeting, however it is anticipated to be a mix of existing shareholders and new investors, each of whom will be unrelated to the Company and will not require disclosure under Chapter 6D of the Corporations Act.

2. For purposes of this example, the lowest closing price in the 20 trading days to and including 3 June 2020 of A\$0.009 (0.9 cents) has been used to represent the 2 lowest daily VWAPs. The full description of how the price to be applied is determined is set out in "P" the formula on page 10.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting. The Company is also seeking further shareholder approval to issue securities under the 10% placement capacity available under ASX Listing Rule 7.1A.

While the maximum issue for which Resolution 8 seeks approval would not exceed the 15% limit in Listing Rule 7.1 and, subject to the relevant shareholder approval being held at the time, the 10% placement capacity under ASX Listing Rule 7.1A) if Resolution 5 is passed, and therefore could be made without breaching that rules (again, if Resolution 5 is passed), the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain further shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the issue of shares under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 8 seeks shareholder approval for the issue under and for the purposes of Listing Rule 7.1.

If shareholders pass Resolution 8, the Company will have the flexibility to issue these shares without using up any of its 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1. Issues of shares made under the approval will be excluded from the calculation of the number of equity securities the Company can issue without shareholder approval under Listing Rule 7.1. Receipt of shareholder approval does not, however, mean the Company will issue all or any of these shares, and the decision to issue shares remains with the Board. The issue of shares would also increase the Company's capacity to issue equity securities under ASX Listing Rule 7.1 (and, subject to the relevant shareholder approval being held at the time, ASX Listing Rule 7.1A).

If shareholders do not pass Resolution 8, the Company will be able to issue the shares but it will reduce the Company's capacity to issue equity securities without shareholder approval under Listing Rule 7.1 (and, subject to the relevant shareholder approval being held at the time, ASX Listing Rule 7.1A) for 12 months following the issue. The issue(s) would use then existing 15% capacity, and the Company would not be able to issue the shares to the extent the number of shares sought to be issued at the time exceeded the then available 15% capacity.

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) the shares are anticipated to be issued to a mix of existing shareholders and new investors to be identified by the Company, each of whom will be unrelated to the Company and will not require disclosure under Chapter 6D of the Corporations Act;
- (b) the maximum number of shares that may be issued is 100,000,000. The shares will be fully paid ordinary shares;
- (c) the shares are proposed to be issued within three months of the date of the Meeting. Any shares issued more than three months after the date of the Meeting will be issued without shareholder approval and will use the Company's placement capacity. The Company may seek further shareholder approval to issue shares the subject of Resolution 8 in the event such shares are not issued within three months of the Meeting;
- (d) the issue price of shares will be not less than 80% of the VWAP of the Company's ordinary shares for the 5 days on which trades are recorded prior to the issue date; and
- (e) the funds raised from the issue will be used for general working capital purposes.

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 8.

Voting Exclusions

Refer to Note 6 for voting exclusions on this Resolution.

Resolution 9: Approval of 10% Placement Facility

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is, at the date of this Notice, an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The effect of Resolution 9 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period (as described below) without using the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve Resolution 9, the number of Equity Securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at this Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of quoted Equity Securities, being Shares and Listed Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12-month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue at the commencement of the "relevant period" (which, for the Company, is the 12 month period immediately preceding the date of the issue or agreement):

- (A) plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
- (B) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - (i) the agreement was entered into before the commencement of the relevant period; or
 - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4;
- (E) plus the number of partly paid shares that became fully paid in the relevant period;
- (F) less the number of fully paid shares cancelled in the relevant period.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.1 or 7.4.

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer above).

(e) *Nature of consideration for issue and Minimum Issue Price*

The Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(10% Placement Period).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained, being 17 July 2020, and expires on the first to occur of the following:
 - (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 17 July 2021;
 - (ii) the time and date of the Company's next annual general meeting;
 - (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
 - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The purposes for which the funds raised by an issue of Equity Securities under rule 7.1A.2 may be used by the Company include:

- (i) consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s); and
 - (ii) continued expenditure on the Company's current business and/or general working capital.
- (d) If Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below (in the case of Listed Options, only if the Listed Options are exercised). Shareholders may also be exposed to economic risk and voting dilution, including the following:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 3 June 2020 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.005 50% decrease in Current Share Price	\$0.009 Current Share Price	\$0.018 100% increase in Current Share Price
Current Variable A 922,326,952 Shares	10% Voting Dilution	92,232,695 Shares		
	Funds raised	\$415,047	\$830,094	\$1,660,189
50% increase in current Variable A 1,383,490,428 Shares	10% Voting Dilution	138,349,043 Shares		
	Funds raised	\$622,571	\$1,245,141	\$2,490,283
100% increase in current Variable A 1,844,653,904 Shares	10% Voting Dilution	184,645,390 Shares		
	Funds raised	\$830,094	\$1,660,189	\$3,320,377

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Options (including existing Listed Options and/or any Listed Options issued under the 10% Placement Facility) are exercised into Shares or other convertible securities (including ZCSs) are converted to Shares before the date of the issue of the Equity Securities;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The Current Share Price is \$0.009 (0.9 cent), being the closing price of the Shares on ASX on 3 June 2020.

- (e) The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to relevant factors including, but not limited to, the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) The Company:
- (i) has not issued, nor agreed to issue, any Equity Securities under Rule 7.1A.2 in the 12 month period preceding the date of the Meeting; and
 - (ii) had not agreed, before the 12 month period referred to in the preceding paragraph, to issue any Equity Securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

Directors Recommendations

The Directors of the Company believe that Resolution 9 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Voting Exclusions

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement is not required by Listing Rule 7.3A.7.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“**\$**” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 9;

“**Agreement**” means the Agreement between the Company and Alto for issue of the ZCS

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 31 December 2019;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEST**” means Australian Eastern Standard Time;

“**Alto**” means Alto Opportunity Master Fund SPC – Segregated Master Portfolio B

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chair**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means engage:BDR Limited ACN 621 160 585;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means 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;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of engage:BDR Limited for the financial year ended 31 December 2019 and which is set out in the 2019 Annual Report;

“**Resolution**” means a resolution referred to in the Notice;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

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

“**VWAP**” means volume weighted average price.

“**ZCS**” means zero coupon convertible amortising security.

APPENDIX A

Resolutions 5, 6, 7 and 8

Summary of terms of the Convertible Securities Purchase Agreement (“Agreement”) dated 23 September 2019 between Engage:BDR Limited (“the Company”) and Alto Opportunity Master Fund SPC – Segregated Master Portfolio B (“Alto”) for the issue by the Company to Alto of Zero Coupon Convertible Amortising Securities (ZCSs)

Initial tranche (Series A) / drawdown:	<p>Face Value: US\$2,060,000.</p> <p>Issue Price: US\$1,750,000</p> <p>Issued: 25 September 2019</p> <p>Amount of Face Value amortised at the date of this Notice: US\$1,069,333.35</p>
Series B drawdown	<p>Face Value: US\$450,000.</p> <p>Issue Price: US\$382,500.</p> <p>Issued: 13 March 2020</p> <p>Amount of Face Value amortised at the date of this Notice: US\$Nil</p>
Up to 6 potential subsequent tranches / drawdowns:	<p>Face value: US\$4,120,000.</p> <p>Issue Price: US\$3,500,000 (or such other amounts as the Company and Alto may agree on a tranche by tranche basis).</p> <ul style="list-style-type: none"> - See further below about further drawdowns being conditional, including Alto agreeing to proceed with a particular tranche. - Further announcements will be made to the market if subsequent drawdowns occur.
Additional shares and options:	<p>Under the Agreement, the Company also issued to Alto:</p> <ul style="list-style-type: none"> - 13,750,000 unlisted options with an exercise price of \$0.026 (2.6 cents), and with an expiry date of 30 September 2022; and - 28.5 million fully paid ordinary shares (“Collateral Shares”) which may be used by Alto to offset conversion or amortisation of the ZCSs.
Maturity Date:	<p>Each tranche of ZCSs matures on the date that is the last ASX trading day in the 14th calendar month after the date of issue of the tranche (Maturity Date).</p> <ul style="list-style-type: none"> • For Series A the Maturity Date is 30 November 2020. • For Series B the Maturity Date is 31 May 2021.
Security:	<p>The ZCSs are secured by a general security interest over the assets and undertaking of the Company, and a guarantee by its wholly owned US subsidiary.</p>
Interest rate:	<p>As “zero coupon” securities, no interest is payable on the ZCSs, unless a default event occurs.</p>
Purpose of issue:	<p>General corporate and working capital purposes, including:</p> <ul style="list-style-type: none"> - advancing deployment of the Company’s NetZero publisher payments product (a payment solution that aims to save publishers on finance costs they currently pay to invoice factoring partners) with the objective of attracting new publishers and their buyers as clients; - repaying a bridge loan previously issued by Alto; and - general working capital.

Redemption:	<p>If redeemed by the Company at the maturity date for a tranche of ZCSs, 103% of the aggregate face value of the applicable tranche of ZCSs then outstanding (plus any then outstanding costs or other amounts).</p> <p>If redeemed by the Company prior to the maturity date for a tranche of ZCSs, 107.5% of the aggregate face value of the applicable tranche of ZCSs outstanding as at the date of redemption (plus any then outstanding costs or other amounts).</p>
Conversion:	<p>The ZCSs are convertible at the election of Alto at the rate of one fully paid ordinary share (each a Conversion Share) for every A\$0.35 (35 cents) of the face value converted, at the US\$/A\$ exchange rate published by the Reserve Bank of Australia on the day before the conversion.*</p> <ul style="list-style-type: none"> - If Alto elects to convert the initial ZCS, the issue of Conversion Shares will be within the Company's existing capacity to issue shares without requiring shareholder approval.
Amortisation:	<p>The face value of the ZCSs will be amortised by 12 monthly instalments commencing 60 days after the issue date.</p> <ul style="list-style-type: none"> - Amortisation instalments paid in cash are payable at 103% of 1/12th of the face value (plus any then outstanding costs or other amounts). - If the Company wishes to satisfy an amortisation instalment by issuing shares instead of paying cash, its ability to do so will be subject to having obtained shareholder approval in anticipation of the issue of amortisation shares, unless the Company's existing capacity to issue the amortisation shares without requiring further shareholder approval is sufficient to enable the issue of the amortisation shares. - The number of shares to be issued is calculated as the lower of the 35 cent conversion price or 85% of either the average of the two lowest daily volume weighted average prices ("VWAPs") (in Australian dollars, to three decimal places provided that if the resultant number contains four or more decimal places, such number shall be rounded down to the next lowest number containing three decimal places) in the 20 trading days before the instalment payment is due or the daily VWAP on the last trading day before the instalment payment is due. - The process for satisfying an instalment by issuing shares includes satisfying conditions including that the Company's securities are tradable, minimum volume and price requirements, Alto being satisfied with documents to be provided by the Company and that no provision of the Agreement has been breached, and all representations and warranties by the Company remaining true. - Alto may, but is not obliged to, treat Collateral Shares as being capitalised to meet some or all of an instalment, with the Company then issuing replacement Collateral Shares to reinstate Alto's holding of Collateral Shares to the applicable level. - Alto may accelerate amortisation by share issues by increasing the amount of the instalment and the consequential number of shares to be issued, if an instalment is being satisfied by issuing shares. Alto may also choose to defer some or all of an amortisation payment until a later date, in which case the amortisation instalment will be due at the later date in addition to the instalment due at that time. - If the Company chooses to pay amortisation instalments by issuing shares but is unable to issue some or all of the shares, the instalment (or applicable part) is payable in cash at 110% of the face value amortised.

Collateral Shares:	The Collateral Shares will be maintained at approximately 4.9% of the total of the then issued shares of the Company by being replenished if the number of Collateral Shares falls below 2.5% of the total of those issued shares of the Company. The balance, if any, of Collateral Shares remaining at the maturity date of the last of the ZCSs will either be purchased by Alto at the lower of the conversion price (A\$0.35 (35 cents), subject to adjustments for issues of shares, options or other securities to third parties as referred to below) or 85% of the average of the two lowest daily VWAPs per share during the 20 ASX trading days prior to the date on which payment is made by Alto, or subject to compliance with the Corporations Act including obtaining any necessary shareholder approvals will be bought back by the Company for an aggregate total of A\$1.
Investor's holding limit:	Unless otherwise agreed by Alto, Alto will not be required to accept shares if Alto's shares would exceed 4.99% of the then issued shares of the Company. Issues of shares to Alto may be postponed (in full or in part) until total number of shares would be below 4.99% or Alto agrees to receive the despite exceeding 4.99%.
Defaults:	An event of default as per the Agreement (which includes the Company: making misleading or false statements; breaching the Agreement or associated documents; becoming insolvent; ceasing, suspending or disposing of its business or assets; failure to ensure that shares issues to Alto can be freely traded; having its shares suspended for more than 5 trading days) would entitle Alto to terminate the Agreement. Upon the occurrence of an event of default Alto may require payment of 125% of the then outstanding face value ZCSs. Alto is also entitled to payment of its losses, default interest and costs.
Changes of Control or Fundamental Transactions:	<p>Alto may require redemption of the then outstanding ZCSs at 125% of the face value if there is a Fundamental Transaction (which includes the Company, without Alto's consent: consolidating or merging with a third party; disposing of its assets; facilitating a third party's acquisition of more than 50% of the Company's shares; or reorganisation of capital) other than:</p> <ul style="list-style-type: none"> - any reorganisation or recapitalisation of shares in which holders of the Company's voting power immediately prior to such reorganisation or recapitalisation continue after such reorganisation or recapitalisation to hold publicly traded securities and, directly or indirectly, the voting power of the surviving entity or entities necessary to elect a majority of the members of the board of directors (or their equivalent if other than a corporation) of such entity or entities; or - resulting from an issuance of securities by the Company pursuant to the Transaction Documents; or - resulting from one or more bona fide transactions the primary purpose of which is to raise capital, provided that no third party which is party to such bona fide transaction acquires either: <ul style="list-style-type: none"> o 50% or more of the outstanding Shares; or o a relevant interest (as defined in Chapter 6 of the Corporation Act) in 50% or more of the Shares; <p>The Company must not enter into or be party to a Fundamental Transaction unless its successor assumes in writing all of the obligations of the Company under the Agreement and the Transaction Documents, and agrees to deliver to Alto in exchange for the ZCSs then on issue a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to the Agreement and the Transaction Documents including, without limitation, having a face value equal to the</p>

	face value of the ZCSs then on issue and having similar conversion rights, dividend rights and ranking to the ZCSs.
Participation right:	For three years after the issue of the first tranche of ZCSs, Alto shall have the right (but not the obligation) to participate in any financing transaction (such as an equity or debt raising, or fundraising by way of a convertible instrument or other fundraising, excluding pro-rata offers to shareholders) undertaken or proposed to be undertaken by the Company, on terms no less favourable to Alto than the terms offered to third parties, for up to 50% of the applicable proposed financing.

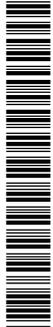
* If an event of default occurs, the conversion price will become the lower of A\$0.35 or 80% of the average of the two lowest daily VWAPs per share (in Australian dollars, to three decimal places, rounded down) during the twenty (20) consecutive trading days immediately prior to the date of conversion. If the Company issues shares to a third party at a price (or equivalent consideration) less than the conversion price applying at time (other than upon exercise of currently existing options or conversion of currently existing convertible notes), the conversion price will be reset to the price (or equivalent consideration) of the third party issue. The conversion price will also be reduced to take into account the difference between the then applicable conversion price and the value of options or other convertible securities or rights to shares if issued by the Company.

Issues of tranches of ZCSs subsequent to the first tranche will be subject to detailed conditions and requirements, and will only proceed if the Company decides to request the issue of a specific subsequent tranche of ZCSs, Alto at its discretion agrees to subscribe for the specific subsequent tranche, and the detailed conditions and requirements are satisfied (or waived by Alto). The conditions and requirements include minimum share prices and volumes in periods up to and including the relevant issue or conversion dates, limits on holdings by Alto and its associates not being exceeded, face value to market capitalisation and other ratios, the Company having sufficient then existing capacity (or obtaining shareholder approvals) to issue the applicable ZCSs or shares, compliance with regulatory requirements, providing certifications and evidence of satisfaction of requirements, any necessary changes to the Company's constitution having been made, the Company not being in breach of the Agreement (or any breach having been remedied to the satisfaction of, or waived by, Alto), representations and warranties by the Company remaining correct, cleansing statements or prospectuses or other disclosure documents having been (or being undertaken to be) lodged within applicable time limits, and other commercial, legal and procedural requirements having been met.

Similar requirements apply to issuing conversion shares, the Company seeking to pay amortisation instalments by issuing shares, capitalisation of Collateral Shares in lieu of issuing conversion shares or shares to pay amortisation instalments, and issuing further or replacement Collateral Shares.

The Company will only request Alto to subscribe for subsequent tranches of ZCSs or seek to pay amortisation instalments using shares if it is able to satisfy the applicable requirements of the Agreement and either the issue of the relevant ZCSs or shares would not exceed its then capacity to issue securities without requiring shareholder approval, or if it has obtained shareholder approval enabling it to make the issue. This would be decided by the Company at the relevant time having regard to the then applicable circumstances, including but not only the trading prices and volumes of the Company's shares on ASX.

If for any reason the Company cannot issue shares to convert ZCSs or replace Collateral Shares if capitalised instead of new shares being issued, the Company must pay a cash sum in lieu of issuing the shares unable to be issued at the highest daily VWAP during the period between the conversion notice being given by Alto and the date upon which the conversion shares were due to be issued.



EN1

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEST) on Wednesday, 15 July 2020**

Proxy Form

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.

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

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.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of engage:BDR 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 engage:BDR Limited will be held virtually via a webinar conferencing facility on Friday, 17th July 2020 at 11:00am (AEST) 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 Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is 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 Resolution 1 by marking the appropriate box in step 2.

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			For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Approval to issue potential further ZCSs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Kurtis Rintala as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval to issue up to 100,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue of 10,391,461 Fully Paid Ordinary Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue of 30,420,738 Fully Paid Ordinary Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 5	Ratification of prior issue of ZCS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 6	Approval to issue ZCS amortisation and/or collateral replenishment shares	<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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

