

NOTICE OF ANNUAL GENERAL MEETING

INVENTIS LIMITED (ABN 40 084 068 673)

NOTICE is hereby given that the Annual General Meeting of Inventis Limited will be held at the Board Room on Level 2, Suite 12, 1 Box Road, Caringbah NSW 2229 at 10:00 am on Friday, 25 November 2011.

Business

The Business of the meeting shall be:

General Business:

1. **Financial and Other Reports:**

To receive the statement of comprehensive income, statement of changes in equity, statement of financial position and statement of cash flows along with the Notes to the financial statements, directors' report and auditor's report for the year ended 30 June 2011.

2. **Dividend:**

To receive the recommendation of the directors that no dividend be declared for the financial year ended 30 June 2011.

3. **Board Limit Resolution:**

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

"That the Proposal of the Board to set the Board Limit to three directors be approved."

4. **Remuneration Report:**

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

"That the Remuneration Report for the Company (included in the Directors' Report) for the financial year ended 30 June 2011 be adopted."

5. **Re-election of a Director:**

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

"That Mr Denis Pidcock, a director retiring by rotation, being eligible, offers himself for re-election, is re-elected."

Special Business:

6. **Divestment of 49% shareholdings from the wholly owned subsidiaries:**

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

"That the Company is authorised to divest itself of the shareholding of its wholly owned subsidiaries up to a maximum of 49% of the issued shares in each of the Subsidiary."

7. Equal Access Buyback:

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

"That the Company authorise and approve (for the purposes of section 257C (1) of the Corporations Act and for all other purposes) the reduction in the issued capital of the Company by up to 51,991,868 fully paid ordinary shares in the capital of the Company on an equal access basis at a price to be determined by dividing the net tangible assets of the Company by the total number of Shares on issue in the Company and otherwise on the terms set out in the Explanatory Statement."

This resolution is conditional on the settlement of the sale of the Technology Division taking place.

8. Sale of a Substantial Asset to a Related Party:

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

"That the Company authorises and approves the sale of Building situated at Unit 40, 1-3 Endeavour Road, Caringbah NSW 2229 being Lot 42 In Strata Plan 40764 at Caringbah, by way of auction with an underwriting by a related party or alternatively selling to a related party should the reserve price as set by the Board of Directors not be met or exceeded at auction, at a price equal to the reserve price or greater than the highest bid at the auction, as the case may be, as per the process stated in the Explanatory Statement."

This resolution is conditional on if the settlement of the sale of the Technology Division as anticipated, does not take place.

By order of the Board.



Renuka Sharma
Secretary

Date: 24 October 2011

EXPLANATORY STATEMENT

This Explanatory Statement contains information relating to the resolutions proposed in the Notice of Annual General Meeting which it accompanies and should be read carefully prior to the Annual General Meeting.

1. Notice Requirements for Resolution 1:

As required by section 317 of the Corporations Act, the Financial Report, Directors' Report and Auditor's Report of the Consolidated Entity for the financial year ended 30 June 2011 will be laid before the meeting.

There is no requirement for a formal resolution on this item. Accordingly, there will be no formal resolution put to the meeting.

2. Notice Requirements for Resolution 2:

ASX Listing Rule 3.1 provides that once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information. ASX further provides that a recommendation or declaration that a dividend or distribution will not be declared is also material information under ASX Listing Rule 3.1.

There is no requirement for a formal resolution on this item. Accordingly, there will be no formal resolution put to the meeting.

3. Notice Requirements for Resolution 3:

At its Meeting on 20 November 2009, the Board of Directors had resolved that in accordance with the Constitution of the Company, the number of directors be reduced to three, two of whom should be non-executive directors, till such time as the Company is in a stronger financial position.

In accordance with *the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011*, if the company's constitution authorises the directors to set a limit (a board limit) whose effect is to restrict the number of directors of the company to a number less than the maximum number of directors specified in the constitution, the directors must not set such board limit unless a resolution (a board limit resolution) approving the proposal to set the limit specified in the resolution has been passed by a general meeting of the company.

Consequently, the directors intend to propose that the board limit be set at three by the general meeting and the resolution as stated in resolution 3 be approved.

A board limit resolution has effect until immediately before the start of the first AGM of the company after the general meeting by which the resolution was passed. This provides the shareholders opportunity at every Annual General Meeting to review their decision on reducing the board limit.

This resolution does not prevent the appointment of a person as a director of the company by the other directors of the company between general meetings of the company to fill any casual vacancy.

The directors' reasons for proposing the board limit resolution are as follows:

- (a) **Global Financial Crisis effect on the Business:** Due to the Global Financial Crisis, the Business of the Company is not in a position to provide support to a Board which is greater than the minimum requirement. This

assists in reducing the costs of the Board and consequently the Company in this environment;

- (b) **Corporate Governance Recommendations:** The present constitution of the Board not only satisfies the recommendation relating to the majority of the Board being independent and non-executive but also provides diversity as required. Exception to this was when one of the existing Independent Non-executive directors had to step into the shoes of General Manager of the Furniture Division to provide guidance when no leadership support was available to the Division. This was for a period of 6 months during 2010-11.
- (c) **Past Performance of the Current Board:** The Board of three members has proven to be adequate for the performance of the tasks required and providing strategic direction to the Company.

4. Notice Requirements for Resolution 4:

Under Section 250R of the Corporations Act, at a listed company's AGM, a resolution that the remuneration report be adopted must be put to the vote. The vote on the resolution is advisory only and does not bind the directors or the company. However, *the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* has now provided that there is a voting exclusion for this resolution as follows:

Voting Exclusion Statement:

Except to the extent otherwise permitted by law, the following persons may not vote, and the Company will disregard any votes cast by the following persons, on the resolution proposed in Item 4 (Resolution 4):

1. *A member of the key management personnel for the Inventis consolidated group whose remuneration details are included in the Remuneration Report (or a closely related party of any such member), unless:*
 - a. *That person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 4; and*
 - b. *The vote is not cast on behalf of a member of the key management personnel for the Inventis consolidated group whose remuneration details are included in the Remuneration Report (or a closely related party of any such member);*
2. *A member of the key management personnel for the Inventis consolidated group whose remuneration details are not included in the Remuneration Report (or a closely related party of any such member) that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on Resolution 4.*
3. *If a proxy in favour of the Chair does not have a directed vote for Resolution 4, it will be disregarded (as per the ASIC guidance).*

For the purpose of this voting exclusion statement:

1. **Key Management Personnel:** The key management personnel of the Inventis Consolidated Group are those persons having authority and responsibility for planning, directing and controlling the activities of the group either directly or indirectly. To remove any doubt, the following are considered as Key Management Personnel for Inventis consolidated group irrespective of the fact that their remuneration is included or not in the Remuneration Report:
 - a. All Directors (whether executive or non-executive);
 - b. Chief Financial Officer;
 - c. Company Secretary

- d. Chief Executive Officer;
 - e. General Manager;
 - f. Middle Management of the two Divisions (whether employee or contractor).
2. **Closely related party:** A closely related party of a member of the key management personnel for the Inventis consolidated group means:
- a. A spouse or child of the member; or
 - b. A child of the member's spouse; or
 - c. A dependent of the member or the member's spouse;
 - d. Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
 - e. A company the member controls.
3. **Other Persons excluded:** The Company will also apply these voting exclusions to persons appointed as attorney by a shareholder to attend and vote at the meeting under a power of attorney – on the basis that references to persons attending and voting as proxy are read as references to persons attending and voting as attorney and references to an instrument under which the proxy is appointed are read as references to the power of attorney under which the attorney is appointed.

5. Notice Requirements for Resolution 5:

As per the Constitution of the Company, Denis Pidcock is retiring by rotation and being eligible offers himself for re-election.

Summary biographical data of Mr Denis Pidcock is as follows:

Denis Pidcock, MBA, BEng, Independent Non Executive Director, Appointed as Director on 13 May 2008

Denis has extensive experience in both senior level executive management and non-executive directorship roles across a wide range of industry fields in private, public and government corporations as well as considerable international involvement in Europe, the United States and South East Asia.

With a background in marketing, project design, financial and administrative management, compliance management and management of domestic and international merger and acquisition transactions, Denis brings a wealth of experience to Inventis Limited.

In addition, Denis is Leading Independent Director to ensure that the Executive Chairman does not influence the non-executive directors' decisions.

Directorships held in other listed entities in the last 3 years – Mariner Corporation Limited (15 June 2009 – 9 November 2010).

6. Notice Requirements for Resolution 6:

ASX Listing Rule 11.2 deals with change involving main undertaking. It states that if the significant change involves the entity disposing of its main undertaking, the entity must get the approval of holders of its ordinary securities and comply with any requirements of ASX in relation to the notice of meeting.

ASX Listing Rule 11.4 states as follows:

“11.4 An entity must not dispose of a major asset if, at the time of the disposal, it is aware that the person acquiring the asset intends to issue or offer securities with a view to becoming listed. The entity must do each of the following if one of its child entities holds the major asset:

- (a) It must not sell securities in the child entity with a view to the child entity becoming listed.*
- (b) It must make sure that the child entity does not issue securities with a view to becoming listed.*

11.4.1 This rule does not apply in either of the following cases:

- (a) The securities, except those to be retained by the entity or child entity, are offered pro rata to holders of ordinary securities in the listed entity, or in another way that, in ASX's opinion, is fair in all the circumstances.*
- (b) Holders of ordinary securities in the listed entity approve of the disposal without the offer referred to in the 11.4.1 (a) being made. The notice of meeting must include a voting exclusion statement.”*

The Board of Directors have come to the conclusion that the wholly owned subsidiary structure especially with diverse businesses is not as efficient as alternative structures and may in fact be damaging both of the underlying businesses. The Directors recommend that this resolution be passed so that the subsidiaries could grow by:

- i. **Attracting Investors:** The Directors have found that some investors are interested in investing in the electronics and technology business while others are interested in investing in the furniture business alone. This divestment will enhance the opportunities available for these subsidiaries to attract the right investors who could support and help to grow the respective businesses.
- ii. **Project driven Loans:** The divestment may also enable the subsidiaries to work independently and obtain loans for certain projects, without being constrained by the other division.
- iii. **Growth:** The Company by providing shared services will not only reduce costs of the subsidiaries but also can expand its horizon by offering these services to other corporations in Australia, thus becoming an income generating centre, rather than being a cost centre. This will also assist in growing both subsidiaries as well as Inventis Limited.

Process of Divestment:

It is proposed that:

- i. **Shares to Existing shareholders of Inventis Limited:** The shareholders who are interested in becoming investors in the subsidiary companies may do so in consideration of exchange of shares in the Listed Company with those of the subsidiary company. At this stage, the subsidiary companies have no intention of becoming listed entities.
- ii. **Investors:** The Board actively seeks potential private investors in the subsidiaries and raise project oriented finance.

Voting Exclusion Statement:

The Company will disregard any votes cast on resolution 6 by a person who may participate in acquiring shares in the subsidiary company in consideration of the shares in the listed company and a person who might obtain benefit, except a benefit solely in the capacity of a shareholder of the Company if the resolution is passed.

At this stage, it is anticipated that employee shareholders of Inventis Limited employed by respective Divisions will be willing to take up share

exchange offer. Consequently, all employee shareholders who are currently in employment by any of the Group Company shall be excluded and any votes cast by such shareholders or any of their associates on Resolution 6 will be disregarded.

However, the Company need not disregard a vote on Resolution 6 if:

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

7. Notice Requirements for Resolution 7:

In April 2011, the shareholders approved the buy back of shares based on the sale transaction of the Technology Division.

As per ASIC Regulatory Guide 110: "Share buy backs provide that a company can rely on a shareholder approval or notice of a share buy-back to continue to buy-back shares for up to 12 months. After that period, a further approval or fresh notice will be required if the company intends to continue buying back shares. However, the company must commence buying back shares under a notice within two months or the notice will expire and a fresh notice will be required before the company can buy-back shares."

Consequently, due to the Sale transaction for the Technology Division not being settled, the buy-back could not be started and thus, the two months have already expired.

Once the Technology Division Sale is settled, the buy-back can commence. The Company wishes to obtain shareholder approval for this resolution.

The details are as provided previously at our last Extra-Ordinary General Meeting, but are reproduced herewith for the convenience of the shareholders:

Resolution 7 refers to Section 257C of the Corporations Act which requires the notice of meeting to include a statement setting out all information known to the Company that is material to the decision how to vote on the resolution. ASIC Regulatory Guide 110 sets out details of what information ASIC requires to be disclosed in order to comply with Section 257C of the Corporations Act.

EQUAL ACCESS BUYBACK OF UP TO 51,991,868 SHARES

Resolution 7 seeks Shareholder approval to reduce the share capital of the Company by up to 51,991,868 fully paid ordinary shares in the capital of the Company on an equal access basis at a price determined by dividing the net tangible assets of the Company by the total number of Shares on issue in the Company.

Corporations Act, 2001

The Corporations Act allows a company to buyback up to 10% of the minimum number of Shares on issue at any time during the last 12 months without seeking the approval of its shareholders. If the Company wishes to buyback a greater number than this, by way of an equal access buyback, it must seek approval from its Shareholders in accordance with Section 257C (1) of the Corporations Act.

Proposed Buy-Back

The proposal under Resolution 7 is to enable the Company to buyback up to 51,991,868 Shares which comprise 50% of the total issued share capital of the Company.

What is an Equal Access Buyback?

An equal access buyback must satisfy the following conditions:

- (a) It must relate only to the ordinary shares in the Company;
- (b) The offer must be made to all Shareholders of the Company to buyback the same percentage of their Shares;
- (c) All Shareholders must have a reasonable opportunity to accept the offer;
- (d) Buyback agreements must not be entered until a specified time after acceptances of offers has closed; and
- (e) The terms of all offers must be the same.

Any differences in the offers introduced solely to ensure that each Shareholder is left with a whole number of Shares is to be ignored.

The Buy-Back Offer

The Buyback offer is for a maximum aggregate 51,991,868 Shares which is equal to up to 50% of the Shares held by each Shareholder.

The Buyback offer will open following the announcement by the Directors to ASX that the sale of the Shares in IVTT and Opentec has completed and the date of opening of Equal Access Share Buyback, which will be no later than 2 months after the date of the Notice. The offer documents will then be despatched to each Shareholder.

The Buyback offer will be open for a period of 28 days from the date on which the offer opens.

The Directors will determine the price by using the following formula:

Share Price = NTA after the Completion Date / Total Number of Shares on Issue

Where,

Share Price = Offer Price for the Scheme,

NTA after the Completion Date = Net Tangible Assets available to the Company as soon as the Sale Transaction is completed, and

Total Number of Shares on Issue = 103,983,735

The Independent Directors have reported that the valuation basis of the Share Price is fair and reasonable (Please refer to the Independent Directors' Report). ***Due to exchange rate fluctuations from the date of Independent Directors' Report to the date of the current notice of Annual General Meeting, the Independent Directors' wish to advise that there may be difference in the amount actually available at the time buy-back commences and the amount as stated in the Independent Directors' Report dated 18 March 2011. Accordingly the amounts stated in the terms of offer below may also differ.***

The terms of Offer are as follows:

- a. Maximum Available Funds for this Scheme is A\$10,000,000;
- b. Maximum Shares to be bought back is 51,991,868;
- c. Share Price to be determined by using the following formula:

Share Price = NTA after the Completion Date / Total Number of Shares on Issue

Where,

Share Price = Offer Price for the Scheme,

NTA after the Completion Date = Net Tangible Assets available to the Company as soon as the Sale Transaction is completed, and

Total Number of Shares on Issue = 103,983,735

- d. Total Number of Shares which will be offered to be bought back will be based on the following formula:

Total Number of Shares to be bought back by the Company = the Maximum Available Fund (as per clause "a." above) / Share Price (as per clause c above).

- e. If the Total number of Shares calculated under this formula is more than the maximum shares to be bought under clause "b" above, then the total number of shares will be equal to the maximum shares to be bought.
- f. Each Shareholder will be offered the following percentage of buyback of their shares:

Percentage of Shares to be bought back = Total Number of Shares / Total Number of Shares on issue * 100

Where,

Total Number of Shares has the same meaning as in clause "d" and clause "e" above; and

Total Number of Shares on Issue = 103,983,735.

- g. The date on which the Scheme offer opens (Offer Date) is the date when the Directors make an announcement in this regard. The date will be within 2 months of the date of the Meeting.
- h. The period for which the Scheme offer is open for acceptance by a Shareholder will be 28 days from the Offer Date (Closure Date).
- i. On the Closure Date, the directors of the Company will have a Board Meeting to determine:

Total Number of Shares for which acceptance has been received.

If Total Number of Acceptance Shares + the Unmarketable Parcels for both pre and post Acceptance of Shares is more than the Total Number of Shares offered under clause 3(d) above, then the Directors will accept the Share buyback in the following preferences:

- i. All Unmarketable Parcels as determined by the directors of the Company before the offer to be bought back, in full;
- ii. The Company will buyback all the Shares of such Shareholders who:
- Have accepted the offer; and
 - The remaining parcel after the acceptance will result in an unmarketable parcel of securities.
- iii. The remaining accepted offers, in equal proportions up to the percentage referred to in clause 3(f) which will be calculated as follows:
- (Total Cash Available – Cash Spent as per i and ii above) / Share Price
- j. Any differences in offers made to individual Shareholders solely to ensure that each Shareholder is left with a whole number of Shares are to be ignored.
- k. After the Determination as per clause (i):
- All rights relating to the Shares accepted for buy back will be suspended.
 - The Company will send the share transfer documents to each of the Shareholders who had accepted the offer.

- I. The Company will transfer funds to the Shareholder within 5 business days of receipt of a valid transfer form.

The Company will lodge all the transfers for the Shares the subject of acceptances with the Company's Share Registry and once the Shares are transferred to the Company, the Company will cancel all these Shares on the date on which they are transferred into the name of the Company. The Buyback price will then be paid within 5 business days of the close of the Buyback offer.

If a Buyback offer is not accepted by any Shareholder within the time for acceptance, the Buyback offer will lapse and cannot be used to increase the reduction of Shares of any other Shareholder.

Suspension and Cancellations of Shares

Shares bought back will be suspended and, on registration of the transfer of the same to the Company, the Shares will be cancelled.

Reasons for the Buyback

The reason for the Buyback is to facilitate a return of capital to Shareholders consequent upon completion of the sale of IVTT and Opentec by the Company.

Capital Structure

Assuming that the Buyback offer results in the Company buying back all 51,991,868 Shares, the capital structure of the Company before and after completion of the Buyback offer would be as follows:

Details	Number of Issued Shares
Pre-offer	103,983,735
Less: Number of Shares Bought Back	(51,991,868)
Post-offer	51,991,867

Director's Participation

All Directors of the Company are eligible to participate in the Buy-Back. The shareholdings of the Directors are as follows:

Tony Noun	4,961,875
Alfred Kobylanski	3,150,000

Funding of Buy-Back

The Buy-Back will be funded by applying part of the sale proceeds received by the Company from the sale of the issued capital of IVTT and Opentec to the Buyer.

Advantages of the Buyback

The advantages of the Buy-Back are as follows:

- (a) It will be conducted on an equal access basis;
- (b) Continuing Shareholders will control a larger proportion of the Shares of the Company;

- (c) It will provide a liquidity mechanism for Shareholders by returning capital to long standing investors, which is not readily available;
- (d) It will enable the Company to continue to appropriately manage its capital structure to maximise returns to Shareholders; and
- (e) It will give Shareholders the opportunity to continue to be involved with the Company and receive dividends (if any) by providing a higher ranking Share which pays a franked dividend which is significantly greater than what they would have been entitled to receive.

Disadvantages of the Buyback

The disadvantages of the Buyback are that it will reduce the cash balance of the Company, which may limit future investment opportunities.

Solvency

The Directors have satisfied themselves that:

- (a) The Company is solvent and will not become insolvent when the Company enters into the Buy-Back agreement; and
- (b) The Buy-Back does not materially prejudice the Company's ability to pay its creditors.

8. Notice Requirements for Resolution 8:

Chapter 10 of ASX Listing Rules deals with Transactions with persons in a position of influence. Listing Rule 10.1 deals with acquisition and disposal of assets and Listing Rule 10.2 defines what a substantial asset is. The Listing Rules 10.1 and 10.2 are extracted below:

10.1. An entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, any of the following persons without the approval of holders of the entity's ordinary securities.

10.1.1. A related party.

10.1.2. A subsidiary.

10.1.3. A substantial holder, if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities.

10.1.4. An associate of a person referred to in rules 10.1.1 to 10.1.3.

10.1.5. A person whose relationship to the entity or a person referred to in rules 10.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by security holders.

10.2. An asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the listing rules.

10.2.1. In calculating the value, each of the following rules applies:

- *Intangibles will be included.*
- *Provisions for depreciation and amortisation will be deducted.*

- *Liabilities acquired as part of an acquisition will not be deducted.*
- *Separate transactions will be aggregated if, in ASX's opinion, they form part of the same commercial transaction.*

The Board of Directors wish to obtain approval from the shareholders to sell the building owned by one of its subsidiary companies, Inventis Technology Pty Limited if the following conditions are satisfied:

1. The settlement of the Sale of Technology Division which is expected to take place on or about end of October 2011, does not take place before holding this Annual General Meeting;
2. The Company requires the cash proceeds from the sale to assist it in carrying on the business; and
3. One of the substantial holders or a group of holders or any other related party as envisaged in ASX Listing Rule 10.1 could potentially underwrite the reserve price or alternatively purchase the building at the highest bid after the reserve price, as set by the Board, has been exceeded.

The Board of Directors propose this as a measure to obtain cash required for Working Capital for the Businesses in this Global Financial Crisis environment.

Although the Directors' are confident that the Buyer will settle before the Annual General Meeting, and consequently resolution 8 would then be withdrawn in favour of resolution 7, the Directors' would like to get on with managing the affairs of the Company without having to go through the time and expense of calling another shareholder meeting to approve this transaction.

The Directors' are proposing that in case the sale of the Technology Division does not go through:

1. The businesses would have access to cash to use as part of its working capital;
2. According to the Company's accounts, the building has a written down value, as at 30 June 2011, of \$875,000.
3. However, the current slow economy may affect the reserve price and the directors will fix a reserve price in accordance with advice from Real Estate Agents, taking into consideration the market conditions at the time.
4. If an agreement is reached with a related party then such related party will be obliged to underwrite the reserve price and:
 - 4.1. if the reserve price is not reached, such related party shall buy the property at the reserve price; or
 - 4.2. If the reserve price is reached or exceeded, such related party shall buy the property at the price which is equal to the highest bid received.
5. If a related party does not agree to underwrite, then the bid which is highest once the reserve price is exceeded, will be realised.
6. If the reserve price is not reached, approval is sought for selling the building to a related party at the reserve price, should that related party agree to the purchase.

The directors are confident that a sale to a third party is highly likely, however, should they be unable to do so through the auction process and a related party is

willing to purchase at the reserve price or a price equivalent to the highest bid (above the reserve price) received at auction, the Directors require that they be authorised to sell the building to such related party at such price as the Board of Directors set. The benefit of selling to a related party is obtaining a higher net price as a sale to a related party would be without the use of Real Estate Agents (No agent fee).

Voting Exclusion Statement:

The Company will disregard any votes cast on resolution 8 by:

- 1. The related party who has agreed to underwrite the reserve price;*
- 2. The group of holders who have agreed to underwrite the reserve price; or*
- 3. The related party who has agreed to purchase the property at the highest bid; or*
- 4. The group of holders who have agreed to purchase the property at the highest bid; or*
- 5. An associate of any such related party or group of holders.*

However, the Company need not disregard a vote if:

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

As at this stage it is a general resolution, the details of the parties who may have agreed either to underwrite or purchase the property will be released to the market when they are finalised.

Independent Expert's Report not required as the transaction is fair and reasonable

The Board of Directors have considered at length and are of the opinion that Independent Experts Report under ASX Listing Rule 10.10.2 is not required at this stage as the Directors believe that the transaction is fair and reasonable to holders of the Company's ordinary securities whose votes are not to be disregarded.

The basis of this belief is that:

- There is every possibility at this stage considering the buyer's commitments, that this resolution may be withdrawn before the Annual General Meeting;
- The transaction is at arm's length as the sale is through public auction and the reserve price is set by the Directors considering an arm's length transaction sale; and
- The Independent Expert's Report will not serve any purpose except to increase the expenses which the Directors are trying their best to reduce.

3. INDEPENDENT DIRECTORS' REPORT (AS EXTRACTED FROM THE EXTRA-ORDINARY GENERAL MEETING NOTICE DATED 18 March 2011)*

ASIC Regulatory Guide 110 provides at paragraph 18 that if a company proposes to buy back a significant percentage of shares, it should consider providing:

- (a) a report by its independent directors about whether shareholders should vote in favour of the buy back, particularly regarding how much the company is paying for the shares; and
- (b) An independent expert's report with a valuation of the shares.

This requirement is not prescriptive but rather is something that the Company should consider.

The buyback is with respect to 50% of the Shares in the Company and therefore would be a significant buyback.

The Independent Directors are Denis Pidcock and Charles Wright. The Independent Directors having regard to the recently audited accounts of the Company have formed a view that Independent Expert's Report is not required in this instance.

The Independent Directors have reviewed the terms of the proposed Buyback offer to the Shareholders and believe that the Shareholders should vote in favour of the resolution to approve the Buyback as the proposed offer price for the Shares represents a fair value for the Shares.

The Independent Directors have formed their belief on the following basis:

The total cash and cash equivalents after the sale of the Technology Division and as depicted on Page 12 of the Notice will be \$21,532,114;

Use of \$10,000,000 for the Share Buyback comprises approximately 46% of the cash and cash equivalents following completion of the sale of the Technology Division which will be available in order to provide a return on investment made by the Shareholders;

The net asset position after the Buyback will be \$8,894,078 after the application of the consideration for the Shares set out in section 3 of the Notice.

After completion of the Buyback, assuming full participation in the Buyback, the number of Shares will reduce to 51,991,867 leaving net tangible assets based Share price equivalent to \$0.10 per Share. (Refer foot note on page 13)

The net asset value **excluding** the assets and liabilities for resale (approx \$4. 5 mill added to the net position), the net tangible assets based Share price would be equivalent to \$0.19 per Share. (Refer footnote on page 13).

In the opinion of the Directors, after the Buyback, there will be adequate resources to comfortably address the needs of the ongoing business and future growth plans.

The Company will still be solvent as it will be able to pay its debts as and when they fall due.

The proposed calculation of the offer price for the Buyback is reasonable having regard to the net tangible assets divided by number of Shares on issue.

The Independent Directors also note that the Buyback is subject to the Shareholders approving the sale of the Technology Division, as provided in Resolution 1 of the Notice.

Signed by the Independent Directors



Denis Pidcock
DATE: 18 March 2011



Charles Wright
DATE: 18 March 2011

***All references to Notice and Page numbers are those related to the Notice of Extra-ordinary General Meeting dated 18 March 2011 and do not refer to the current document.**

NOTES
VOTING REQUIREMENTS

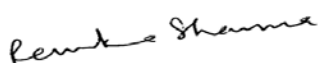
Entitlement to Vote

Inventis Limited (as convener of the meeting) has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Members as at 7.00pm Eastern Standard Time on 23 November 2011.

Proxies

1. A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies. If you wish to appoint two proxies, please obtain a second proxy form by contacting the Company Secretary on +61 2 8578 8906. Proxy forms should be lodged together.
2. If a member appoints two proxies, and the appointment does not specify the proportion or number of the member's votes exercisable by each proxy, then each proxy may exercise half of the votes.
3. On a show of hands, a member present in person or by proxy shall have one vote and upon a poll one vote for every share held, provided that if a member appoints two proxies neither proxy shall be entitled to vote on a show of hands.
4. The proxy form must be signed by the member or the attorney of the member duly authorised in writing or if the member is a corporation, either under the seal of the corporation (in accordance with its Constitution) or pursuant to s.127 (1) of the *Corporations Act 2001*, or under the hand of an officer or attorney duly authorised in writing by the corporation.
5. In the case of joint holders, all holders must sign.
6. A proxy need not be a member of the Company.
7. Proxy appointments should be forwarded to the Company Secretary, Inventis Limited as follows:
In person: Level 2, Suite 12, 1 Box Road, Caringbah, Sydney, NSW 2229
By mail: Level 2, Suite 12, 1 Box Road, Caringbah, Sydney, NSW 2229
By facsimile: +61 2 9540 9731
8. To be effective, the completed proxy must be received by the Company Secretary at the registered office in accordance with the above instructions by 10am Eastern Standard Time 24 November 2011.

By Order of the Board



Renuka Sharma
Secretary

Date: 24 October 2011