

**INVENTIS LIMITED  
(ABN 40 084 068 673)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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**TIME:** 10.00 AM

**DATE:** 26 July 2021

**PLACE** To be held (virtually) via a live ZOOM webcast.

**HEAD OFFICE CONTACTS**

**ADDRESS:** Unit 4, 2 Southridge St, Eastern Creek, NSW 2766

**EMAIL:** [CompanySecretary@inventisgregory.com.au](mailto:CompanySecretary@inventisgregory.com.au)

**PHONE:** (02) 8808 0400

**FAX:** (02) 9620 1582

This is an important document. If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

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## **TIME AND PLACE OF MEETING AND HOW TO VOTE**

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### **Venue**

With the current restrictions on indoor gatherings and travel imposed by governments, an Extraordinary General Meeting (**EGM**) to which this Notice of Meeting relates will be held online (virtually) at 10AM (AEST) on 26 July 2021.

On behalf of the Board, I invite you to attend our virtual EGM which will be held via a live ZOOM webcast. Our virtual meeting will provide you with the opportunity to join regardless of your location.

### **How to join the Meeting Online**

To register in advance for the meeting, please click on the link below.

<https://zoom.us/meeting/register/tJ0td-irrz0uGtan2FKQhWFJyUbH4DkNmnwY>

After you have registered, you will receive a confirmation email containing information about joining the meeting including the Meeting ID and Password.

### **Voting Is Important**

The business of the EGM affects your Shareholding, and your vote is important.

### **Voting In Proxy**

To vote by proxy, please complete and sign the enclosed Proxy Form and return so that it is received no later than 10AM (AEDT) on 22 July 2021 in accordance with the instructions set out on the Proxy Form:

- post to Inventis Limited, PO Box 40, Mt Druitt NSW 2770 (Attn: Company Secretary); or
- send by email to Company Secretary at [CompanySecretary@inventisgregory.com.au](mailto:CompanySecretary@inventisgregory.com.au)

### **Proxy Forms received later than this time will be invalid.**

We encourage all Shareholders to cast proxy votes and to lodge any questions in respect to the EGM resolutions ahead of the meeting by emailing Company Secretary at [CompanySecretary@inventisgregory.com.au](mailto:CompanySecretary@inventisgregory.com.au)

Lodging questions and casting your proxy ahead of the meeting will not prevent you from attending online.

### **Voting Eligibility**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001(Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5PM (AEST) on 23 July 2021.

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## NOTICE OF GENERAL MEETING

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Notice is given that a General Meeting of Inventis Limited will be held at 10AM (AEST) on **26 July 2021** virtually via a live ZOOM webcast.

The Explanatory Memorandum to this Notice of Meeting and attachments form part of the Notice and provides additional information on matters to be considered at the General Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

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## AGENDA

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### A. ORDINARY RESOLUTIONS

#### RESOLUTION 1 – APPROVAL TO ISSUE 413,905,980 SHARES

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

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes and subject to the passing of Resolution 4, approval be given to issue up to 413,905,980 Shares, at an offer price equal to the Rights Issue Price per Share, on the terms and conditions as described in the Explanatory Statement accompanying this Notice.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Any Related Party of the Company; or
- any Associates of any Related party of the Company.

However, the Company need not disregard a vote if:

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

#### RESOLUTION 2 – APPROVAL TO ISSUE 5,200,020 SHORTFALL SHARES TO RYAN DANIEL BOBBIN, LUCAS PETER BOBBIN, JOEL MATHEW BOBBIN AND KAYLA HOPE BOBBIN

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

*That, for the purposes of ASX Listing Rule 10.11 and for all other purposes and subject to the passing of Resolution 4, approval be given for the Company to issue 5,200,020 Shortfall Shares as follows:*

- (a) Ryan Bobbin 1,300,005 Shortfall Shares;
- (b) Lucas Bobbin 1,300,005 Shortfall Shares;
- (c) Joel Bobbin 1,300,005 Shortfall Shares; and
- (d) Kayla Bobbin 1,300,005 Shortfall Shares;

*the Rights Issue Price as described in the Explanatory Statement accompanying this Notice.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Peter Bobbin, Ryan Bobbin, Lucas Bobbin, Joel Bobbin and Kayla Bobbin; or
- any Associates of Mr Peter Bobbin, Ryan Bobbin, Lucas Bobbin, Joel Bobbin and Kayla Bobbin.

However, the Company need not disregard a vote if:

- 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
- 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.
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

### **RESOLUTION 3 – APPROVAL TO ISSUE 1,935,006 SHORTFALL SHARES TO ALFRED KOBYLANSKI**

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

*That, for the purposes of ASX Listing Rule 10.11 and for all other purposes and subject to the passing of Resolution 4, approval be given for the Company to issue 1,935,006 Shortfall Shares to Mr Alfred Kobylanski at the Rights Issue Price as described in the Explanatory Statement accompanying this Notice.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Alfred Kobylanski; or
- any Associates of Mr Alfred Kobylanski.

However, the Company need not disregard a vote if:

- 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
- 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.
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

#### **RESOLUTION 4 - APPROVAL FOR SHARE CONSOLIDATION**

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

*"That pursuant to Section 254(H) of the Corporations Act and for all other purposes, the Shares of the Company be consolidated through the conversion of every twenty (20) Shares held by a Shareholder into 1 Share and, where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction down to the nearest whole Share or zero, as applicable, with consolidation to take effect in accordance with the timetable set out in the Explanatory Memorandum."*

#### **RESOLUTION 5 - APPROVAL FOR AN AMENDMENT TO THE SERVICE AGREEMENT BETWEEN STARBALL PTY LTD AND THE COMPANY**

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

*"That, approval be given to an amendment to Service Agreement between Starball Pty Ltd and the Company for the purposes of Listing Rule 10.14 and for other purposes as described in the Explanatory Statement accompanying this Notice."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Anthony Mankarios; or
- any Associates of Mr Anthony Mankarios.

However, the Company need not disregard a vote if:

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

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#### **B. GENERAL BUSINESS**

To consider any other business that may be brought forward in accordance with the Constitution or the Corporation Act.

**By Order of the Board**



Alfred Kobylanski  
Company Secretary

25 June 2021

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## EXPLANDORTY MEMORANDAUM

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This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the General Meeting of Inventis Limited (“**Company**”).

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company that is material to a decision on how to vote on the Resolutions in the accompanying Notice of General Meeting.

All Resolutions sought pursuant to the ASX Listing Rules will be decided on a poll rather than by a show of hands.

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### RESOLUTION 1- APPROVAL TO ISSUE 413,905,980 SHARES

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#### Background

On 10 May 2021, the Company announced that it was conducting a non-renounceable Rights Issue (“**Announcement**”) entitling Shareholders to subscribe for one (1) Share for every two (2) Shares held by them at Rights Issue Price.

As noted in the Announcement, the total number of Shares to be issued under the Rights Issue was 474,982,909 Shares and that if all participating Shareholders took up their rights, then the Company would raise the sum of \$4,274,846.18.

The results of the Rights Issue were announced to the market on 16 June 2021.

The Rights Issue has raised the sum of \$904,943.59 leaving a Shortfall of \$3,369,902.59 (“**Shortfall**”). The Company is using best endeavours to fulfil the 374,433,621 Shortfall Shares, in accordance with the Company’s Allocation Policy.

If Resolution 4 is passed, the number of Shortfall Shares shall be 18,721,681 and the price for each Shortfall Share shall be \$0.18.

Even if the Shortfall is fulfilled, the Company still requires additional funding to meet its financial goals including the reduction of debt, promote growth and Shareholder wealth.

It is proposed under this Resolution, that the Company offer an additional 413,905,980 Shares to the market with a view to seek to achieve its financial goals, subject to the passing of Resolution 4. If that Resolution is passed, then the maximum number of Shares to be issued pursuant to this Resolution is 20,695,299. The price for each Share, post Consolidation, shall be \$0.18 per Share.

If all Shares, the subject of this Resolution, are issued then this will exceed the Company’s 15% capacity under Listing Rule 7.1. At the date of this Notice, the Company has 1,050,515,107 Shares on issue with a 15% capacity of 157,577,266. If this Resolution is passed, the total number of Shares to be issued will exceed that 15% by 256,328,713 Shares equaling 24.4%.

<b>15% Analysis</b>	<b>Shares on Issue</b>	<b>15% capacity</b>
Total Shares on Issue 15 June 2021	1,050,515,107	157,577,266
Total Shares on Issue subject Resolution 1 passing	1,464,421,087	219,663,163
<b>If Resolution 4 is passed:</b>		
Total Shares on Issue 15 June 2021	52,525,755	7,878,863
Total Shares on Issue subject Resolution 1 passing	73,221,054	10,983,158

Listing Rule 7.1 provides that a company can issue shares beyond its 15% capacity under Listing Rule 7.1, so long as Shareholders approve this.

If Resolution 1 is passed, the Company will be able to proceed with the issue and provide additional working capital for the Group.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue and working capital will become severely constrained in the short term.

#### **Notice requirements for approval under rule 7.1**

7.3 For the holders of “ordinary” securities to approve an issue or agreement to issue under rule 7.1, the notice of meeting must include each of the following.

7.3.1 The names of the persons to whom the entity will issue the +securities or the basis upon which those persons were or will be identified or selected.

##### **All existing or new Shareholders**

7.3.2 The number and class of +securities the entity will issue.

**413,905,980 Shares at the Rights Issue Price, subject to the passing of Resolution 4. If Resolution 4 is passed, then the maximum number of Shares to be issued will be 20,695,299 at an issue price of \$0.18 per Share.**

7.3.3 If the +securities are not fully paid + ordinary securities, a summary of the material terms of the +securities.

##### **Fully paid.**

7.3.4 The date or dates on or by which the entity will issue the +securities. This must be:

- if the +securities are being issued under, or to fund, a +reverse takeover, no later than 6 months after the date of the meeting;
- if court approval of a reorganisation of capital (in the case of a trust, interests) is required before the issue, no later than 3 months after the date of the court approval; or
- otherwise, no later than 3 months after the date of the meeting.

**Within 3 months in the case of non-Related Parties from the date of this Meeting being 29 October 2021; and**

**Within 1 month in the case of a Related Party including its/his/her Associates from the date of this Meeting being 29 August 2021, subject to Shareholder approval as per the Corporations Act and the Listing Rules.**

7.3.5 The price or other consideration the entity will receive for the +securities.

**The Rights Issue Price being \$0.009 per Share as described in the Rights Issue and as defined in the Glossary, subject to passing of Resolution 4.**

7.3.6 The purpose of the issue, including the intended use of any funds raised by the issue.

**To seek to achieve the Company’s financial goals including the reduction of debt, promote growth and achieve Shareholder wealth.**

7.3.7 If the +securities are being issued under an agreement, a summary of any other material terms of the agreement.

**Not applicable.**

7.3.9 A +voting exclusion statement.

**One provided for Related Parties only.**

Any Related Party that seeks Shares under this Resolution will require separate approval by Shareholders.

#### **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

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### **RESOLUTION 2 - APPROVAL OF THE ISSUE OF SHORTFALL SHARES TO ISSUE 5,200,020 SHORTFALL SHARES TO RYAN DANIEL BOBBIN, LUCAS PETER BOBBIN, JOEL MATHEW BOBBIN AND KAYLA HOPE BOBBIN AS DESCRIBED IN THIS NOTICE**

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#### **(a) General**

Peter Bobbin is a Director of the Company and is therefore a Related Party of the Company in accordance with section 228(2) of the Corporations Act. Ryan, Lucas and Joel Bobbin are all sons of Mr Bobbin while Kayla Bobbin is his daughter. As a result, each of his children are Related Parties of the Company by virtue of section 228(3) of the Corporations Act. Any Shortfall Shares to be issued to Mr Bobbin's children will require Shareholder approval as per the Corporations Act and Listing Rules.

As Shareholders may know, on 10 May 2021, the Company announced that it was conducting a Rights Issue ("**Announcement**") entitling Shareholders to subscribe for one (1) Share for every two (2) Shares held by them at Rights Issue Price.

As noted in the Announcement, the total number of Shares to be issued under the Rights Issue was 474,982,909 Shares and that if all participating Shareholders took up their rights, then the Company would raise the sum of \$4,274,846.18.

On 24 May 2021, the Company announced that the time for accepting the offer to participate in the Rights Issue ("**Offer**") was extended to 10 June 2021. The Offer has now closed.

As noted in the Announcement, if Shareholders did not take up all of their rights pursuant to the Rights Issue, then this would lead to a "Shortfall" and, in such case, the Board could reserve its rights to issue Shares to make up the Shortfall, as it sees fit, subject to applicable legislation ("**Shortfall Shares**").

At the date of this Notice, the Company has issued 100,549,288 Shares and has raised the sum of \$904,943.59 pursuant to the Offer. This has left a Shortfall of 374,433,621 Shares and a cash shortfall of \$3,369,902.59. ("**Company Shortfall**") subject to the passing of Resolution 4. If Resolution 4 is passed, then the number of Shortfall Shares is 18,721,681 and the issue price for the Shortfall Shares will be \$0.18 per Shortfall Share.

The Board is seeking to fulfil the Company Shortfall under the Offer.

#### **(b) Proposed issue of Shortfall Shares to Associates of Peter Bobbin in respect to the Company Shortfall**

- (1) Mr Ryan Daniel Bobbin, being an Associate of Mr Peter Bobbin, wishes to acquire 1,300,005 of Shortfall Shares in consideration of \$11,700.05 at the Rights Issue Price subject to the passing of Resolution 4. If Resolution 4 is passed the number of Shortfall Shares shall be 65,000 and the price for each Shortfall Share shall be \$0.18.
- (2) Mr Lucas Peter Bobbin, being the son of Mr Peter Bobbin, wishes to acquire 1,300,005 of Shortfall



Shares in consideration of \$11,700.05 at the Exercise Price subject to the passing of Resolution 4. If Resolution 4 is passed the number of Shortfall Shares shall be 65,000 and the price for each Shortfall Share shall be \$0.18.

- (3) Mr Joel Mathew Bobbin, being the son of Mr Peter Bobbin, wishes to acquire 1,300,005 of Shortfall Shares in consideration of \$11,700.05 at the Exercise Price subject to the passing of Resolution 4. If Resolution 4 is passed the number of Shortfall Shares shall be 65,000 and the price for each Shortfall Share shall be \$0.18.
- (4) Miss Kayla Hope Bobbin, being the daughter of Mr Peter Bobbin, wishes to acquire 1,300,005 of Shortfall Shares in consideration of \$11,700.05 at the Exercise Price subject to the passing of Resolution 4. If Resolution 4 is passed the number of Shortfall Shares shall be 65,000 and the price for each Shortfall Share shall be \$0.18.

If Shareholder approval is given to this Resolution, then Peter Bobbin and his children noted above, Shareholding in the Company will decrease from 4.08% to 4.06% of all Shares on issue at that time assuming no other Shortfall Shares were issued.

If the Shortfall is fully subscribed, then Peter Bobbin and his children noted above, Shareholding in the Company will decrease from 4.08% to 3.01% of all Shares on issue at that time.

If Shareholder approval is not given to this Resolution, then Peter Bobbin and his children noted above, Shareholding in the Company will remain at 4.08% of all Shares on issue at that time assuming no other Shortfall Shares were issued.

### **(c) Approval Sought**

The Company is seeking Shareholder approval to the issue of Shortfall Shares to Ryan Bobbin, Lucas Bobbin, Joel Bobbin and Kayla Bobbin, in accordance with ASX Listing Rule 10.11 and for all other purposes.

### **(1) Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

### **(I) Related Party considerations**

The following statements are made for the purposes of RG 76.

#### **(i) the value and nature of the financial benefit;**

*Ryan Bobbin 1,300,005 Shortfall Shares - value \$11,700.05*  
*Lucas Bobbin 1,300,005 Shortfall Shares - value \$11,700.05*  
*Joel Bobbin 1,300,005 Shortfall Shares - value \$11,700.05*  
*Kayla Bobbin 1,300,005 Shortfall Shares - value \$11,700.05*

#### **(ii) the nature of the relationship;**

The issue of the Shortfall Shares constitutes giving a financial benefit to Mr Peter Bobbin and Associates, as they are Related Parties of the Company given that:

- (a) *Ryan Bobbin son to Mr Peter Bobbin;*

- (b) *Lucas Bobbin son to Mr Peter Bobbin;*
- (c) *Joel Bobbin son to Mr Peter Bobbin; and*
- (d) *Kayla Bobbin daughter to Mr Peter Bobbin.*

As already stated, Mr Peter Bobbin is a Director of the Company and is considered a Related Party of the Company under section 228(2) of the Corporations Act. Ryan, Lucas, and Joel Bobbin are all sons of Mr Bobbin while Kayla Bobbin is his daughter. As a result, each of his children are Related Parties of the Company by virtue of section 228(3) of the Corporations Act.

***(iii) whether the arrangement is on arm's length terms, is reasonable remuneration, some other Ch 2E exception applies or we have granted relief;***

The Board considers that the issue of the Shortfall Shares as described in the Notice are on arm's length within the meaning of section 210 of the Corporations Act given the Shortfall Shares are being issued at the Rights Issue Price.

***(iv) the risks associated with the Related Party arrangement;***

Risks in such arrangements include the power or opportunity of a Related Party to influence the decision making of non-interested directors to the detriment of the interests of members of the entity as a whole.

***(v) the existence of any policies and procedures in place for entering into Related Party transactions;***

The Board has adopted a Related Party Policy which in part includes a prohibition of an interested Director who has a material personal interest to participate in voting whether at meeting or circular resolution where such interest is involved.

Such policy extends to Board committee meetings (if applicable). The Company has also adopted a Corporate Governance Charter which includes a duty to avoid conflicts. Non interested directors are required to exercise special vigilance and to make an independent assessment and seek advice from management, if and where applicable, in respect of the subject proposal. The Board complied with such policy when proposing to issue the Shortfall Shares. Mr Bobbin did not vote nor was he present when the Board resolved to issue the Shortfall Shares to Mr Bobbin's children.

***(vi) Directors interest in the outcome;***

Directors did not have a personal interest in the outcome of the proposed issue of Shortfall Shares to Mr Bobbin's children, same for Mr Bobbin.

***(II) Section 210 - Arm's length terms- an exception***

Section 210 of the Corporations Act provides that Shareholder "*approval is not needed to give a financial benefit on terms that:*

- (a) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or*
- (b) are less favourable to the related party than the terms referred to in paragraph (a).*

The Board has considered Chapter 2E of the Corporations Act and, as the Shortfall Shares are being issued at the same the Rights Issue Price, it has determined that the issue of the Shortfall Shares to Mr Bobbin's children are on terms that are reasonable in the circumstances if the Company and the persons to be issued the Shortfall Shares were dealing at arm's length so that Shareholder approval **is not** required by Chapter 2E.

**(2) ASX Listing Rules**

***(i) ASX Listing Rule 10.11***

ASX Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a Related Party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Shortfall Shares involves the issue of securities to a Related Party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception in Listing Rule 10.12 applies.

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

However, the issue falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 2 seeks the required Shareholder approval to issue under and for the purposes of Listing Rule 10.11.

**(ii) ASX Listing Rule 10.12**

ASX Listing Rule 10.12 provides an exception for the requirement of Shareholder approval in relation to the issue of Shares issued pursuant to a pro rata rights issue. However, this exception **does not** apply to the issue of Shortfall Shares issued to a Director or his or her Associates.

**(iii) Technical information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the information below is provided in relation to the issue of the Shortfall Shares:

**10.13.1 Name of person(s) receiving the Shortfall Shares**

- (a) *Mr Ryan Daniel Bobbin*
- (b) *Mr Lucas Peter Bobbin*
- (c) *Mr Joel Matthew Bobbin*
- (d) *Miss Kayla Hope Bobbin*

**10.13.2** The persons named in LR10.13.1 are Related Parties as per section 228(3) of the Corporations Act and fall into category LR 10.11.1

**10.13.2** The number of Shortfall Shares to be issued

- (a) *Ryan Bobbin* 1,300,005 Shortfall Shares - value \$11,700.05
- (b) *Lucas Bobbin* 1,300,005 Shortfall Shares - value \$11,700.05
- (c) *Joel Bobbin* 1,300,005 Shortfall Shares - value \$11,700.05
- (d) *Kayla Bobbin* 1,300,005 Shortfall Shares - value \$11,700.05

**Totalling** 5,200,020 Shares representing 1.39% of the Company Shortfall

**If Resolution 4 is passed, then the maximum number of Shortfall Shares to be issued**

- (a) *Ryan Bobbin* 65,000 Shortfall Shares - value \$11,700.05
- (b) *Lucas Bobbin* 65,000 Shortfall Shares - value \$11,700.05
- (c) *Joel Bobbin* 65,000 Shortfall Shares - value \$11,700.05
- (d) *Kayla Bobbin* 65,000 Shortfall Shares - value \$11,700.05

**Totaling** 260,000 Shares representing 1.39% of the Company Shortfall

**10.13.4** The Shortfall Shares are fully paid ordinary class shares.

**10.13.5** The Shortfall Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). It is intended that allotment will occur on the same date and as soon as practicable following the Meeting.

**10.13.6** All Shortfall Shares shall be issued at the Rights Issue Price, subject to Resolution 4. If Resolution 4 is passed, then the price for each Shortfall Share shall be \$0.18 Shortfall Share.

**10.13.7** Funds raised from the issue of the Shortfall Shares will be used for working capital of the Company and pay down long term debt.

**10.13.8** Not applicable.

**10.13.9** Not applicable

**10.13.10** A Voting exclusion statement is included in this Notice.

**(iv) ASX listing Rule 7.1**

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Shortfall Shares as approval is being obtained under ASX Listing Rule 10.11. The issue of the Shortfall Shares will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1

**Directors' recommendation**

The Directors (excluding Peter Bobbin) recommend that Shareholders vote in favour of Resolution 2.

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**RESOLUTION 3 - APPROVAL OF THE ISSUE OF SHORTFALL SHARES TO ISSUE 1,935,006 SHORTFALL SHARES TO ALFRED KOBYLANSKI AS DESCRIBED IN THIS NOTICE**

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**(a) General**

Alfred Kobylanski is an Alternate Director of the Company and is therefore a Related Party of the Company in accordance with section 228(2) of the Corporations Act. Any Shortfall Shares to be issued to Mr Alfred Kobylanski will require Shareholder approval as per the Corporations Act and Listing Rules.

As noted above, the total number of Shares to be issued under the recent Rights Issue was 474,982,909 Shares and if all participating Shareholders took up their rights, then the Company would raise the sum of \$4,274,846.18. If Shareholders did not take up all of their rights pursuant to the Rights Issue, then this would lead to a "Shortfall" and, in such case, the Board could reserve its rights to issue Shares to make up the Shortfall, as it sees fit, subject to applicable legislation ("**Shortfall Shares**").

At the date of this Notice, the Company has issued 100,549,288 Shares and has raised the sum of \$904,943.59 pursuant to the Offer. This has left a Shortfall of 374,433,621 Shares and a cash shortfall of \$3,369,902.59 ("**Company Shortfall**") subject to the passing of Resolution 4. If Resolution 4 is passed, then the number of Shortfall Shares is 18,721,681 and the issue price for the Shortfall Shares will be \$0.18 per Shortfall Share.

The Board is seeking to fulfil the Company Shortfall under the Offer.

**(b) Proposed issue of Shortfall Shares to Mr Alfred Kobylanski in respect to the Company Shortfall**

(1) Mr Alfred Kobylanski, being an Alternate Director of the Company, wishes to acquire 1,935,006 of Shortfall Shares in consideration of \$17,415.05 at the Rights Issue Price subject to the passing of

Resolution 4. If Resolution 4 is passed the number of Shortfall Shares shall be 96,750 and the price for each Shortfall Share shall be \$0.18.

If Shareholder approval is given to this Resolution, then Alfred Kobylanski and Associates Shareholding in the Company will increase from 3.15% to 3.33% of all Shares on issue at that time assuming no other Shortfall Shares were issued.

If the Shortfall is fully subscribed, then Alfred Kobylanski and Associates, Shareholding in the Company will decrease from 3.15% to 2.46% of all Shares on issue at that time.

If Shareholder approval is not given to this Resolution, then Alfred Kobylanski and Associates, Shareholding in the Company will remain at 3.15% of all Shares on issue at that time assuming no other Shortfall Shares were issued.

### **(c) Approval Sought**

The Company is seeking Shareholder approval to the issue of Shortfall Shares to Alfred Kobylanski, in accordance with ASX Listing Rule 10.11 and for all other purposes.

### **(1) Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

### **(III) Related Party considerations**

The following statements are made for the purposes of RG 76.

#### ***(i) the value and nature of the financial benefit;***

*Alfred Kobylanski 1,935,006 Shortfall Shares - value \$17,415.05*

#### ***(ii) the nature of the relationship;***

The issue of the Shortfall Shares constitutes giving a financial benefit to Mr Alfred Kobylanski and Associates, as already stated, Mr Alfred Kobylanski is an Alternate Director of the Company and is considered a Related Party of the Company under section 228(2) of the Corporations Act.

#### ***(iii) whether the arrangement is on arm's length terms, is reasonable remuneration, some other Ch 2E exception applies or we have granted relief;***

The Board considers that the issue of the Shortfall Shares as described in the Notice are on arm's length within the meaning of section 210 of the Corporations Act given the Shortfall Shares are being issued at the Rights Issue Price.

#### ***(iv) the risks associated with the Related Party arrangement;***

Risks in such arrangements include the power or opportunity of a Related Party to influence the decision making of non-interested directors to the detriment of the interests of members of the entity as a whole.

#### ***(v) the existence of any policies and procedures in place for entering into Related Party transactions;***

The Board has adopted a Related Party Policy which in part includes a prohibition of an interested Director who has a material personal interest to participate in voting whether at meeting or circular resolution where such interest is involved.

Such policy extends to Board committee meetings (if applicable). The Company has also adopted a Corporate Governance Charter which includes a duty to avoid conflicts. Non interested directors are required to exercise special vigilance and to make an independent assessment and seek advice from management, if and where applicable, in respect of the subject proposal. The Board complied with such policy when proposing to issue the Shortfall Shares. Mr Kobylanski did not vote nor was he present when the Board resolved to issue the Shortfall Shares to Mr Kobylanski.

**(vi) Directors interest in the outcome**

Directors did not have a personal interest in the outcome of the proposed issue of Shortfall Shares to Mr Kobylanski.

**(IV) Section 210 - Arm's length terms- an exception**

Section 210 of the Corporations Act provides that Shareholder *"approval is not needed to give a financial benefit on terms that:*

- (a) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or*
- (b) are less favourable to the related party than the terms referred to in paragraph (a).*

The Board has considered Chapter 2E of the Corporations Act and, as the Shortfall Shares are being issued at the same the Rights Issue Price, it has determined that the issue of the Shortfall Shares to Mr Kobylanski are on terms that are reasonable in the circumstances if the Company and the persons to be issued the Shortfall Shares were dealing at arm's length so that Shareholder approval **is not** required by Chapter 2E.

**(2) ASX Listing Rules**

**(i) ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a Related Party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Shortfall Shares involves the issue of securities to a Related Party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception in Listing Rule 10.12 applies.

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

However, the issue falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of shareholders under Listing Rule 10.11

Resolutions 3 seeks the required Shareholder approval to issue under and for the purposes of Listing Rule 10.11.

**(ii) ASX Listing Rule 10.12**

ASX Listing Rule 10.12 provides an exception for the requirement of Shareholder approval in relation to the issue of Shares issued pursuant to a pro rata rights issue. However, this exception **does not** apply to the issue of Shortfall Shares issued to a Director or his or her Associates.

**(iii) Technical information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the information below is provided in

relation to the issue of the Shortfall Shares:

**10.13.1** Name of person(s) receiving the Shortfall Shares

*Mr Alfred Kobylanski*

**10.13.2** The persons named in LR10.13.1 are Related Parties as per section 228(3) of the Corporations Act and fall into category LR 10.11.1

**10.13.2** The number of Shortfall Shares to be issued,

*Alfred Kobylanski 1,935,006 Shortfall Shares - value \$17,415.05*

Representing 0.52% of the Company Shortfall

**If Resolution 4 is passed, then the maximum number of Shortfall Shares to be issued**

*Alfred Kobylanski 96,750 Shortfall Shares - value \$17,415.05*

Representing 0.52% of the Company Shortfall

**10.13.4** The Shortfall Shares are fully paid ordinary class shares.

**10.13.5** The Shortfall Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). It is intended that allotment will occur on the same date and as soon as practicable following the Meeting.

**10.13.6** All Shortfall Shares shall be issued at the Rights Issue Price, subject to Resolution 4. If Resolution 4 is passed, then the price for each Shortfall Share shall be \$0.18 Shortfall Share.

**10.13.7** Funds raised from the issue of the Shortfall Shares will be used for working capital of the Company and pay down long term debt.

**10.13.8** Not applicable.

**10.13.9** Not applicable

**10.13.10** A Voting exclusion statement is included in this Notice.

**(iv) ASX listing Rule 7.1**

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Shortfall Shares as approval is being obtained under ASX Listing Rule 10.11. The issue of the Shortfall Shares will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1

**Directors' recommendation**

The Directors (excluding Alfred Kobylanski) recommend that Shareholders vote in favour of Resolution 3.

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**RESOLUTION 4- SHARE CONSOLIDATION**

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Resolution 4 seeks Shareholder approval for consolidation of the Company's issued share capital through the conversion of every (20) fully paid ordinary shares into one (1) fully paid ordinary share ("**Share Consolidation**").

Section 254H of the Corporations Act, provides that the Company may convert all or any of its Shares into a larger of smaller number of Shares subject to approval of Shareholders at a General Meeting.

For the purposes of ASX Listing Rule 7.20 the Company advises as follows:

**(i) Purpose of Proposed Resolution**

The Company is proposing to undertake the Share Consolidation to reduce its total issued capital to a more appropriate and effective capital structure for the Company and a resultant share price that is more appealing to a wider range of investors.

**(ii) Effect of the Share Consolidation**

**Shares**

The Company currently has 1,050,515,107 Shares on issue. If the Share Consolidation is approved by Shareholders, the issued capital will reduce to approximately 52,525,755 (subject to rounding and fractional share entitlements).

Individual shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding and fractional share entitlements).

In the absence of any other market movements or changes to the issued capital, the Share Consolidation will not effect the percentage interest held in the Company by each Shareholder and will not result in any change to the rights and obligations of Shareholders.

**Share Options**

Subject to passing Resolution 5, the Company will have 55,200,000 unlisted Options on issue that expire as set out in the below table:

Options	Exercise Price	Expiry Date
35,200,000	\$0.003	26 July 2024
10,000,000	\$0.01	13 September 2022
10,000,000	\$0.02	13 September 2023

Article 15.3(a) of the Company's ESOP states that if an Option has not been exercised and the Company reorganises its issued capital, including a share consolidation, the number or the exercise price for the Options or both, to which the holder of such Options is entitled, will be adjusted in accordance with Listing Rule 7.22.

Listing Rule 7.22.1 provides that in a consolidation of capital, the number of Options must be consolidated in the same ratio as the ordinary Share capital and the exercise price must be amended in inverse proportion to that ratio.

For example, **Company A** consolidates 2 fully paid ordinary Share Options into 1 fully paid Share Option. Every 2 options exercisable at \$1.00 each are consolidated into 1 option exercisable at \$2.00 each for 1 fully paid ordinary share. The table below sets out how the Company's existing unlisted Options will be consolidated:

Options	Exercise Price	Expiry Date
1,760,000	\$0.06	26 July 2024
500,000	\$0.2	13 September 2022
500,000	\$0.4	13 September 2023

Article 15.3(b) states that this Article is subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reorganisation of capital.

Article 15.3(c) states that any other rights of the holder of such Options will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of reorganisation but in all other respects the terms for the exercise of the Options shall remain unchanged.



### **(iii) Fractional Entitlements**

Where the Consolidation, and the consolidation of the Options on issue, results in an entitlement to a fraction of a Share or Option, that fraction will be rounded down to the nearest whole number of Shares, or zero, as applicable.

### **(iv) Holding Statements**

With effect from the Effective Date as set in the table attached below, all existing holding statements will cease to have effect, except as evidence of entitlement to a certain number of securities on a post Share Consolidation basis. New holding statements will be issued to security holders on completion of the Share Consolidation.

### **(v) Taxation**

This Explanatory Memorandum does not consider the tax implication in respect of Shares or other securities held on revenue account, as trading stock or by non-resident Shareholders. Shareholders should consider their own circumstances and seek their own professional advice in relation to their tax position.

The Share Consolidation should not result in a capital gains tax event for Australian tax residents. The cost base of the Shares held after the Share Consolidation will be the sum of the cost bases of the Shares held pre-Share Consolidation. The acquisition date of Shares held after the Share Consolidation will be the same as the date on which the Shares were originally acquired.

Neither the Company nor any of its officers or employees assumes any liability or responsibility for advising Shareholders or other security holders of the tax consequences of the proposed Share Consolidation.

### **(vi) Indicative Timetable**

Subject to Shareholder approval of the Consolidation, the proposed timetable for the Consolidation is set out below. The dates are indicative only and are subject to possible change.

#### **Key Event**

Extra-Ordinary General Meeting	26 July 2021
Notification to ASX of the outcome of this Resolution and the Effective Date	26 July 2021
Last date for trading in pre-consolidated securities	28 July 2021
Trading in consolidated securities on a deferred settlement basis commences	29 July 2021
Record Date - last day to register transfers on a pre-consolidation basis	30 July 2021
First day for company to update register and send new holding statements	02 August 2021
Last day for Company to update register and complete despatch of new holding statement.	05 August 2021
Deferred settlement trading ends	

#### **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

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## RESOLUTION 5 - APPROVAL FOR AN AMENDMENT TO THE SERVICE AGREEMENT BETWEEN STARBALL PTY LTD AND THE COMPANY

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On 25 October 2019, the Company and Starball signed a Service Agreement under which Starball agreed to provide managing director services to the Company via its key person, Mr Anthony Mankarios (“**Service Agreement**”).

At the Annual General Meeting of the Company held on 29 November 2019 (“**2019 AGM**”), Shareholders approved the Service Agreement.

In doing so, Shareholders approved the terms of the Service agreement including clause 4.3(b) which stated:

“(b) *The issue price for each Contractor Option shall be \$0.003, while the exercise price for each Contractor Option shall be \$0.006.*”

Subsequently, the Company was advised by its auditor that the formal structure of what was approved as such applied to the Contractor Options did not align with the terms of the Service Agreement. If Starball acquired the Contractor Options and exercised them at the current terms, it would have cost Starball \$0.009 per Share which was not in the money at the time of the 2019 AGM given that the Shares were trading at \$0.006 at that time.

As the Contractor Options were not issued within one year of the 2019 AGM they have now lapsed.

The Company now considers itself bound pursuant to the Service Agreement to reinstate the original intention with operative effect from the date of the 2019 AGM. On 30 October 2020, the Company and Starball agreed to amend clause 4.3(b) of the Service Agreement, subject to Shareholder approval, as follows:

“(b) *The issue price for each Contractor Option shall be NIL while the exercise price for each Contractor Option shall be \$0.003*” (the “**Amendment**”).”,

At present the current price for Shares is \$0.009 per Share, but this is mainly due to the efforts of Mr Mankarios. Shareholder approval is sought for the Amendment as the current drafting of clause 4.3(b) did not reflect the commercial arrangements between the parties.

### **Legal considerations**

As previously noted in the 2019 AGM, Mr Anthony Mankarios and his wife, Chiara Mankarios, are the directors and shareholders of Starball. Mr Mankarios holds 2 shares, while Mrs Mankarios holds 1 share, in Starball. Mr Mankarios is also a director of the Company and is a Related Party of the Company as per section 228(1)(a) of the Corporations Act. Mrs Mankarios is considered a Related Party of the Company by virtue of section 228(1)(d) of the Corporations Act.

As a result, Starball is a Related Party of the Company by virtue of section 228(4) of the Corporations Act given Starball is controlled by Mr Mankarios as majority shareholder in Starball.

Shareholders ought to be aware of applicable law relating to agreements between the Company and its Related Parties which is set out below.

### **(A) Applicable Law**

#### **Corporations Act**

##### **(i) Section 208 of the Corporations Act**

Section 208 provides that for “a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company:

(a) *the public company or entity must:*

- (b) *obtain the approval of the public company's members in the way set out in sections 217 to 227; and*
- (c) *give the benefit within 15 months after the approval; or*
- (d) *the giving of the benefit must fall within an exception set out in sections 210 to 216”.*

When assessing proposed Related Party Transactions with the Company, the Board has assessed whether an exception exists or otherwise. Sections 210 and 211 are relevant to the Company's circumstances.

**(ii) Section 210 - Arm's length terms- an exception**

Section 210 of the Corporations Act provides that Shareholder “*approval is not needed to give a financial benefit on terms that:*

- (a) *would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or*
- (b) *are less favourable to the related party than the terms referred to in paragraph (a).*

**(iii) RG 76**

RG 76 sets out ASIC's guidance to promote better disclosure and governance for Related Party transactions.

RG 76.64 refers to certain case law which indicates that in determining the objective standards that would characterise arm's length terms, courts should consider the transaction terms that would result if:

- (a) *the parties to the transaction were unrelated in any way (e.g. financially, or through ties of family, affection or dependence);*
- (b) *the parties were free from any undue influence, control or pressure;*
- (c) *through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound judgement as to what was in its interests; and*
- (d) *each party was concerned only to achieve the best available commercial result for itself in all the circumstances (“Criteria”)*

**(iv) Section 211 of the Act**

Section 211 of the Act states that Shareholder “*approval is not needed to give a financial benefit if:*

- (i) *the benefit is remuneration to a related party as an officer or employee of the following:*
- (ii) *the public company;*
- (iii) *an entity that the public company controls;*
- (iv) *an entity that controls the public company;*
- (v) *an entity that is controlled by an entity that controls the public company; and*
- (vi) *to give the remuneration would be reasonable given:*
- (vii) *the circumstances of the public company or entity giving the remuneration; and*
- (viii) *the related party's circumstances (including the responsibilities involved in the office or employment).”*

**(v) Listing Rules**

Listing Rule 10.11 provides that a company cannot issue equity securities to a Related Party, such as a director, which includes shares or options without the approval of the company's shareholders, unless an exception exists in Listing Rule 10.12.

Listing Rule 10.14 states that an entity must not permit a Related Party or an Associate of that Related Party to acquire shares or options under an employment incentive scheme without shareholder approval.

For the purposes of this Listing Rule, details of any securities issued under the ESOP will be published in each Annual Report of the Company relating to the period in which the securities have been issued and that approval was obtained under Listing Rule 10.14.

Any additional persons who become entitled to participate in the employee incentive scheme after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under listing rule 10.14.

Listing Rule 10.11 provides that a company cannot issue equity securities to a Related Party, such as a director, which includes shares or options without the approval of the company's shareholders, unless an exception exists in Listing Rule 10.12.

Listing Rule 10.12 provides certain exceptions to Listing Rule 10.11. In particular, exception 4A provides that a grant of options or other rights to acquire securities under an employee incentive scheme where the securities to be acquired on the exercise of the options or in the satisfaction of the rights are required by the terms of the scheme to be purchased on-market.

Listing Rule 10.14 states that an entity must not permit a director of the Company or his or her associate or a person whose relationship with the Company or a person referred to in Rules 10.14.1 or 10.4.2 is in the opinion of ASX such that approval should be obtained, to acquire securities under an employment incentive scheme without shareholder approval.

Listing Rule 10.14 provides that the notice of meeting to obtain approval must comply with either Rule 10.15 of 10.15A.

Listing Rule 10.15 sets out the requirements for the notice of meeting under Rule 10.14 as follows:

LR10.15.1 Name of the Person.

**Starball Pty Ltd**

LR10.15.2 Which category in rules 10.14.1 – 10.14.3 does the person fill within and why.

**The applicable category is LR 10.14. 2.**

**Starball is controlled by Mr Mankarios who is a director of Starball and the Company, and as a result Starball is an Associate of Mr Mankarios.**

LR10.15.3 The number and class of securities proposed to be issued to the person under the scheme for which approval is being sought.

**5,200,000 Contractor Options exercisable on or before the third anniversary of the date of their issue, being 26 July 2024, subject to the passing of Resolution 4. If that Resolution is passed, then the maximum number of Options to be issued shall be 1,760,000. If all these Contractor Options are issued and exercised, they will be converted into ordinary class shares.**

LR10.15.4 Details of the Director's current total remuneration package.

**Starball Pty Ltd, being an Associate of Mr Mankarios, has a Service Agreement with the Company to provide directors services by Mr Mankarios to the Company. Under this Agreement, Starball is entitled to:**

- (i) Service Fee payable \$200,000 per annum plus GST, which is subject to annual review. The Service Fee shall be increased each year by CPI (All Groups);**
- (ii) No other Remuneration**

LR10.15.5 The number of securities that have previously been issued to Starball under the ESOP and the average acquisition price (if any) paid by Starball for those securities.

**No securities have previously been issued to Starball under the ESOP.**

LR10.15.6 If the securities are not fully paid ordinary paid securities:

- a summary of the material terms of the securities;

**The issue price for each Contractor Option shall be NIL while the exercise price for each Contractor Option shall be \$0.003, subject to approval of Resolution 4 and exercisable on or before the third anniversary of the date of their issue, being 26 July 2024.**

- an explanation why that type of security is being used; and
- the value the entity attributes to that security and its basis

**It is proposed that 35,200,000 Contractor Options representing a value of \$105,600. The exercise price was determined having regard to the relatively modest service fee payable under the Service Agreement. The Amendment also seeks to rectify the appropriate terms.**

LR10.15.7 The date or dates on or by which the entity will issue the securities to the person under the scheme which can't be more than 3 years after the date of the meeting.

**The Contractor Options shall be issued within 1 month of the date of this Meeting being 26 August 2021, subject to Shareholder approval and must be exercised within 3 years from the date of this Meeting being 26 July 2024.**

LR10.15.8 The price at which the entity will issue the securities to the person under the scheme.

**The exercise price for the Contactor Options is \$0.003 per Contractor Option.**

LR10.15.9 A summary of the material terms of the scheme.

**Please refer to Annexure A of this Notice for a summary of the material terms of the Company's ESOP.**

LR10.15.10 A summary of the material terms of any loan that will be made to the person in relation to the acquisition.

**No loan is being provided to Starball to acquire the shares.**

LR15.10.11 Statement

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

**Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of**

**securities under the ESOP after this Resolution is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.**

LR15.10.12 A voting exclusion statement

**A voting exclusion statement is contained this Notice.**

**(B) Related Party considerations**

The following statements are made for the purposes of RG 76.103, RG148 and ASIC RG 228.134:

(i) *the value and nature of the financial benefit;*

The value of the Contractor Options is \$105,600.00

(ii) *the nature of the relationship;*

Mr Mankarios has been a Director of the Company since 9 July 2013. He and his wife, Chiara Mankarios, are the sole directors and shareholders of Starball.

As a result, Starball is a Related Party of the Company by virtue of section 228(4) of the Corporations Act given it is controlled by Mr Mankarios.

(iii) *whether the arrangement is on arm's length terms, is reasonable remuneration, some other Ch 2E exception applies or we have granted relief;*

The Board (excluding Mr Mankarios) considers that the Amendment is on arm's length within the meaning of section 210 of the Corporations Act and meets the criteria set out in section 211 of the Corporations Act having regard to his role as managing director of the Company, being a listed company.

The Board is sufficiently knowledgeable and experienced to have formed a sound judgment in respect of the terms of the Service Agreement based on comparable terms in the industry and having regard to the services being performed. The Company has a thin management structure and the services provided by Starball are fundamental for the Company at this time.

The Board considers that the Criteria was not offended in respect to the circumstances surrounding the negotiation and execution of the Service Agreement

(iv) *the risks associated with the Related Party arrangement;*

Risks in such arrangements include the power or opportunity of a Related Party to influence the decision making of non-interested directors to the detriment of the interests of members of the entity as a whole.

Mr Mankarios and his Associates hold 159,839,487 Shares in the Company representing 15.22% of all Shares on issue at that time, subject to the passing of Resolution 4. If that Resolution is passed, then Mr Mankarios and his Associates hold 7,991,974 Shares in the Company. Also, if all the Contractor Options were converted into Shares, as at today, this would increase Mr Mankarios and his Associates' Shareholding in the Company to 195,039,487 representing 17.96% of all Shares on issue at that time assuming no other Shares were issued, subject to the passing of Resolution 4. If that Resolution is passed, then Mr Mankarios and his Associates hold 9,751,974 Shares in the Company.

Also, if Resolution 2 and 3 of this Notice are passed, Mr Mankarios and his Associates' Shareholding in the Company would be as follows, assuming if Resolution 4 and 5 are passed and no other Shares were issued:

- *If Resolution 2 is passed, Mr Mankarios and his Associates' Shareholding in the Company would be 9,751,974 representing 17.88%.*
- *If Resolution 3 is passed, Mr Mankarios and his Associates' Shareholding in the Company would be 9,751,974 representing 17.93%.*
- *If Resolution 2 and 3 are passed, Mr Mankarios and his Associates' Shareholding in the Company would be 9,751,974 representing 17.85%.*

- (v) *the existence of any policies and procedures in place for entering into Related Party transactions;*

The Board has adopted a Related Party Policy which in part includes a prohibition of an interested Director who has a material personal interest to participate in voting whether at meeting or circular resolution where such interest is involved.

Such policy extends to Board committee meetings (if applicable). The Company has also adopted a Corporate Governance Charter which includes a duty to avoid conflicts. Non interested directors are required to exercise special vigilance and to make an independent assessment and seek advice from management, if and where applicable, in respect of the subject proposal. The Board has complied with such policy when considering the Amendment. Mr Mankarios did not vote nor was he present when the Board resolved to agree to the Amendment.

- (vi) *Directors interest in the outcome*

Same for Mr Mankarios (who did not vote on the matter) no other Director has a personal interest in the outcome of the Amendment.

### **Summary**

The Board has determined that the Amendment falls within the exceptions under section 210 and 211 of the Corporations Act.

While the Board believes that Shareholder approval for the Amendment is not required for the purposes of Section 208 of the Act, it considers it ought to put this Resolution to the Shareholders for the sake of good corporate governance and transparency and for the purposes of Listing Rule 10.14 given the issue of the Contractor Options.

### **Approval sought**

Shareholder approval is sought for the approval of the Amendment for the purposes of the Corporations Act and ASX Listing Rules.

### **Directors' Recommendation**

The Directors (excluding Anthony Mankarios) recommend that non-associated Shareholders vote in favour of Resolution 5.

## GLOSSARY

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**\$** means Australian dollars.

**Amendment** means the proposed amendment to the Service Agreement as described in this Notice.

**ASIC** means the Australian Securities and Investments Commission.

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales.

**ASX** means ASX Limited (ABN 98 008 624 691) or Australian Securities Exchange, as the context requires.

**Board** means the current board of directors of the Company.

**Business Days** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means Inventis Limited (ABN 40 084 068 673).

**Constitution** means the Constitution of the Company as at the date of the Notice.

**Consolidation** means the consolidation of the Shares and, as applicable, Options as described in the Notice being the subject of Resolution 4.

**Contractor Options** means Options being the subject of the Amendment.

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

**Director** means all the Directors of the Company from time to time.

**EGM, Extraordinary General Meeting or Meeting** means the Extraordinary General Meeting of the Company's Shareholders to be held on 26 July 2021 as convened by the Notice.

**ESOP** means an employee share option plan of the Company.

**Explanatory Memorandum** means the Explanatory Memorandum accompanying the Notice of Meeting.

**Financial Year** means 30 June.

**Notice or Notice of Meeting** means this Notice of the Extraordinary General Meeting giving notice to Shareholders of the EGM accompanying this Explanatory Memorandum.

**Option** means an option to acquire a Share.

**Ordinary Resolution** means a resolution requiring more than 50% of votes to be passed.

**Related Party** has the meaning in section 228 of the Corporations Act.

**Relevant Interest** has the meaning given to that term in section 9 of the Corporations Act.

**Resolution** means the resolution set out in the Notice of the EGM.

**Rights Issue** means the rights issue conducted by the Company dated 10 May 2021 to raise \$4,274,846.18.

**Rights Issue Price** means the price for Shares as described in the Rights Issue being \$0.009 per Share, subject to passing of Resolution 4, in which case the price for each Share shall be \$0.18.

**Service Agreement** means the Service Agreement between the Company and Starball dated 25 October 2019.



**Share** means a fully paid ordinary share in the capital of the Company and having all rights attached to such share.

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

**Shortfall** means the shortfall in respect to the Shortfall.

**Shortfall Share** means an ordinary class Share being the subject of the Shortfall

**Voting Power** has the meaning given by section 610 of the Corporations Act.

**VWAP** means volume weighted average price.

## ANNEXURE A

### SUMMARY OF MATERIAL TERMS OF THE COMPANY'S ESOP

The Company sets out a summary of the material terms of the ESOP as follows:

#### A. Eligibility

**An Eligible Person** means a member of the Board, an entity controlled by a member of the Board, his or her Nominee or any person considered by the Board to be an employee or an associate of an employee (including past or prospective employees) of the Company or a Subsidiary of the Company, and expressly including any person considered by the Board:

- (a) to be an employee of the Company or any other entity in the Group, including without limitation all executive and non-executive directors, for the purposes of the proposed Division 83A of the Income Tax Assessment Act 1997; or
- (b) to be a person the Board considers to be a permanent employee of the Company or any other entity in the Group for the purposes of the proposed Division 83A of the Income Tax Assessment Act 1997; or,
- (c) an associate of an employee of the Company within the meaning of the proposed section 83A-305 of the Income Tax Assessment Act 1997; or
- (d) to be a person that falls within column 1 of the table of the proposed section 83A-325 of the Income Tax Assessment Act 1997,

#### B. Exercise Price

The exercise price of each Option is to be such price as determined by the Board in its discretion when granting the Option.

#### C. Cessation of membership or employment or death

If a Participant ceases to be a member of the Board or an employee of the Company or any other entity in the Group (other than through the death of the Participant)

- (a) all Options granted to a Participant which have not vested automatically lapse; and
- (b) all Options granted to the Participant which have vested lapse on the expiry of 90 days (or such longer period as determined by the Board) after the date on which the Participant ceases to be an employee, unless the employee ceases to be an employee as a result of termination for dishonesty, fraud or cause (as defined in the relevant Participants employee agreement with the Company) in which case the Options lapse immediately on ceasing to be an employee

On the death of a Participant:

- (a) all Options granted to a Participant which have not vested automatically lapse; and
- (b) notwithstanding anything to the contrary in this Plan, the Options which have already vested in the Option holder prior to death, lapse on the expiry of 12 months after the date of the Option holder (except to the extent that the executor or beneficiaries of that Option holder's estate exercise any or all of those Options).

#### D. Default

- (a) If the Eligible Person:

- (1) fails to comply with a term or condition of a Loan or this Plan; or
- (2) becomes bankrupt; or
- (3) fails to repay any amount outstanding under or in connection with the Loan when required to do so,

the Company may purchase the Shares from the Eligible Person or direct that they be sold to a nominee of the Company at a price not less than the lesser of the purchase price of the Shares paid by the Eligible Person and the market price thereof at the date of such disposition.

- (b) The Company shall apply the proceeds from the disposal of the shares towards satisfaction of any amounts outstanding under or in connection with the Loan.
- (c) Any remaining amount of the Loan shall be immediately due and payable by the Eligible Person to the Company.

#### **E. Reorganisation of Capital**

- (a) If an Option has not been exercised and the Company reorganises its issued capital including without limitation:
  - (1) a consolidation of capital;
  - (2) a subdivision of capital;
  - (3) a return of capital;
  - (4) a reduction of capital by a cancellation of paid-up capital that is lost or not represented by available assets where no securities are cancelled; or
  - (5) a pro rata cancellation of capital,the number or the Exercise Price of the Options or both to which the Holder is entitled, will be adjusted in accordance with Listing Rule 7.22.

*Please see link below to see a copy of the ESOP*

<https://www.inventis.com.au/wp-content/uploads/2021/06/Inventis-ESOP.pdf>

**TO BE COMPLETED APPOINTMENT OF PROXY**

**INVENTIS LIMITED  
(ABN 40 084 068 673)**

Name: .....

Address: .....

Telephone: .....

**Appointment of Proxy**

I/We being a Member/s of Inventis Limited and entitled to attend and vote, hereby appoint

*Insert Name of Appointed Proxy Below*

Chairman of the Meeting

OR

Or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the General Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the AGM of Inventis Limited to be held at **10.00 am (AEST) on 26 July 2021 (virtually) via a live ZOOM webcast** and at any adjournment of that meeting.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

**For    Against    Abstain**

**Resolution 1 - Issue additional Shares**

**Resolution 2 – Issue Shortfall Shares to Mr Bobbin’s Children**

**Resolution 3 – Issue Shortfall Shares to Mr Kobylanski**

**Resolution 4 – Share Consolidation**

**Resolution 5 – Issue of Options to Starball**

Please Note: By marking the Abstain box for any of the Resolutions you are directing the proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll. If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**SIGN**

Individual or Securityholder 1

**Individual/Sole Director and**

Securityholder 2

**Director/ Sole Company Secretary**

Securityholder 3

**Director/Company Secretary**

**INVENTIS LIMITED**  
**(ABN 40 084 068 673)**

**(“COMPANY”)**

**INSTRUCTIONS FOR COMPLETING ‘APPOINTMENT OF PROXY’ FORM**

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5PM am (AEST) on 23 July 2021.

- 1. Appointing a Proxy:** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member’s voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
- 2. Direction to Vote:** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

Unless authorised by ASIC, if a member of Key Management Personnel or their Closely Related Parties is appointed as a proxy, they are not permitted to vote undirected proxies on remuneration matters (arising directly or indirectly in connection with remuneration of Key Management Personnel), related party benefit matters under Chapter 2E of the Corporations Act and any spill resolutions. However, the chair may vote a proxy that does not specify how it is to be voted, provided the member who has lodged the proxy has provided their consent in the proxy form for the chair to exercise the proxy in its discretion (save in relation to the remuneration report where a direction is required).

- 3. 250BB and 250BC of the Corporations Act:** These sections came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

- 4. Proxy vote if appointment specifies way to vote**

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

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

**INVENTIS LIMITED  
(ABN 40 084 068 673)**

**INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM**

**5. Transfer of non-chair proxy to chair in certain circumstances**

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

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

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

**6. Signing Instructions:**

- **(Individual):** Where the holding is in one name, the member must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
- **(Power of Attorney):** If you have not already provided 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

**7. Return of Proxy Form:** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to Inventis Limited, PO Box 40, Mt Druitt NSW 2770. (Attn Company Secretary); or
- send by email to Company Secretary at [CompanySecretary@inventisgregory.com.au](mailto:CompanySecretary@inventisgregory.com.au)

so that it is received not later than 10.00am (AEST) on 22 July 2021.

**Proxy Forms received later than this time will be invalid.**

**INVENTIS LIMITED**  
**(ABN 40 084 068 673)**  
**("COMPANY")**

**CORPORATE REPRESENTATIVE FORM**

**Shareholder Details**

This is to certify that by a resolution of the directors of:

\_\_\_\_\_  
(Insert Company Name)

ACN

\_\_\_\_\_  
(Insert Address)

**The Company has appointed:**

\_\_\_\_\_  
(Insert Name of Corporate Representative)

In accordance with the provisions of Section 250D of the Corporations Act to act as the Corporate Representative of the company to exercise all or any of the powers the company may exercise at the General Meeting of shareholders of Inventis Limited to be held at **10.00 am (AEST) on 26 July 2021 (virtually)** via a live ZOOM webcast and at any adjournment of that meeting arising from the General Meeting.

Dated this            day of            2021

**Executed by:**

\_\_\_\_\_  
(Insert Company Name)

in accordance with section 127 of the *Corporations Act 2001*:

.....  
Director

.....  
Director/Secretary

.....  
Name of Authorised Representative

.....  
Signed by Authorised Representative