Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme: Amaero International Limited

ACN/ARSN: 633 541 634

1. Details of substantial holder (1)

Name: Pegasus Growth Capital Fund I, L.P. ("**Pegasus**"), Pegasus Capital Group, LLC ("**General Partner**"), Hank Holland, Rausser Family Limited Partnership ("**Rausser Partnership**"), Gordon Rausser, Dyln, Inc. and Trifecta, Inc.

ACN/ARSN (if applicable): N/A

The holder became a substantial holder on 20/05/2022

2. Details of voting powerss

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares ("**Shares**")	23,470,318	23,470,318	9.92% (Based on there being 236,586,037 Shares on issue as at 20/05/2022 following the issue of Shares on that date)

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Pegasus	Relevant interest arises under section 608(1)(a) of the Corporations Act 2001 (Cth) ("**Corporations Act**") as Pegasus is the registered holder of the Shares.	23,470,318 Shares
General Partner	Relevant interest arises under section 608(3)(b) of the Corporations Act, because the General Partner controls Pegaus.	23,470,318 Shares
Hank Holland	Relevant interest arises under section 608(3)(b) of the Corporations Act, because Hank Holland is the sole member of the General Partner.	23,470,318 Shares
Rausser Partnership	Relevant interest arises under section 608(3)(a) of the Corporations Act, because Rausser Partnership has an interest in more than 20% of Pegasus.	23,470,318 Shares
Gordon Rausser	Relevant interest arises under section 608(3)(b) of the Corporations Act, because Gordon Rausser is the sole member of Rausser Partnership.	23,470,318 Shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number
Pegasus	Pegasus	Pegasus	23,470,318 Shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Pegasus	20/05/2022 by way of issue of Shares pursuant to the Subscription Agreement attached as Annexure “A”	$0.21 per Share	N/A	23,470,318 Shares

6. Associates

The reasons the persons listed in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
General Partner	The General Partner is an associate of Pegasus under section 12(2)(a)(i) of the Corporations Act as it is an entity that controls Pegasus as its general partner, and under section 12(2)(a)(ii) as both General Partner and Pegasus are under the common control of Hank Holland, who is the sole member of the General Partner.
Dyln, Inc.	Dyln. Inc is an associate of Pegasus under section 12(2)(a)(ii) of the Corporations Act as it is a body corporate that is controlled by Pegasus.
Trifecta, Inc.	Trifecta, Inc. is an associate of General Partner and Pegasus under section 12(a)(iii) as it is an entity under the common control of Hank Holland.

7. Addresses

The addresses of persons listed in this form are as follows:

Name	Address
Pegasus	400 S. Record Street, Suite 1200, Dallas, Texas 75202
General Partner and Hank Holland	2103 Plantation Village, Dorado, Puerto Rico 00646
Rausser Partnership and Gordon Rausser	661 San Luis Road, Berkeley, CA 94707
Dyln, Inc.	18271 W. McDurmott, Suite G, Irvine, CA 92614
Trifecta, Inc.	428 J Street, Suite 800, Sacramento, CA 95814

Signature

print name Hank Holland capacity Managing Partner

sign here Hank T. Holland date 24 May 2022

Annexure A

This is Annexure A of 28 pages referred to in the Form 603 Notice of initial substantial holding.

Signed by me and dated 24 May 2022.

Hank.T. Holland

Hank Holland

SUBSCRIPTION AGREEMENT

This SUBSCRIPTION AGREEMENT (this "**Agreement**") is dated as of May 11, 2022, by and between Amaero International Limited, an Australian limited company (ACN 633 541 634) (the "**Issuer**") and Pegasus Growth Capital Fund I, LP, a Delaware, USA company (the "**Investor**").

WITNESSETH:

WHEREAS, the Investor desires to subscribe for 23,984,266 new fully paid ordinary shares in the capital of the Issuer ("**Shares**") (the "**Subject Shares**") at AUD 0.21 per Share, and the Issuer desires to issue the Subject Shares to the Investor.

WHEREAS, the Investor desires to invest AUD 2,806,159 in convertible notes (the "**Convertible Notes**").

WHEREAS, the Issuer agrees to grant to the Investor certain options to be issued new Shares.

NOW THEREFORE, in consideration of the foregoing and the mutual agreements, covenants, provisions and warranties herein contained and for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
SUBSCRIPTION SHARES

1.1 Subscription. Subject to the terms and conditions of this Agreement, the Issuer agrees to issue to the Investor the Subject Shares, and the Investor agrees to subscribe for the Subject Shares in exchange of the payment in cash of AUD 5,036,696 (the "**Subject Shares Purchase Price**").

1.2 Closing. The closing of the subscription and issue of the Subject Shares shall take place one business day after this Agreement is executed (the "**Share Closing**") by way of electronic exchange.

1.3 Deliveries at Share Closing. At the Share Closing:

(a) The Investor shall pay the Subject Shares Purchase Price to the Issuer's nominated bank account; and

(b) Subject to receiving the Subject Shares Purchase Price, the Issuer shall procure that the Subject Shares are issued on the Australian Securities Exchange ("**ASX**") Clearing House Electronic Subregister System ("**CHESS**"), and the Issuer shall procure the entry of the name of the Investor in the register of members of the Issuer.

ARTICLE II
CONVERTIBLE NOTES

2.1 Agreement to issue. The Investor desires to invest in the Convertible Notes and the Issuer intends to issue the Convertible Notes to the Investor on the commercial terms described in Schedule A; and subject to execution of a separate Convertible Note Purchase Agreement (“**Note Documents**”). Promptly after executing this Agreement the parties will negotiate in good faith towards finalizing and executing the Note Documents.

ARTICLE III
OPTIONS

3.1 Agreement to issue. Subject to the terms and conditions of this Agreement, the Issuer agrees to issue to the Investor, 18,673,464 options (“**Options**”), having the terms set out in Schedule B.

3.2 Conditions Precedent. The Issuer may only issue the Options after the conditions relating to Shareholder Approval and FIRB Approval (each as defined in Article V) have been satisfied.

3.3 Closing. The closing of the issue of the Options (the “**Option Closing**”) shall take place by electronic exchange, one business day after the conditions referred to in clause 3.2 have been satisfied.

3.4 Deliveries at Option Closing. At the Option Closing, the Issuer shall:

(a) issue the Options to the Investor;

(b) deliver to the Investor a certificate for the Options; and

(c) ensure the Investor is registered as the holder of the Options in a register of optionholders maintained by the Issuer.

ARTICLE IV
BOARD REPRESENTATION

4.1 Board Seat. Subject to (and promptly after) receiving FIRB Approval (as defined in, and in accordance with, Article V) the Issuer agrees to appoint Mr Hank Holland (the Managing Partner of the Investor) as a non-executive director of the Issuer.

4.2 Acknowledgements. The Investor acknowledges that:

(a) Unless and until FIRB Approval is received, the Investor must not exercise any influence in, or participate in, the central management and control of the Issuer, or influence, participate in or determine the policy of the Issuer or its business;

(b) Mr Holland’s appointment is subject to the Issuer receiving from Mr Holland a signed consent to act;

(c) Mr Holland's ongoing service as a director is subject to: all Australian laws governing the Issuer (including the Corporations Act 2001 (Cth)); to the ASX Listing Rules; and to the Constitution of the Issuer, all as in force from time to time;

(d) Without limiting the above, and in accordance with the ASX Listing Rules:

   (i) Mr Holland holds office as a director from appointment by the Issuer until the next annual general meeting of the Issuer, at which time he may seek election by shareholders;

   (ii) Mr Holland must stand for re-election by shareholders of the Issuer at least every three years.

<u>4.3</u> <u>Director rotation.</u> The Issuer:

(a) agrees to include, in the notice of annual general meeting at which Mr Holland's appointment is proposed for shareholder approval, a recommendation from all other Directors that shareholders approve his appointment;

(b) represents and warrants that the practice of its Board is that at each annual general meeting, the Director who retires by rotation is the Director who, at that time, has been in office the longest since receiving shareholder approval;

(c) agrees to continue the practice referred to in paragraph (b) in respect of Mr Holland's retirement by rotation.

ARTICLE V
APPROVALS

<u>5.1</u> <u>FIRB Laws</u>. The Parties acknowledge and agree that:

(a) their performance of this Agreement is subject to the Foreign Acquisitions and Takeovers Act 1975 (Cth) (**FATA**) and the Foreign Acquisitions and Takeovers Regulation 2015 (Cth) (**FATR**) (collectively, "**FIRB Laws**");

(b) Without limiting the above, under the FIRB Laws

   (i) the Issuer is regarded as a 'national security business' (as defined in FATR);

   (ii) and, therefore, the acquisition by the Investor of an interest in 10% or more of the Issuer's securities; or the Investor being in a position to influence or participate in the central management and control of the Issuer; requires notification to the Foreign Investment Review Board (**FIRB**) and approval by the Treasurer of the Commonwealth of Australia (**Treasurer**), in accordance with the FIRB Laws.

5.2 FIRB Approval. For the purposes of this Agreement, "**FIRB Approval**" means:

(a) the Investor receives written notification from or on behalf of the Treasurer stating that the Commonwealth government does not object to the: (1) acquisition by the Investor of an interest in 10% or more of the Issuer's securities (through the issue and conversion of the Convertible Notes and the issue and exercise of the Options); and (2) Investor being in a position to influence or participate in the central management and control of the Issuer (including through the Issuer appointing Mr Holland as a director), as contemplated by this document, either without conditions or with conditions acceptable to the Investor (acting reasonably and in good faith);

(b) the Treasurer becomes precluded from making any order or decision under part 3 of FATA because the applicable time limit on making orders and decisions under those provisions has expired;

(c) where an interim order is made under section 68 of FATA in respect of the proposed transactions under this document, the subsequent period for making an order or decision under part 3 of FATA elapses without the Treasurer making such an order or decision; or

(d) the Treasurer (or the Treasurer's delegate) has provided written confirmation to the Investor that the transactions under this document are exempt from the requirements of FATA.

5.3 Application for FIRB Approval.

(a) Promptly after this Agreement is executed, the Investor agrees to apply to FIRB for the FIRB Approvals. The Investor must do everything reasonably required including the making and filing of all notices and payments, responding promptly to requests and supplying all necessary, complete and accurate information to FIRB to secure FIRB Approval as soon as practicable.

(b) The Investor must consult with the Issuer and provide it with copies of all documents proposed to be submitted to FIRB in relation to the FIRB Approvals and give the Issuer a reasonable opportunity to comment on such documents and give due regard to them. The Investor may redact commercially sensitive information from any material provided to the Issuer.

(c) As soon as practicable after lodgement of the FIRB notification, the Investor must provide regular status updates in relation to all communications received from FIRB in relation to the progress of its FIRB notification and must immediately advise the Issuer on satisfaction of the FIRB Approval condition and provide a copy of all materials received from FIRB in relation to that outcome.

(d) The Issuer agrees to give the Investor and its advisors all reasonable assistance to obtain FIRB Approval.

(e) The Issuer agrees to reimburse the Investor for costs of external Australian legal counsel engaged by the Investor (and other related expenses) incurred by the Investor in seeking and obtaining FIRB Approval.

5.4 Shareholder Approval.

(a) The Parties acknowledge that under ASX Listing Rules, the Issuer may only issue the Options to the Investor with approval by the Issuer's shareholders in general meeting (with the resolution requiring approval by a simple majority of shareholders present and entitled to vote, in person or by proxy).

(b) Promptly after the Share Closing, the Issuer agrees to convene a general meeting of shareholders ("**General Meeting**") including a resolution that shareholders approve the issue of the Options to the Investor on the terms of this Agreement; and to include in the notice of General Meeting, a recommendation from the directors of the Issuer that shareholders approve the resolution.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer represents and warrants to the Investor as follows:

6.1 Organization and Good Standing. The Issuer is a company duly organized and validly existing under Australian law.

6.2 Authorization and Validity of Agreements. The Issuer has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and (subject to Article V) to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, the performance by the Issuer of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action of the Issuer (none of which actions have been modified or rescinded, and all of which actions are in full force and effect). This Agreement constitutes a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditor's rights generally or by general equitable principles.

6.3 Title to Shares. The issue of the Subject Shares has been duly authorized and upon payment by the Investor of the Subject Shares Purchase Price and entry of the name of the Investor in the register of members of the Issuer pursuant to the terms hereof, the Subject Shares will be validly issued and fully paid. The Subject Shares shall be free from any claim, option, charge, lien, equity encumbrance, rights of pre-emption or any other third party rights.

6.4 Non-Contravention. The execution and delivery of this Agreement by the Issuer, the performance by the Issuer of its obligations hereunder, and (subject to Article V) the consummation by the Issuer of the transactions contemplated hereby do not, and will not as of the date of this Agreement, conflict with, contravene, result in a violation or breach of or default under (with or without the giving of notice or the lapse of time, or both), permit any party to terminate, amend or accelerate the provisions of, or result in the imposition of any claim, lien, pledge, deed of trust, option, charge, security interest, hypothecation, encumbrance, right of first offer, voting trust, proxy, right of third parties or other restriction or limitation of any nature whatsoever (each, a "**Lien**"), or any obligation to create any Lien, upon any of the properties or assets of the Issuer under (i) any contract, agreement, indenture, letter of credit, mortgage, security agreement, pledge agreement, deed of trust, bond, note, guarantee, surety obligation, warranty, license, franchise, permit, power of attorney, lease, instrument or other agreement (each, a "**Contract**") to which the Issuer is a party or by which any of its property or assets may be bound or (ii) any provision of the organizational documents of the Issuer.

6.5 Exemption from Registration; No Integration; No General Solicitation.

(a) Subject to the accuracy of the representations and warranties of the Investor, it is not necessary in connection with the offer, sale and delivery of the Subject Shares, Convertible Notes or Options to the Investor in the manner contemplated by this Agreement to register any of them under the U.S. Securities Act of 1933, as amended (the "**Securities Act**").

(b) Neither the Issuer nor any affiliate (as defined in Rule 501(b) of Regulation D under the Securities Act) of the Issuer has directly, or through any agent, (i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act), which is or will be integrated with the sale of the Subject Shares, Convertible Notes or Options in a manner that would require the registration under the Securities Act of the Subject Shares, Convertible Notes or Options or (ii) offered, solicited offers to buy or sold the Subject Shares, Convertible Notes or Options by any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act.

6.6 Compliance.

(a) The Issuer has complied with, and at the date of this Agreement and at the Share Closing, will be compliant with: (i) all Australian laws governing the Issuer (including the Corporations Act 2001 (Cth)); (ii) the ASX Listing Rules; and (iii) the Constitution of the Issuer.

(b) Without limiting paragraph (a): (i) the Issuer is compliant with the 'continuous disclosure' requirements of the ASX Listing Rules; and (ii) the Issuer has not made any announcement to the ASX which is false, misleading or deceptive, or materially inaccurate.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor represents and warrants to the Issuer as follows:

7.1 Organization and Good Standing. The Investor is duly organized, validly existing and in good standing under the jurisdiction and laws of the State of Delaware, USA.

7.2 Authorization and Validity of Agreements. The Investor has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and (subject to Article V) to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, the performance by the Investor of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action of the Investor. This Agreement constitutes a legal, valid and binding obligation of the Investor, enforceable against the Investor in accordance with its terms.

7.3 Non-Contravention. The execution and delivery of this Agreement by the Investor, the performance by the Investor of its obligations hereunder, and the consummation by the Investor of the transactions contemplated hereby do not, and will not as of the Closing, conflict with, contravene, result in a violation or breach of or default under (with or without the giving of notice or the lapse of time, or both), permit any party to terminate, amend or accelerate the provisions of, or result in the imposition of any Lien (or any obligation to create any Lien) upon any of the property or assets of the Investor under (i) any Contract to which the Investor is a party or by which any of its property or assets may be bound or (ii) any provision of the organizational documents of the Investor.

7.4 Investment Purpose. The Subject Shares and Options to be acquired by the Investor pursuant to this Agreement are being acquired for investment for its own account and with no intention of distributing or reselling them in any transaction that would be in violation of the securities laws of the United States or any state of the United States.

7.5 Investment Experience; Access to Information. The Investor is sufficiently experienced in financial and business matters to be capable of evaluating the merits and risks involved in purchasing the Subject Shares and Options and to make an informed decision relating thereto and can bear the economic risk of the investment. The Investor has made its own assessment and has consulted its own independent advisors or has otherwise satisfied itself concerning the legal, tax, regulatory, currency and other economic considerations relevant to its investment in the Subject Shares and Options. The Investor has not been organized solely for the purpose of acquiring the Subject Shares or Options.

7.6 Qualified Institutional Buyer or Institutional Accredited Investor. The Investor is either a "qualified institutional buyer" as such term is defined in Rule 144A under the Securities Act or an "institutional accredited investor" as such term is described in Rule 501(a)(1), (a)(2), (a)(3) or (a)(7) of Regulation D under the Securities Act, as presently in effect. The Investor has completed the Declaration Form attached hereto **Exhibit A** and the information contained therein is complete and accurate as of the date hereof and will be true and correct as of the date of the Share Closing.

7.7 Restricted Shares.

(a) The Investor understands that the Subject Shares and Options have not been registered under the Securities Act or any state securities, blue sky or other similar laws of the Investor's jurisdiction (collectively, the "**State Securities Laws**") by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of the Investor and of the other representations made by the Investor in this Agreement.

The Investor understands that the Issuer is relying upon the representations and agreements contained in this Agreement (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.

(b) The Investor understands that the Subject Shares and Options are "restricted securities" under applicable U.S. federal securities laws and that the Securities Act and the rules of the U.S. Securities and Exchange Commission (the "**Commission**") provide in substance that the Investor may dispose of the Subject Shares or Options only pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act, and the Investor understands that the Issuer has no obligation to register or qualify any of the Subject Shares or Options. The Investor further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Subject Shares or Options, and on requirements relating to the Issuer which are outside of the Investor's control, and which the Issuer is under no obligation and may not be able to satisfy.

(c) The Investor agrees:

(i) that the Investor will not sell, assign, pledge, give, transfer, or otherwise dispose of the Subject Shares or Options or any interest therein, or make any offer or attempt to do any of the foregoing, unless the transaction is registered under the Securities Act and complies with the requirements of all applicable State Securities Laws, or the transaction is exempt from the registration provisions of the Securities Act and all applicable requirements of State Securities Laws;

(ii) that the Issuer and its affiliates shall not be required to give effect to any purported transfer of such Subject Shares or Options, except upon compliance with the foregoing restrictions.

<u>7.8</u> <u>Non-Solicitation</u>.

(a) The Investor was not identified or contacted through marketing of an offer for securities.

(b) The Investor did not independently contact the Issuer as a result of the any document being publicly available in connection with an offer for securities.

(c) The Subject Shares and Options were not offered or sold to the Investor by any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act).

<u>7.9</u> <u>Purchase for Investment</u>. The Investor is acquiring the Subject Shares and Options for the Investor's own account, for investment and not with a view to any resale or distribution of them, in whole or in part, in violation of the Securities Act. The Investor does not have any agreement or understanding with any third party to distribute any of the Subject Shares or Options. Notwithstanding the forgoing, nothing contained herein shall be deemed a

representation or warranty by the Investor to hold the Subject Shares or Options for any period of time.

7.10 Australian Shares. The Investor understands that, as the Issuer is a company incorporated in Australia and its shares are listed on the ASX (and the Issuer will be applying to the ASX for the Subject Shares to be listed on the ASX), the issue of the Subject Shares and Options, the rights attaching to them, and the Investor's dealings in the Subject Shares or Options, are subject to all Australian laws governing the Issuer (including the Corporations Act 2001 (Cth)); to the ASX Listing Rules; and to the Constitution of the Issuer, all as in force from time to time. By subscribing for the Subject Shares, the Investor agrees to be bound by the Constitution of the Issuer.

7.11 Not a Foreign Government Investor. The Investor hereby represents and warrants that it is not a foreign government investor, meaning the Investor is not any of the following (where 'foreign' means not Australian; and 'substantial interest' means 20% or more):

(a) a foreign government or separate government entity; or

(b) a corporation in which: (i) a foreign government or separate government entity holds a substantial interest; or (ii) foreign governments or separate government entities of more than one foreign country (or parts of more than one foreign country) hold an aggregate substantial interest; or

(c) the trustee of a trust in which: (i) a foreign government or separate government entity holds a substantial interest; or (ii) foreign governments or separate government entities of more than one foreign country (or parts of more than one foreign country) hold an aggregate substantial interest; or

(d) the general partner of an unincorporated limited partnership in which: (i) a foreign government or separate government entity holds a substantial interest; or (ii) foreign governments or separate government entities of more than one foreign country (or parts of more than one foreign country) hold an aggregate interest of at least 40%; or

(e) a corporation, trustee or partner of a kind described in paragraph (b), (c) or (d) assuming the references to foreign government (or foreign governments) in those paragraphs included references to a foreign government investor (or foreign government investors): (i) within the meaning of those paragraphs; or (ii) as a result of a previous application of this paragraph.

ARTICLE VIII
COVENANTS

8.1 Further Assurances. Each party hereto shall execute and deliver such instruments and take such other actions prior to or after the Share Closing and the Option Closing as the other party may reasonably request in order to carry out the intent of this Agreement, including without limitation obtaining any required consents or approvals from third parties.

ARTICLE IX
CLOSING CONDITIONS

9.1 Mutual Conditions. The obligations of the Issuer and the Investor to consummate the subscription and issue of the Subject Shares contemplated hereby are subject to the following conditions precedent: the representations and warranties of the Issuer contained in Article II hereof and of the Investor contained in Article III hereof shall be true and correct as of the Share Closing in all respects with the same effect as though such representations and warranties had been made on and as of the Share Closing.

9.2 Interdependent. In respect of each of the Share Closing and Option Closing:

(a) the obligations of the parties under this Agreement are interdependent; and

(b) all actions required to be performed will be taken to have occurred simultaneously at each of the Share Closing and Option Closing.

ARTICLE X
MISCELLANEOUS

10.1 Termination. This Agreement shall terminate and be void and have no further force and effect, and all rights and obligations of the parties hereunder shall terminate without any further liability on the part of any party in respect thereof, upon the earlier to occur of (a) upon the mutual written agreement of the parties hereto to terminate this Agreement, (b) if the Share Closing does not occur within 30 days from the date hereof.

10.2 Survival. Each of the representations and warranties contained in this Agreement shall survive indefinitely. Each of the covenants contained in this Agreement shall survive the Share Closing until performed in accordance with their terms.

10.3 Assignment: Successors and Assigns. This Agreement and the rights granted hereunder may not be assigned by the Investor without the prior written consent of the Issuer. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns as provided in this Agreement.

10.4 Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto or their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by any reason of this Agreement, except as expressly provided in this Agreement.

10.5 Amendments. The provisions of this Agreement may not be amended or modified except by a writing signed by each of the parties.

10.6 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF VICTORIA, AUSTRALIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY

SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY COURT OF COMPETENT CIVIL JURISDICTION SITTING IN MELBOURNE, VICTORIA FOR THE PURPOSE OF ANY ACTION OR JUDGMENT RELATING TO OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND TO THE LAYING OF VENUE IN SUCH COURT. EACH OF THE PARTIES HEREBY WAIVES THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF ANY SUCH ACTION OR PROCEEDING IN SAID COURTS.

10.7 Currency. A reference in this Agreement to 'AUD' is a reference to Australian currency. A reference in this Agreement or an Exhibit to '$' or 'USD' is a reference to the currency of the United States of America. All amounts payable by the Investor to the Issuer under this Agreement (including the Schedules) are payable in AUD to the Issuer's nominated Australian bank account, without deduction for bank fees or foreign exchange charges; and are calculated on a fixed exchange rate of 1.00 AUD to USD 0.6949.

10.8 Waivers; Remedies. No failure or delay on the part of any party in exercising any right, privilege, power or remedy under this Agreement, and no course of dealing shall (a) impair such right, power or remedy or (b) operate as a waiver thereof. No waiver shall be asserted against any party unless signed in writing by such party. The single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise of any other right, power or remedy. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law. Except as provided in this Agreement, no notice to or demand on any party in any case shall entitle such party to any other or further notice or demand in any similar or other circumstances or constitute a waiver of the right of the party giving such notice or making such demand to take any other or further action in any circumstances without notice or demand.

10.9 Notices.

(a) All notices, requests, demands, waivers and other communications to be given by either party hereunder shall be in writing and shall be (i) mailed by first-class, registered or certified mail, postage prepaid, or (ii) sent by hand delivery or reputable overnight delivery service to the following address:

If to the Issuer:

Amaero International Limited
13 Normanby Road
Notting Hill, VIC 3168
Australia
Attention: Company Secretary

If to the Investor:

Pegasus Capital Group
2103 Plantation Village
Building 2, #103

Dorado, Puerto Rico, 00646
Attn: Hank Holland (holland@pegasusgrowth.com)

or such other address as may be specified in writing to the other party hereto.

(b) All such notices, requests, demands, waivers and other communications shall be deemed to have been given and received (i) if by personal delivery, on the day of such delivery, (ii) if by first-class, registered or certified mail, on the fifth business day after the mailing thereof or (iii) if by reputable overnight delivery service, on the day delivered.

10.10 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

10.11 Headings. The Article and Section headings contained herein are for the convenience of the parties only and shall not affect the construction or interpretation of this Agreement.

10.12 Severability. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

10.13 Entire Agreement. This Agreement, including the Schedules and Exhibits hereto, contains the entire understanding of the parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

ISSUER:

AMAERO INTERNATIONAL LIMITED

By:
Name:
Title: Director

By:
Name:
Title: Director

INVESTOR:

PEGASUS GROWTH CAPITAL FUND I, LP

By: ____________________________________
Name: Hank Holland
Title: Managing Partner

Schedule A

Convertible Note Term Sheet

May 2022

This Term Sheet sets out the principal terms with respect to the proposed Convertible Note funding for Amaero International Limited. This Term Sheet is not intended to form legally binding obligations of any party and the obligations of the parties to issue and subscribe for convertible notes are intended to be subject to execution of definitive legally binding agreements.

Offer terms

Issuer:	Amaero International Limited (ACN 633 541 634).
Securities to be issued:	2,806,159 Convertible Notes with a Face Value of AUD 1.00 each convertible into ordinary shares in the capital of the Issuer.
Investor:	Pegasus Growth Capital Fund I, LP.
Other Investor(s):	Nil.
Investment:	AUD 2,806,159 (USD 1,950,000, at agreed exchange rate of 1 AUD to USD 0.6949
Use of proceeds:	Working capital.
Condition(s) Precedent:	Parties to sign and close a subscription agreement for 23,984,266 ordinary shares and sign a Convertible Note Purchase Agreement (**Convertible Note Documents**), a first draft to be provided by the Issuer.
Interest on Convertible Notes:	2.25% per annum from the issue date until the earlier of: (i) the conversion or redemption date and (ii) the first 12 months from the issue date; then 15% per annum until the earlier of the Maturity Date and the conversion or redemption date. Interest on outstanding Convertible Notes will be paid monthly in arrears. All interest to be paid in cash (not PIK or converted to Shares).
Maturity Date:	36 months from the date of issue of the Convertible Notes.
FIRB Approval	In this section, **Investor Actions** means: (a) the acquisition by the Investor of an interest in 10% or more of the Issuer's securities (through the issue and conversion of the Convertible Notes and the issue and exercise of the Options); and (b) the Investor being in a position to influence or participate in the central management and control of the Issuer (including through the Issuer appointing Mr Holland as a director). No Convertible Note will convert into ordinary shares unless and until:

(A) one or more of the following has occurred (FIRB Approval condition):

1. The Investor (which is subject to the Foreign Acquisitions and Takeovers Act (FATA)) receives written notification from or on behalf of the Treasurer of the Commonwealth of Australia (Treasurer) stating that the Commonwealth government does not object to the Investor Actions either without conditions or subject to the last paragraph of this section below, with conditions acceptable to the Investor (acting reasonably and in good faith);
2. the Treasurer becomes precluded from making any order or decision under part 3 of FATA because the applicable time limit on making orders and decisions under those provisions has expired;
3. where an interim order is made under section 68 of FATA in respect of the Investor Actions, the subsequent period for making an order or decision under part 3 of FATA elapses without the Treasurer making such an order or decision; or
4. the Treasurer (or the Treasurer's delegate) has provided written confirmation to the Investor that the Investor Actions are exempt from the requirements of FATA.

OR

(B) the Issuer and Investor agree in writing that FIRB Approval is no longer legally required for the Investor Actions.

The Investor must do everything reasonably required including the making and filing of all notices and payments, responding promptly to requests and supplying all necessary, complete and accurate information to FIRB to make sure that the FIRB Approval condition is satisfied as soon as practicable.

The Investor must consult with the Issuer and provide it with copies of all documents proposed to be submitted to FIRB in relation to the FIRB Approval condition and give the Issuer a reasonable opportunity to comment on such documents and give due regard to them. The Investor may redact commercially sensitive information from any material provided to the Issuer.

As soon as practicable after lodgement of the FIRB notification, the Investor must provide regular status updates in relation to all communications received from FIRB in relation to the progress of its FIRB notification and must immediately advise the Issuer on satisfaction of the FIRB Approval condition and provide a copy of all materials received from FIRB in relation to that outcome.

The Issuer agrees to give the Investor and its advisors all reasonable assistance to obtain FIRB Approval.

The Investor must accept, and will be taken to have accepted the following conditions imposed by FIRB:

1. the tax conditions set out in Section D of Guidance Note 12 issued by FIRB (as amended or replaced from time to time),

2. any conditions relating to the use, access, handling, storage and/or security (including cyber security) of data which may be accessible to any investor or any related party,

3. any conditions relating to the composition of the board of the Issuer following closing (except conditions relating to the Investor's nominee, as noted below); and

4. any condition relating to any reporting and/or auditing obligation imposed on the investor to demonstrate compliance with any conditions attaching to the FIRB Approval condition.

The parties agree that:

- FIRB Approval is taken to be given (or not) if it applies to all Investor Actions; and
- if FIRB approves the Investor's acquisition of an interest of 10% or more in the Issuer; but does not approve the Investor being in a position to influence or participate in the central management and control of the Issuer (including through the Issuer appointing Mr Holland or another nominee as a director), then for the purposes of the Convertible Notes, 'FIRB Approval' will not have been given and the mandatory conversion does not apply.

Redemption prior to the Maturity Date:	The Issuer may not redeem the notes before the Maturity Date.
Conversion	The Convertible Notes will be converted into 13,362,663 Shares (calculated at a per share issue price of AUD $0.21) as follows: • Upon satisfaction of the FIRB Approval condition within 12 months from the date of issue – conversion is mandatory; • Upon satisfaction of the FIRB Approval condition after 12 months from the date of issue – conversion is at the discretion of the Investor. . However, if the issuance of a cleansing notice under section 708A of the Corporations Act would materially prejudice the interests of the Issuer by reason of forcing disclosure of information which would not otherwise require disclosure under ASX Listing Rule 3.1, then the Issuer will issue to the noteholders ordinary shares on a date to be determined by the Issuer, provided that such date will be no later than the date which is 3 business days after the date on which the board of the Issuer has determined that it would no longer be materially prejudiced by issuing the cleansing notice. The Issuer will do everything reasonably required to obtain ASX quotation of all ordinary shares issued on conversion of the Convertible Notes as soon as practicable after issue of such shares. The Issuer will do everything reasonably required to obtain approval of the Issuer's shareholders for the issue and conversion of the notes, if required under ASX Listing Rules.

	All ordinary shares issued on conversion of any convertible note will rank equally in all respects with other ordinary shares in the capital of the company.
No other conversion events	The notes may only be converted on satisfaction of the FIRB Approval condition noted above (or if the parties agree that the FIRB Approval condition is no longer required).
Redemption on Maturity	If any of the Convertible Notes have not earlier been converted or redeemed, the Issuer must redeem all outstanding Convertible Notes on the Maturity Date.
Mandatory Redemption on a Liquidation Event	If an event of default (including a liquidation process) in respect of the Issuer (Liquidation Event) occurs, the Investor will be entitled to redeem their Convertible Notes for the full Face Value together with accrued but unpaid interest subject to the remediation right referred to below.
Security:	Unsecured.
Events of Default:	Customary events of default will be included in the Convertible Note Deed Poll. To the extent practicable, the Issuer will have at least 21 days to remedy the event of default before a redemption demand can be made by Noteholders.
No voting etc rights	The Convertible Notes do not confer on the Investor any entitlement to: attend or vote at a general meeting of the Issuer's shareholders; receive dividends; or participate in any rights issue, bonus issue or other equivalent offer or invitation of Shares or other securities to the holders of Shares, other than upon the issue of Shares on conversion of the Convertible Notes. For the purposes of this paragraph, '*other equivalent offer or invitation of Shares or other securities to the holders of Shares*' means a new issue with a minimum issue price of the new shares that is no less than 75% of the trading price (i.e. a maximum 25% discount, based on the previous 15-day volume weighted average price).
Limited Transfer Rights:	Noteholders to have a right to transfer the Convertible Notes to related bodies corporates including replacement trustees (provided there is no change in beneficial holding) and other associates (as applicable), with prior consent of the Issuer, and provided a proposed transferee each enter into an accession deed agreeing to be bound by the Convertible Note Purchase Agreement. The Issuer may refuse consent at its discretion, including where it believes that any transfer may delay or hinder achieving the FIRB Approval condition.
Reconstruction of share capital	If there is a reconstruction (including a consolidation, subdivision, reduction and/or return) of the issued capital of the Issuer which impacts on the conversion rights of a Noteholder, such conversion rights will be reconstructed in the same proportion as the issued capital of the Issuer is reconstructed and in a manner which will result in an equivalent benefit being conferred on a Noteholder to that which is conferred on the Issuer's shareholders. In all other respects, the terms for conversion of the Convertible Notes will remain unchanged.

Transaction expenses:	Issuer to reimburse the Investor for costs of external Australian legal counsel engaged by the Investor (and other related expenses) to satisfy the FIRB Approval condition, otherwise each party must pay its own costs and expenses in respect of the negotiation, preparation, execution and delivery of this document, and the Convertible Note Documents.
Confidentiality:	The parties agree this clause shall be legally binding on each party. Except as agreed, as required by law, any regulatory authority or stock exchange, or disclosure to its professional advisers on a need-to-know basis for the purposes of the transactions contemplated by this Term Sheet, each party will ensure that it and each of its officers and employees retains strictly confidential the content of this Term Sheet and any non-public information provided by the other parties in relation to the business of those parties and their related bodies corporate. Except for the permitted disclosures referred to above, no party shall make any disclosure, including any announcement, about this Term Sheet without the prior written consent of the other parties.
Governing Law and Courts:	Victoria, Australia.

Schedule B

Option Terms

1. Each Option entitles the Investor to acquire by way of issue one Share on exercise of the Option.

2. The exercise price of each Option is AUD 0.42. (Where the Investor exercises the Options by paying cash, the exercise price is payable in AUD, on a fixed exchange rate of 1.00 AUD to USD 0.6949.)

3. The Options are exercisable at any time:

   (a) after the Option Closing; and

   (b) up to 5.00 pm (Melbourne time) on the date that is three (3) years after the date of the Option Closing

   (**Exercise Period**).

4. An Option not exercised before the end of the Exercise Period will be subject to the 'Net Issue Exercise' process described in paragraph 15 (unless otherwise agreed by the Issuer and Investor at that time).

5. The Options may be exercised in whole or in part during the Exercise Period by: (i) notice in writing to the Issuer (**Notice of Exercise**) and: (ii) (A) payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Issuer; or (B) via the Net Issue Exercise process described in item 15 below.

6. A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price (or the issue of Shares through the Net Issue Exercise process) for each Option being exercised in cleared funds (**Exercise Date**).

7. As soon as practicable after the Exercise Date, the Issuer will: issue the number of Shares required under these terms in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company (or the number of Shares required as a result of the Net Issue Exercise process).

8. Shares issued on exercise of the Options will rank equally in all respects with the then issued Shares.

9. (a) Subject to paragraph (b), there are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the

Options and unless Shares have been allotted in respect of the Options before the record date for determining entitlements to the issue. The Issuer will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 business days after the issue is announced. This will give the Investor the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.

(b) For the purposes of paragraph (a), '*new issues of capital offered to Shareholders during the currency of the Options*' means a new issue with a minimum issue price of the new shares that is no less than 75% of the trading price (i.e. a maximum 25% discount, based on the previous 15-day volume weighted average price). An issue at a greater discount than this is referred to in these terms as a '**Deeply Discounted Issue**'.

10. If, after the Option issue date and prior to the Exercise Date, there occurs any reconstruction of the issued capital of the Issuer (including a consolidation, share split, bonus issue, reduction, sub-division or return of capital), the entitlement of the Investor to exercise the Options must be reconstructed in the same proportion and manner as the issued capital of the Issuer is reconstructed and in a manner which will not result in any additional benefits being conferred on the Investor which are not conferred on holders of Shares and, so far as is possible does not prejudice the Investor, but in all other respects, the terms of the Options will remain unchanged.

11. There will be no change to the applicable Exercise Price of an Option or the number of Shares over which an Option is exercisable in the event of the Issuer making a pro rata issue of Shares or other securities to the holders of Shares (other than for a Bonus Issue or a Deeply Discounted Issue).

12. If before the expiry of any Options, the Company makes a pro rata issue of Shares to Shareholders for no consideration (**Bonus Issue**) or a Deeply Discounted Issue, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue or the Deeply Discounted Issue.

13. Holders of Options have no voting rights until the Options are exercised and Shares issued on exercise of those Options.

14. The Options are not transferable.

15. **Net Issue Exercise**.

In lieu of exercising the Option in the manner provided above in Section 5, the Investor may elect to receive shares equal to the value of the Options (or the portion thereof being exercised) by surrender of the Option to the Issuer together with notice of such election on a purchase/exercise form provided by the Issuer, duly executed by or on behalf of the

Investor, in which event the Issuer shall issue to holder a number of Shares computed using the following formula:

$$X = \frac{Y(A - B)}{A}$$

Where X = The number of Shares to be issued to the Investor.

Y = The number of Shares purchasable under this Option (at the date of such calculation).

A = The fair market value of one Share (at the date of such calculation).

B = The Exercise Price (as adjusted to the date of such calculation).

For purposes of this Section 15, the fair market value of one Share on the date of calculation shall mean:

(a) where the Issuer is admitted to the official list of the ASX, the fair market value per share shall be equal to the average of the closing price of the Issuer's Shares quoted on the ASX, for the ten (10) trading day period ending five (5) trading days prior to the date of determination of fair market value;

(b) if the exercise is in connection with an initial public offering of the Issuer's Shares, and if the Issuer's Registration Statement relating to such public offering has been declared effective by the Securities and Exchange Commission, then the fair market value of Shares shall be the initial "Price to Public" per share of the Issuer's Common Stock specified in the final prospectus with respect to the offering multiplied by the number of shares of the Issuer's Common Stock into which a share of Common Stock is then convertible;

(c) if the exercise is in connection with an offer for the Shares made by a third party on arm's length commercial terms, which is accepted by shareholders owning more than 50.1% of the Shares on issue, then the fair market value of Shares shall be the price per Share accepted by those shareholders; or

(d) if paragraphs (a), (b) or (c) are not applicable, the fair market value shall be at the highest price per share which the Issuer could obtain on the date of calculation from a willing buyer (not a current employee or director) for Shares sold by the Issuer, from authorized but unissued shares, as determined in good faith by the Board.

16. If no Options are issued. If the Options are not issued because FIRB Approval and/or Shareholder Approval is not obtained (and the Investor has complied with its obligations in respect of obtaining such approvals), then the parties agree that:

(a) their intention is for the Issuer to pay (or otherwise deliver to) the Investor, in cash, the value that the Investor would have received had the Options been issued, at the time the Investor would have received such value (provided that the Investor has not sold the ordinary shares issued to it under this Subscription Agreement, with agreed exceptions such as change of control transactions);

(b) while these principles reflect the parties' intentions, the principles are subject to contract; and the parties will work together in good faith to formalize and agree binding terms to reflect these principles, as soon as practical after this Agreement is executed.

Exhibit A

DECLARATION FORM

TO:
Amaero International Limited
13 Normanby Road,
Notting Hill, VIC 3168
Australia
Attention: Directors

Ladies and Gentlemen

This declaration form ("**Declaration Form**") is submitted by the undersigned to Amaero International Limited (the "**Company**") in connection with the subscription for new fully paid ordinary shares in the capital of the Company ("**Shares**") and options under a Subscription Agreement dated on or about May 11, 2022.

The undersigned represents and warrants that it is either (I) a qualified institutional buyer (a "**QIB**") under Rule 144A of the Securities Act of 1933, as amended (the "**Securities Act"**), in that the undersigned satisfies the requirement of one or more of sub-paragraphs (i) through (vi) below (check applicable box(es)) under Part I - QIB or (II) an accredited investor (an "**IAI**") under Rule 501 of Regulation D under the Securities Act, in that the undersigned satisfies the requirement of one or more of sub-paragraphs (1) through (12) below (check applicable box(es)) under Part II - IAI:

Part I - QIB

□ (i) The undersigned is an entity referred to in sub-paragraphs (A) through (G) hereof and in the aggregate owned and invested on a discretionary basis, for its own account and the accounts of other QIBs, at least $100 million, calculated as provided in Rule 144A as of the date specified on the signature page hereto.

□ (A) **Corporation, etc.** A corporation (other than a bank, savings and loan or similar institution referred to in (ii) below), partnership, limited liability company, Massachusetts or similar business trust, an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), a small business investment company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended, or a business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

□ (B) **Insurance Company**. An insurance company as defined in Section 2(a)(13) of the Securities Act.

□ (C) **ERISA Plan**. An employee benefits plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**").

□ (D) **State or Local Plan**. A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees.

□ (E) **Investment Company**. An investment company registered under the Investment Company Act of 1940, as amended (the "**1940 Act**"), or any business development company as defined in Section 2(a)(48) of the 1940 Act.

□ (F) **Investment Adviser**. An investment adviser registered under the Advisers Act.

□ (G) **Trust Fund**. A trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in paragraphs (i)(C) and (i)(D) above, except trust funds that include as participants individual retirement accounts or H.R. 10 plans.

□ (ii) **Bank or Savings and Loan**. The undersigned is: a bank as defined in Section 3(a)(2) of the Securities Act; a savings and loan association or other institution referenced in Section 3(a)(5)(A) of the Securities Act; or a foreign bank or savings and loan association or equivalent institution, acting for its own account and the accounts of other QIBs, that in the aggregate owned and invested on a discretionary basis at least $100 million, calculated as provided in Rule 144A, as of the date specified on the signature page hereto, and that had an audited net worth of at least $25 million as of the end of its most recent fiscal year. (This paragraph does not include bank commingled funds.)

□ (iii) **One of a Family of Investment Companies**. The undersigned is an investment company registered under the 1940 Act, acting for its own account or for the accounts of other QIBs, that is part of a "family of investment companies," as defined in Rule 144A, that owned in the aggregate at least $100 million, calculated as provided in Rule 144A, as of the date specified on the signature page hereto.

□ (iv) **Dealer.** The undersigned is a dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), acting for its own account and the accounts of other QIBs, that in the aggregate owned and invested on a discretionary basis at least $10 million, calculated as provided in Rule 144A, as of the date specified on the signature page hereto.

□ (v) **Dealer. (Riskless Principal Transaction)**. The undersigned is a dealer registered under Section 15 of the Exchange Act acting in a riskless principal transaction (as defined in Rule 144A) on behalf of a QIB.

□ (vi) **Entity Owned by Qualified Buyers**. The undersigned is an entity, all of the equity owners of which are QIBs (each satisfying one or more of (i) through (v) above or this (vi), including, as applicable, the $100 million test), acting for its own account or for the accounts of other QIBs.

In calculating the aggregate amount of securities owned or invested on a discretionary basis by an entity, as provided in Rule 144A: (a) repurchase agreements, securities owned but subject to repurchase agreements, currency, interest rate and commodity swaps, bank deposit notes and certificates of deposit, loan participations, securities of affiliates and dealers' unsold allotments are excluded; and (b) securities are valued at cost, except they may be valued at market if they are reported in financial statements at market and no current cost information is published.

Each entity, including a parent or subsidiary, must separately meet the requirements to be a QIB under Rule 144A. Securities owned by any subsidiary are included as owned or invested by its parent entity for purposes of Rule 144A only if (1) the subsidiary is consolidated in the parent entity's financial statements prepared in accordance with generally accepted accounting principles and (2) the subsidiary's investments are managed under the parent entity's direction (except that a subsidiary's securities are not included if the parent entity is itself a majority-owned consolidated subsidiary of another enterprise and is not a reporting company under the Exchange Act).

<u>Part II-IAI</u>

The undersigned is an entity referred to in sub-paragraphs (A) through (G) hereof:

(1) a bank as defined in Section 3(a)(2) of the Act, or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity;

□ (2) a broker or dealer registered pursuant to Section 15 of the Exchange Act;

□ (3) an insurance company as defined in Section 2(a)(13) of the Act;

□ (4) an investment company registered under the 1940 Act;

□ (5) a business development company as defined in Section 2(a)(48) of the 1940 Act;

□ (6) a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended;

□ (7) a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000;

□ (8) an employee benefit plan within the meaning of ERISA, if either:

□ (A) the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment adviser;

□ (B) the employee benefit plan has total assets in excess of $5,000,000; or

□ (C) such a plan is a self-directed plan with investment decisions made solely by persons that are "accredited investors;"

□ (9) a private business development company as defined in Section 202(a)(22) of the Advisers Act;

□ (10) one of the following entities which was not formed for the specific purpose of making an investment in the Securities offered by the Company and which has total assets in excess of $5,000,000:

(A) an organization described in Section 501(c)(3) of the Code;

(B) a corporation, limited liability company or partnership; or

(C) a Massachusetts or similar business trust;

□ (11) a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Shares, whose purchase of the Shares offered is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D; or

□ (12) an entity in which all of the equity owners are "accredited investors."

This Declaration Form is governed by and shall be construed in accordance with the laws of the State of Victoria, Australia.

The undersigned agrees that the Company and its agents and their respective affiliates may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Very truly yours,

Pegasus Growth Capital Fund I, LP

By: ___________________________________

Name: Hank Holland

Title: Managing Partner