

27 July 2020

Dear Shareholders,

IMPACT OF COVID-19 RESTRICTIONS ON THE COMPANY'S EXTRAORDINARY GENERAL MEETING

The shareholder meeting is scheduled to be held at the offices of archTIS Limited, Level 3, 10 National Circuit, Barton ACT on Thursday, 27 August 2020 at 11.00am (AEST) (**Meeting**). However, in light of the status of the evolving COVID-19 situation and Government restrictions on public gatherings in place at the time of the Meeting, the Directors may make a decision prior to the Meeting that Shareholders will not be able to attend the Meeting in person. Accordingly, the directors have also determined that the Company will be providing virtual access to the Meeting via a Webex audio/visual conferencing facility (the details are set out below).

Notwithstanding the virtual meeting facilities, the Directors **strongly encourage all shareholders to lodge a directed proxy form prior to the Meeting, under which the Chair is appointed as your proxy to ensure the proxy will be in attendance at the Meeting**. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting.

The Australian government is implementing a wide range of measures to contain or delay the spread of COVID-19. If it becomes necessary or appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company will notify Shareholders accordingly via the Company's website at www.archtis.com and the ASX Company's Announcement Platform at asx.com.au (ASX:AR9). Any Shareholders who plan to physically attend the Meeting should closely monitor these platforms for any updates from the Company in regard to attending the Meeting in person and alternative arrangements.

If Shareholders are not able to attend the Meeting in person, Shareholders will be able to participate in the Meeting by:

- (a) voting their Shares if possible, prior to the Meeting by lodging the attached proxy form attached to the Notice by no later than **11.00am (AEST) on Tuesday, 25 August 2020**;
- (b) lodging questions if possible, in advance of the Meeting by emailing the questions to Mr Baden Bowen, Company Secretary at baden.bowen@archtis.com by no later than **11.00am (AEST) on Tuesday, 25 August 2020**; and/or
- (c) attending the Meeting by Webex audio/visual conferencing facilities as follows:
 - (i) by phone: (02) 9037 0069 – access code 1 66 272 3450;
 - (ii) from a video system or application: Dial [1662723450@archtis.webex.com](https://1662723450.archtis.webex.com); and
 - (iii) Microsoft Lync or Skype for Business: Dial 1662723450.archtis@lync.webex.com.

The Company encourages shareholders to submit their votes and questions in advance of the Meeting as this will provide management with the best opportunity to prepare for the meeting, for example in preparing answers to members questions.

However, votes and questions may also be submitted during the Meeting. The procedure for online voting during the Meeting will be released on the Company's ASX Announcement Platform and the Company's website in due course and in any event, at least 10 days prior to the Meeting. To this end, the Company advises shareholders who intend to cast votes during the Meeting to carefully monitor the ASX announcement platform and archTIS website and contact the Company with any questions. The Company encourages shareholders to lodge a directed proxy form prior to the Meeting as stated above. Questions may be submitted by emailing baden.bowen@archtis.com. All questions will be submitted to the Chair, who will then direct them to be answered by the most appropriate member of management during the Meeting.

Further details of the teleconference or online meeting facilities, including detailed instructions on how to vote using such facilities, will be made available to shareholders on the Company's website at www.archtis.com and the ASX Company's Announcement Platform at asx.com.au (ASX: AR9) prior to the Meeting.

The Company also notes, that in accordance with subsection 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, the Company will not be dispatching physical copies of the Notice of Meeting (**NOM**), however the Company advises that those shareholders who have not elected to receive notice by electronic mail will be provided with a letter setting out where the NOM can be accessed, along with a copy of the proxy form. A copy of the NOM is also available through the Company's ASX Announcements Platform (ASX:AR9) and the Company's website at www.archtis.com.

This announcement is authorised for market release by archTIS Limited's Managing Director and Chief Executive Officer, Mr Daniel Lai.

Sincerely,



Baden M Bowen
Company Secretary

ARCHTIS LIMITED

ACN 123 098 671

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11.00am (AEST)

DATE: Thursday, 27 August 2020

PLACE: archTIS Limited, Level 3, 10 National Circuit, Barton ACT 2600
and via the virtual meeting facilities described on page 8.

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

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (AEST) on 25 August 2020.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 17,714,547 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely participants under the Placement) or an associate of that person or those persons.

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

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

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 9,618,564 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely participants under the Placement) or an associate of that person or those persons.

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

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

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 3 – ISSUE OF SHARES TO RELATED PARTY - MILES JAKEMAN

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

“That, for the purposes of Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue 1,454,545 Shares to Mr Miles Jakeman (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Miles Jakeman (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

4. RESOLUTION 4 – ISSUE OF SHARES TO RELATED PARTY - WAYNE ZEKULICH

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

“That, for the purposes of Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue 363,636 Shares to Mr Wayne Zekulich (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Wayne Zekulich (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

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

5. RESOLUTION 5 – ISSUE OF SHARES TO RELATED PARTY - LEANNE GRAHAM

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

“That, for the purposes of Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue 163,636 Shares to Ms Leanne Graham (or her nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Leanne Graham (or her nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

6. RESOLUTION 6 – ISSUE OF SHARES TO RELATED PARTY - BRUCE TALBOT

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

“That, for the purposes of Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue 181,818 Shares to Mr Bruce Talbot (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Bruce Talbot (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

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

7. RESOLUTION 7 – ISSUE OF SHARES TO RELATED PARTY - DANIEL LAI

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

"That, for the purposes of Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue 363,636 Shares to Mr Daniel Lai (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Daniel Lai (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

8. RESOLUTION 8 – ISSUE OF SHARES TO RELATED PARTY - STEPHEN SMITH

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

"That, for the purposes of Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue 181,818 Shares to Mr Stephen Smith] (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Stephen Smith (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

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

9. RESOLUTION 9 – APPROVAL TO ISSUE OPTIONS - AMICAA ADVISORS PTY LTD

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely amicaa Advisors Pty Ltd) or an associate of that person (or those persons).

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

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

10. RESOLUTION 10 – APPROVAL TO ISSUE OPTIONS - MST FINANCIAL SERVICES PTY LTD

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely MST Financial Services Pty Ltd) or an associate of that person (or those persons).

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

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

11. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – SHOP CAPITAL

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 250,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely Shop Capital) or an associate of that person or those persons.

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

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

12. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – SHOP CAPITAL

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 500,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely Shop Capital) or an associate of that person or those persons.

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

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

Dated: 27 July 2020

By order of the Board



Baden M Bowen
Company Secretary

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that:

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

Voting in person

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

You may still attend the Meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but a representative from the Company will need to verify your identity. You can register from 10.40am on the day of the Meeting.

Virtual attendance

The Meeting will be held in person and virtually, via Webex audio/visual conferencing, which will allow Shareholders to listen and observe the Meeting. Attending the Meeting by Webex shall be available via the following methods:

- (i) by phone: (02) 9037 0069 – access code 166 272 3450;
- (ii) from a video system or application: Dial [1662723450@archtis.webex.com](https://1662723450.archtis.webex.com); and
- (iii) Microsoft Lync or Skype for Business: Dial 1662723450.archtis@lync.webex.com.

The procedure for online voting during the Meeting will be released on the Company's ASX Announcement Platform and the Company's website in due course and in any event, at least 10 days prior to the Meeting. To this end, the Company advises shareholders who intend to cast votes during the Meeting to carefully monitor the ASX announcement platform and archTIS website.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9446 5293.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTIONS 1 AND 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

1.1 General

On 11 May 2020, the Company announced that it had received binding commitments to raise up to approximately \$1,650,000 pursuant to a placement of Shares to sophisticated investors (**Placement**).

On 19 May 2020, the Company announced that it had raised approximately \$1,491,123 via the issue of 27,111,333 Shares at an issue price of \$0.055 per Share to unrelated sophisticated investors under the Placement (**Placement Shares**). 17,714,547 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 1) and 9,618,564 Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 30 October 2019 (being, the subject of Resolution 2).

As also announced on 11 May 2020 and 15 May 2020, the Directors wish to participate in the Placement on the same terms as unrelated participations up to an amount of 2,709,089 Shares, under which a further amount of approximately \$149,000 may be raised, subject to the Company obtaining Shareholder approval for the related party participation (which is being sought pursuant to Resolutions 3 to 8).

The Company engaged the services of MST Financial Services Pty Limited (ACN 617 475 180) (**MST** or **MST Financial Services**) (AFSL 500577) and amicaa Advisors Pty Limited (ACN 637 638 656) (**amicaa**) (AFSL No. 520721) (together the **Lead Managers**) to manage the issue of the Placement Shares (**Lead Management Agreement**). The Company has agreed to pay a fee of 6% of the total amount raised under the issue of the Placement Shares to the Lead Managers in part consideration for services provided under the Lead Manager Agreement. In addition, the Company has agreed, subject to Shareholder approval, to issue 3,000,000 Options to each of the Lead Managers in part consideration for services provided under the Lead Manager Mandate (refer to Resolutions 9 and 10 for further detail).

A summary of the Lead Manager Agreement is set out in Schedule 1.

1.2 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 October 2019.

The issue of the Placement Shares does not fit within any of the Listing Rule exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Placement Shares.

1.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

1.4 Technical information required by Listing Rule 14.1A

If Resolutions 1 and 2 are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolutions 1 and 2 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

1.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) the Placement Shares were issued to professional and sophisticated investors who are clients of the Lead Managers. The recipients were identified through a bookbuild process, which involved the Lead Managers seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients are related parties of the Company;
- (b) 27,111,333 Placement Shares were issued on the following basis:
 - (i) 17,714,547 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
 - (ii) 9,618,564 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);

- (c) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Placement Shares were issued on 19 May 2020;
- (e) the issue price was \$0.055 per Placement Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (f) the purpose of the issue of the Placement Shares was to raise up to \$1,491,123 which will be applied towards pursuing the execution of archTIS' sales pipelines across both Enterprise and Government, and execute and convert on a significant pipeline of customer opportunities for the Company's Konjesi data security product;
- (g) the Placement Shares were not issued under an agreement; and
- (h) voting exclusion statements are included in Resolutions 1 and 2 of the Notice.

2. RESOLUTIONS 3 TO 8 – ISSUE OF SHARES TO RELATED PARTIES – RELATED PARTY PARTICIPATION IN PLACEMENT

2.1 General

As set out in Section 1.1 above, each of the Directors wish to participate in the Placement on the same terms as unrelated participants in the Placement (**Participation**).

Accordingly, Resolutions 3 to 8 seeks Shareholder approval for the issue of an aggregate of 2,709,089 Shares to Miles Jakeman, Wayne Zekulich, Leanne Graham, Bruce Talbot, Daniel Lai and Stephen Smith (or their nominees), as a result of the Participation on the terms set out below.

2.2 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.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and Miles Jakeman, Wayne Zekulich, Leanne Graham, Bruce Talbot, Daniel Lai and Stephen Smith, are related parties of the Company by virtue of being Directors.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to the Directors (or their nominees) on the same terms as

Shares issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

2.3 Section 195(4) of the Corporations Act

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that each of the Directors comprising the Board have a material personal interest in the outcome of Resolutions 3 to 8 as Shares are proposed to be issued to each of the Directors under the Participation. If each Director does have such an interest, then in accordance with section 195(4) a quorum could not be formed to consider the matters contemplated by Resolutions 3 to 8 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for the purposes of section 195(4) of the Corporations Act that the 'arm's length terms' exception in section 210 of the Corporations Act applies to Resolutions 3 to 8.

2.4 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Participation 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 to 8 seeks Shareholder approval for the Participation under and for the purposes of Listing Rule 10.11.

2.5 Technical information required by Listing Rule 14.1A

If Resolutions 3 to 8 are passed, the Company will be able to proceed with the issue of the Shares under the Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 1.5(f) above. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares in respect of the Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 3 to 8 are not passed, the Company will not be able to proceed with the issue of the Shares under the Participation and no further funds will be raised in respect of the Capital Raising.

2.6 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 3 to 8:

- (a) the Shares will be issued to Miles Jakeman, Wayne Zekulich, Leanne Graham, Bruce Talbot, Daniel Lai and Stephen Smith (or their nominees), who fall within the category set out in Listing Rule 10.11.1, as Miles Jakeman, Wayne Zekulich, Leanne Graham, Bruce Talbot, Daniel Lai and Stephen Smith are related parties of the Company by virtue of being Directors;
- (b) the maximum number of Shares to be issued is 2,709,089 Shares comprising:
 - (i) 1,454,545 Shares to Miles Jakeman (or his nominee) (being, the subject of Resolution 3);
 - (ii) 363,636 Shares to Wayne Zekulich (or his nominee) (being, the subject of Resolution 4);
 - (iii) 163,636 Shares to Leanne Graham (or her nominee) (being, the subject of Resolution 5);
 - (iv) 181,818 Share to Bruce Talbot (or his nominee) (being, the subject of Resolution 6);
 - (v) 363,636 Shares to Daniel Lai (or his nominee) (being, the subject of Resolution 7); and
 - (vi) 181,818 Shares to Stephen Smith (or his nominee) (being, the subject of Resolution 8);
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the 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 Listing Rules) and it is anticipated the Shares will be issued on the same date;

- (e) the issue price will be \$0.055 per Share, being the same issue price as Shares issued to other participants in the Capital Raising. The Company will not receive any other consideration for the issue of the Shares;
- (f) the purpose of the issue of Shares under the Participation is to raise capital, which the Company intends to use in the manner set out in Section 1.5(f) above;
- (g) the Shares to be issued under the Participation are not intended to remunerate or incentivise the Director;
- (h) the Shares are not being issued under an agreement; and
- (i) voting exclusion statements are included in Resolutions 3 to 8 of the Notice.

3. RESOLUTIONS 9 AND 10 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS

3.1 General

As set out in Section 1.1, the Company has entered into the Lead Manager Agreement and has agreed to issue the Lead Managers a total of 6,000,000 Options (**Lead Manager Options**) in part consideration for services provided under the Lead Manager Agreement and in respect of the Placement.

3.2 Listing Rules 7.1 and 7.1A

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 October 2019.

The proposed issue of the Lead Manager Options does not fall within any of the Listing Rule exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

3.3 Technical information required by Listing Rule 14.1A

If Resolutions 9 and 10 are passed, the Company will be able to proceed with the issue of the Lead Manager Options. In addition, the issue of the Lead Manager Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 9 and 10 are not passed, the Company will not be able to proceed with the issue of the Lead Manager Options.

Resolutions 9 and 10 seek Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Lead Manager Options.

3.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolutions 9 and 10:

- (a) the Lead Manager Options will be issued to MST Financial Services and amicaa, who are not related parties of the Company;
- (b) the maximum number of Lead Manager Options to be issued is 6,000,000 Lead Manager Options comprising:
 - (i) 3,000,000 Lead Manager Options to MST Financial Services (or its nominee) (being, the subject of Resolution 9); and
 - (ii) 3,000,000 Lead Manager Options to amicaa (or its nominee) (being, the subject of Resolution 10);
- (c) the terms and conditions of the Lead Manager Options are set out in Schedule 2. In particular, the Company notes that the Lead Manager Options are exercisable at \$0.10 each which is less than the current trading price of Shares which was \$0.24 on 24 July 2020. This means that if Resolutions 9 and 10 are passed by Shareholders and the Lead Manager Options are issued, the Lead Manager Options will be 'in the money' as at the time of issue (assuming the Share price does not fall to below \$0.10 prior to the date of issue).

The Company advises Shareholders that the terms of the Lead Manager Mandate were negotiated on an arm's length basis and when the terms of the Lead Manager Mandate were agreed between the parties on 4 May 2020, the closing price of Shares was \$0.075. Further, the Company notes that the Shares issued under the Placement to which the Lead Manager Mandate relates were issued at a price of \$0.055 per Share. As such, the Board believes the exercise price of the Lead Manager Options is reasonable in the circumstances;

- (d) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Lead Manager Options will occur on the same date;
- (e) the Lead Manager Options will be issued at a nil issue price, in part consideration for services provided by the Lead Managers under the Lead Manager Mandate;
- (f) the purpose of the issue of the Lead Manager Options is to satisfy the Company's obligations in respect of the Lead Management Agreement;
- (g) the Lead Manager Options are being issued to the Lead Managers under the Lead Management Agreement. A summary of the material terms of the Lead Management is set out in Schedule 1;
- (h) the Lead Manager Options are not being issued under, or to fund, a reverse takeover; and
- (i) voting exclusion statements are included in Resolution 9 and 10 of the Notice.

4. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – SHOP CAPITAL

4.1 General

On 24 December 2019, the Company issued 250,000 Options in consideration for investor relations services provided to the Company by Shop Capital Pty Ltd (ACN 635 801 651) (**Shop Capital**) (**Consultant Options**) pursuant to an investor relations agreement entered into in November 2019 (**November Investor Relations Agreement**). A summary of the material terms of the November Investor Relations Agreement is set out in Schedule 1.

4.2 Listing Rules 7.1 and 7.1A

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 October 2019.

The issue of the Consultant Options does not fit within any of the Listing Rules exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Consultant Options.

4.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consultant Options.

Resolution 11 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consultant Options.

4.4 Technical information required by Listing Rule 14.1A

If Resolution 11 is passed, the Consultant Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Consultant Options.

If Resolution 11 is not passed, the Consultant Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can

issue without Shareholder approval over the 12 month period following the date of issue of the Consultant Options.

4.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 11:

- (a) the Consultant Options were issued to Shop Capital, who is not a related party of the Company;
- (b) 250,000 Consultant Options were issued and the Consultant Options were issued on the terms and conditions set out in Schedule 3;
- (c) the Consultant Options were issued on 24 December 2019;
- (d) the Consultant Options were issued at a nil issue price, in consideration for investor relations services provided by Shop Capital under the November Investor Relations Agreement. The Company has not and will not receive any other consideration for the issue of the Consultant Options (other than in respect of funds received on exercise of the Consultant Options);
- (e) the purpose of the issue of the Consultant Options was to satisfy the Company's obligations under the November Investor Relations Agreement;
- (f) the Consultant Options were issued to Shop Capital under the November Investor Relations Agreement. A summary of the material terms of the November Investor Relations is set out in Schedule 1; and
- (g) a voting exclusion statement is included in Resolution 11 of the Notice.

5. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – SHOP CAPITAL

5.1 General

On 30 June 2020, the Company issued 500,000 Options in consideration for investor relations services provided to the Company by Shop Capital (**June Consultant Options**) pursuant to an investor relations agreement entered into in June 2020 (**June Investor Relations Agreement**). A summary of the material terms of the June Investor Relations Agreement is set out in Schedule 1.

5.2 Listing Rules 7.1 and 7.1A

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 October 2019.

The issue of the June Consultant Options does not fit within any of the Listing Rules exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the

Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the June Consultant Options.

5.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the June Consultant Options.

Resolution 12 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the June Consultant Options.

5.4 Technical information required by Listing Rule 14.1A

If Resolution 12 is passed, the June Consultant Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the June Consultant Options.

If Resolution 12 is not passed, the June Consultant Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the June Consultant Options.

5.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 12:

- (a) the June Consultant Options were issued to Shop Capital, who is not a related party of the Company;
- (b) 500,000 June Consultant Options were issued;

the June Consultant Options were issued on the terms and conditions set out in Schedule 4. In particular, the Company notes that the June Consultant Options are exercisable at \$0.10 each which is less than the current trading price of Shares which was \$0.24 on 24 July 2020. This means that as at the date of this Notice, the June Consultant Options are 'in the money' (assuming the Share price does not fall to below \$0.10).

The Company advises Shareholders that the terms of the June Investor Relations Agreement were negotiated on an arm's length basis and when the parties agreed the terms of the June Investor Relations Agreement on 2 June 2020, the closing price of Shares was \$0.057. As

such, the Board believes the exercise price of the June Consultant Options is reasonable in the circumstances;

- (c) the June Consultant Options were issued on 30 June 2020;
- (d) the June Consultant Options were issued at a nil issue price, in consideration for investor relations services provided by Shop Capital under the June Investor Relations Agreement. The Company has not and will not receive any other consideration for the issue of the June Consultant Options (other than in respect of funds received on exercise of the June Consultant Options);
- (e) the purpose of the issue of the June Consultant Options was to satisfy the Company's obligations under the June Investor Relations Agreement;
- (f) the June Consultant Options were issued to Shop Capital under the June Investor Relations Agreement. A summary of the material terms of the June Investor Relations is set out in Schedule 1; and
- (g) a voting exclusion statement is included in Resolution 12 of the Notice.

GLOSSARY

\$ means Australian dollars.

amicaa Advisors or **amicaa** means amicaa Advisors Pty Ltd (ACN 637 638 656).

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day 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.

Chair means the chair of the Meeting.

Company means Archtis Limited (ACN 123 098 671).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

MST Financial Services means MST Financial Services Pty. Ltd. (ACN 617 475 180).

General Meeting or **Meeting** means the meeting convened by the Notice.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – MATERIAL CONTRACT SUMMARIES

Lead Manager Agreement

The material terms and conditions of the Lead Manager Agreement are summarised below:

- (a) **Scope of Services:** The Lead Managers will, in respect of the Placement, act as a lead manager and bookrunner. The Lead Managers shall use their best endeavours to introduce investors to participate in the Placement.
- (b) **Fees and Expenses:** As compensation for the services, the Company agrees:
 - (i) to pay the Lead Managers, a placement fee of 6% of the total amount raised under the Placement (being, 3% to each Lead Manager);
 - (ii) to reimburse the Lead Managers all out-of-pocket expenses (plus GST), incurred in connection with the Lead Manager Agreement up to a maximum amount of \$2,000; and
 - (iii) issue the Lead Managers, 6,000,000 Options, exercisable at \$0.10 each, on or before the date that is 3 years from completion of the Placement (being, the Lead Manager Options).
- (c) **Term:** The term of the agreement will end on the date that the outstanding fees have been paid by the Company and Lead Manager Options issued.
- (d) **Termination by Lead Managers:** The Lead Managers may terminate the agreement in the event of:
 - (i) material breach by the Company, if such breach is not remedied within 10 days;
 - (ii) any material adverse change in the Company's business;
 - (iii) any material adverse change in the market conditions since the date of commencement;
 - (iv) the Company's listing on the ASX is revoked or otherwise for more than 5 consecutive trading days; or
 - (v) if the Company is the subject of an inquiry by ASIC or ASX.

The Lead Manager Agreement otherwise contains terms and conditions considered standard for an agreement of its nature, including representations and warranties and indemnities.

November Investor Relations Agreement

The material terms and conditions of the November Investor Relations Agreement are summarised below:

- (a) **Scope:** Shop Capital shall assist the Company in preparing:
 - (i) ASX announcements;
 - (ii) letters to Shareholders;

- (iii) investors presentations; and
 - (iv) statutory reporting documentation, including quarterly and annual reports;
- (b) **Fees:** In consideration for the services provided, the Company agreed to issue Shop Capital 250,000 Options, with an exercise price of \$0.20 each, and expiring on or before 1 July 2023 (being, the Consultant Options); and
- (c) **Term:** Shop Capital was appointed on a non-exclusive basis for a term of 6 months (which term has now expired).

The November Investor Relations Agreement otherwise contained terms considered standard for an agreement of its nature.

June Investor Relations Agreement

The material terms and conditions of the June Investor Relations Agreement are summarised below:

- (a) **Scope:** Shop Capital shall assist the Company in preparing:
 - (i) ASX announcements;
 - (ii) letters to Shareholders;
 - (iii) investors presentations; and
 - (iv) statutory reporting documentation, including quarterly and annual reports;
- (b) **Fees:** In consideration for services provided, the Company agreed to issue Shop Capital 500,000 Options, with an exercise price of \$0.10 each, and expiring on or before 1 July 2023 (being, the June Consultant Options);
- (c) **Term:** Shop Capital was appointed on a non-exclusive basis for a term of 6 months (which term shall end on 2 December 2020);
- (d) **Termination by the Company:** The Company may terminate the agreement at any time without cause, taking effect upon receipt by Shop Capital of written notice. If the termination occurs prior to the conclusion of 6 months, the Company's liability to Shop Capital will continue to be the June Consultant Options; and
- (e) **Termination by Shop Capital:** Shop Capital may terminate the agreement at any time without cause, taking effect upon receipt by the Company of written notice. In such an event, the Company shall be required to issue such number of June Consultant Options as are equal to the services provided by Shop Capital to the Company, on a pro rata basis to the time elapsed under the June Investor Relations Agreement.

The June Investor Relations Agreement otherwise contains terms considered standard for an agreement of its nature.

SCHEDULE 2 – TERMS AND CONDITIONS OF LEAD MANAGER OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 19 May 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and 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 Company.

(f) **Exercise Date**

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 for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – TERMS AND CONDITIONS OF CONSULTANT OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 1 July 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and 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 Company.

(f) **Exercise Date**

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 for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being

ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 4 – TERMS AND CONDITIONS OF JUNE CONSULTANT OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 1 July 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and 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 Company.

(f) **Exercise Date**

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 for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Vote by Proxy: AR9

Your proxy voting instruction must be received by **11.00am (AEST) on Tuesday, 25 August 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

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

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

Contact	Return your completed form		All enquiries to Automic	
	 BY MAIL Automic GPO Box 5193 Sydney NSW 2001	 IN PERSON Automic Level 5, 126 Phillip Street Sydney NSW 2000	 BY EMAIL meetings@automicgroup.com.au	 WEBCHAT https://automicgroup.com.au/

STEP 1: Appoint Your Proxy	Complete and return this form as instructed only if you do not vote online I/We being a Shareholder entitled to attend and vote at the General Meeting of archTIS Limited, to be held at 11.00am (AEST) on Thursday 27 August 2020 at archTIS Limited, Level 3, 10 National Circuit, Barton ACT 2600 hereby:
	Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. Unless indicated otherwise by ticking the "for," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

STEP 2: Your Voting Direction	Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
	1. Ratification of Prior Issue of Placement Shares	☐	☐	☐	7. Issue of Shares to Related Party - Daniel Lai	☐	☐	☐
	2. Ratification of Prior Issue of Placement Shares	☐	☐	☐	8. Issue of Shares to Related Party - Stephen Smith	☐	☐	☐
	3. Issue of Shares to Related Party - Miles Jakeman	☐	☐	☐	9. Approval to Issue Options - Amicaa Advisors Pty Ltd	☐	☐	☐
	4. Issue of Shares to Related Party - Wayne Zekulich	☐	☐	☐	10. Approval to Issue Options - MST Financial Services Pty Ltd	☐	☐	☐
	5. Issue of Shares to Related Party - Leanne Graham	☐	☐	☐	11. Ratification of Prior Issue of Options - Shop Capital	☐	☐	☐
	6. Issue of Shares to Related Party - Bruce Talbot	☐	☐	☐	12. Ratification of Prior Issue of Options - Shop Capital	☐	☐	☐
<i>Please note: If you mark the abstain box for a particular Resolution, you are directing your 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.</i>								

STEP 3: Sign Here + Contact Details	SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
	Contact Name:		
Email Address:			
Contact Daytime Telephone			
Date (DD/MM/YY)			
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).			