

CCP TECHNOLOGIES LIMITED

ACN 009 213 754



NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

DATE OF MEETING

FRIDAY 10 NOVEMBER 2017

TIME OF MEETING

11:30AM (MELBOURNE TIME)

PLACE OF MEETING

**BDO MELBOURNE
TOWER 4, COLLINS SQUARE
LEVEL 18, 727 COLLINS STREET
MELBOURNE, VICTORIA AUSTRALIA**

CCP TECHNOLOGIES LIMITED

ACN 009 213 754

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CCP Technologies Limited (“the Company”) will be held at the BDO Melbourne Boardroom, Level 18, 727 Collins Street, Melbourne, Victoria, Australia on Friday 10 November 2017 at 11:30am (Melbourne time).

AGENDA

ORDINARY BUSINESS

REPORTS

To receive the Financial Report and the Reports of the Directors and Auditors for the year ended 30 June 2017.

RESOLUTION 1

Adoption of Remuneration Report

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

“That, pursuant to and in accordance with section 250R (2) of the Corporations Act the Directors’ Remuneration Report, as contained within the Directors’ Report, and remuneration policies disclosed therein be adopted.”

Note: The vote on this resolution is advisory only and does not bind the directors or the Company.

As required by the Corporations Act, no member of the Company’s key management personnel, details of whose remuneration are included in the Remuneration Report, or a closely related party of any such member may vote in any capacity (e.g.: as a shareholder, proxy or corporate representative) on proposed Resolution 1 unless:

- the person votes as a proxy appointed by writing that specifies how the person is to vote on proposed Resolution 1; and
- the vote is not cast on behalf of any such member or closely related party of any such member.

SPECIAL BUSINESS

RESOLUTION 2

Additional Share Placement Capacity

To consider and, if thought fit, to pass the following resolution, with or without amendment, as a special resolution.

“That, pursuant to ASX Listing Rule 7.1A and for all other purposes and subject to the ASX Listing Rules, the capacity of the Company to issue up to an additional ten per cent of share capital as set out in the Explanatory Memorandum be approved.”

RESOLUTION 3

Director retiring by rotation - Re-election of Mr Adam Gallagher

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

“That Mr Adam Gallagher, who retires by way of rotation in accordance with Article 13.5 of the Company’s Constitution, and being eligible, be re-elected a Director of the Company.”

RESOLUTION 4

Director retiring by rotation - Re-election of Mr Anthony Rowley

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

“That Mr Anthony Rowley, who retires by way of rotation in accordance with Article 13.5 of the Company’s Constitution, and being eligible, be re-elected a Director of the Company.”

RESOLUTION 5

Ratification of Issue of Securities to MHOR Australia Small Cap Fund

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

"That, pursuant to Listing Rule 7.4 and for the purposes of Listing Rule 7.1 and all other purposes, the issue of the 4,705,882 Ordinary Shares to MHOR Australia Small Cap Fund, details of which are set out in the Explanatory Memorandum be ratified."

Voting Exclusion Statement

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

- MHOR Australia Small Cap Fund; and
- Any associate of MHOR Australia Small Cap Fund.

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

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

RESOLUTION 6

Ratification of Issue of Securities to Denlin Nominees Pty Ltd

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

"That, pursuant to Listing Rule 7.4 and for the purposes of Listing Rule 7.1 and all other purposes, the issue of the 12,058,823 Ordinary Shares to Denlin Nominees Pty Ltd, details of which are set out in the Explanatory Memorandum be ratified."

Voting Exclusion Statement

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

- Denlin Nominees Pty Ltd; and
- Any associate of Denlin Nominees Pty Ltd.

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

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

RESOLUTION 7

Ratification of Issue of Securities to Bravo Futura Capital Pty Ltd

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

"That, That, pursuant to Listing Rule 7.4 and for the purposes of Listing Rule 7.1 and all other purposes, the issue of the 1,699,745 Ordinary Shares to Bravo Futura Capital Pty Ltd, details of which are set out in the Explanatory Memorandum be ratified."

Voting Exclusion Statement

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

- Bravo Futura Capital Pty Ltd; and
- Any associate of Bravo Futura Capital Pty Ltd.

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

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

RESOLUTION 8

Ratification of Issue of Securities to Spenceley Management Pty Ltd

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

“That, That, pursuant to Listing Rule 7.4 and for the purposes of Listing Rule 7.1 and all other purposes, the issue of the 12,058,823 Ordinary Shares to Spenceley Management Pty Ltd, details of which are set out in the Explanatory Memorandum be ratified.”

Voting Exclusion Statement

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

- Spenceley Management Pty Ltd; and
- Any associate of Spenceley Management Pty Ltd.

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

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

RESOLUTION 9

Ratification of Issue of Securities to S & M French Investments Pty Ltd

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

“That, pursuant to Listing Rule 7.4 and for the purposes of Listing Rule 7.1 and all other purposes, the issue of the 400,000 Ordinary Shares to S & M French Investments Pty Ltd, details of which are set out in the Explanatory Memorandum be ratified.”

Voting Exclusion Statement

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

- S & M French Investments Pty Ltd; and
- Any associate of S & M French Investments Pty Ltd.

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

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

RESOLUTION 10

Ratification of Issue of Securities to Adtay Pty Ltd

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

“That, pursuant to Listing Rule 7.4 and for the purposes of Listing Rule 7.1 and all other purposes, the issue of the 1,000,000 Ordinary Shares to Adtay Pty Ltd, details of which are set out in the Explanatory Memorandum be ratified.”

Voting Exclusion Statement

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

- Adtay Pty Ltd; and
- Any associate of Adtay Pty Ltd.

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

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

RESOLUTION 11

Ratification of Issue of Securities to Shed Connect Pty Ltd

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

“That, pursuant to Listing Rule 7.4 and for the purposes of Listing Rule 7.1 and all other purposes, the issue of the 397,000 Ordinary Shares to Shed Connect Pty Ltd, details of which are set out in the Explanatory Memorandum be ratified.”

Voting Exclusion Statement

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

- Shed Connect Pty Ltd; and
- Any associate of Shed Connect Pty Ltd.

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

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

RESOLUTION 12

Grant of Options to Mr Adam Gallagher (or his nominee)

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

“That, pursuant to Listing Rule 7.4 and pursuant to and in accordance with ASX Listing Rule 10.11 and all other purposes, approval be given to grant 1,446,550 Options to Mr Adam Gallagher (Non-Executive Director of the Company) or his nominee in accordance with the terms as described in the Explanatory Notes.”

Voting Exclusion Statement

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

- Adam Gallagher; and
- Any associate of Adam Gallagher.

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

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 13

Employee Share Option Plan

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

“That pursuant to and in accordance with ASX Listing Rule 7.1 and 7.2 Exception 9(b), sections 200B and 200E and all other purposes, shareholders approve with the effect from the close of this meeting, the Company’s Employee Share Option Plan (ESOP) and the issue of securities by the Board at its discretion in accordance with the provisions of that ESOP.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by any Director (except one who is ineligible to participate in the ESOP) and any of their associates.

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

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

In addition, pursuant to the Corporations Act, the Company's Key Management Personnel and their closely related parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides even though the resolution is a Remuneration Resolution.

RESOLUTION 14

Approval of Executive Director Rights

Approval of issue of Rights to Michael White and Anthony Rowley being the executive Directors of the Company

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

"That, under and for the purposes of Listing Rule 10.4 of the ASX Listing Rules and for all other purposes, the issue of 5,000,000 Performance Rights to each of the Executive Directors on the terms set out in the Explanatory Memorandum which accompanies the notice of meeting convening the meeting at which this resolution is proposed, be approved."

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 14 by or on behalf of the Executive Directors, Michael White and Anthony Rowley or any of their associates who are eligible to participate in the Employee Share Option Plan.

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

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

In addition, pursuant to the Corporations Act, the Company's Key Management Personnel and their closely related parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides even though the resolution is a Remuneration Resolution.

ITEM 15 - OTHER BUSINESS

To deal with any other business which may generally be brought forward in accordance with the Company's Constitution and the Corporations Act 2001 (Cth).

By order of the Board

Gary Taylor

Company Secretary

NOTES

- (i) For the purposes of Regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the voting entitlements for the purposes of the Meeting will be based on the registered holdings as at 7:00pm (AEST) on Tuesday 7 November 2017. Accordingly, those persons will be entitled to attend and vote at the meeting.
- (ii) You may vote by attending the Meeting in person, by proxy, attorney or authorised representative.
- (iii) Proxies given by any corporate shareholder must be executed in accordance with its constitution, or under the hand of a duly authorised officer or attorney.
- (iv) A proxy form is enclosed with this Notice. If an additional proxy form is required, the Company's share registry will supply it on request.
- (v) Each shareholder entitled to attend and vote at the Meeting has the right to appoint a proxy. A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then each proxy may exercise one-half of the votes. Fractions of votes will be disregarded. A proxy need not be a shareholder of the Company.
- (vi) To be effective, the Company must receive the completed proxy form and, if the form is signed by the shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority), by no later than 48 hours before the meeting at its share registry, Advanced Share Registry Services:

Post- PO Box 1156 Nedlands WA 6909
Fax- +61 (0) 8 9389 7871
- (vii) Alternatively, you may vote online at www.advancedshare.com.au.

CCP TECHNOLOGIES LIMITED

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EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Annual General Meeting (**Notice**) of the Company.

The Directors of the Company (**Directors**) recommend shareholders read the Explanatory Memorandum in full before making any decision in relation to the resolutions.

No investment advice

This Explanatory Memorandum does not constitute financial product advice and it does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in the Company. This Explanatory Memorandum has been prepared without taking account of any person's particular investment objectives, financial situation or needs.

Responsibility statement

Except as expressly set out below, this Explanatory Memorandum and the accompanying Notice have been prepared by the Company and are its responsibility alone.

You should read this document carefully.

Disclosures regarding forward looking matters

This Explanatory Memorandum may contain certain forward-looking statements. Forward looking statements can generally be identified by the use of forward looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "will", "could", "may", "target", "plan" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on outlook or performance are also forward-looking statements. The forward-looking statements contained in this Explanatory Memorandum involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company, and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

Role of ASX

Copies of this Explanatory Memorandum and the Notice have been lodged with ASX for the purposes of Listing Rule 15.1.4. Neither ASX nor any of its officers take any responsibility for the contents of this Explanatory Memorandum and the Notice.

Glossary

Unless otherwise defined in this document, capitalised terms have the meaning set out in the Glossary at the end of this Explanatory Memorandum.

Explanatory Information – Please read carefully

The following information should be noted in respect of the various matters in the accompanying Notice:

REPORTS

Section 317 of the Corporations Act 2001 requires that each of the Financial Reports which includes the Directors' Report, Financial Statements, Auditors Report and Directors' Declaration for the last Financial Year be laid before the meeting.

The reports referred to in the Notice of Annual General Meeting have been sent to Shareholders who have requested to receive a copy. If you have elected not to receive a hard copy of the Annual Report it can be found on the Company's website www.ccp-technologies.com under the heading 'Annual Reports'.

Shareholders will have a reasonable opportunity at the meeting to ask questions and make comments on these Reports and on the business and operations of the Company. Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the Auditor's Report and the conduct of the audit of the Financial Statements.

No resolution is required to be moved in respect of this Item. There is no requirement either in the Corporations Act or in the Company's Constitution for members to approve the Financial Statements, the Directors' Report or the Auditor's Report.

RESOLUTION 1 – Adoption of Remuneration Report

Pursuant to Section 250R (2) of the Corporations Act, a resolution adopting the Remuneration Report contained within the Directors' Report must be put to the vote.

Shareholders are advised that pursuant to Section 250R (3) of the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out within the Directors' Report.

The Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive and non-executive Directors and senior executives of the Company;
- sets out remuneration details for each Director and up to the 5 most highly remunerated senior executives of the Company;
- details and explains any performance conditions applicable to the remuneration of executive Directors and senior executives of the Company; and
- provides an explanation of the option-based compensation payments for each Director and senior executives of the Company when applicable.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Corporations Act provides that, if a company's remuneration report receives a 'no' vote of 25 per cent or more at two consecutive annual general meetings, a resolution (a 'spill resolution') must then be put to shareholders at the second of those annual general meetings as to whether another meeting should be held (within 90 days) (**Further Convened Meeting**). At that Further Convened Meeting, all directors (other than the managing director) must stand for re-election.

Shareholders may recall that not more than 25% of the votes cast at the 2016 AGM's were cast against the resolution.

The Chairman will vote any undirected proxies in favour of the resolution except if the proxy is from a shareholder who is also part of Key Management Personnel (KMP) or a related party of the KMP and the proxy appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Where shareholders do not direct their proxies either in favour or against the resolution those proxies will be disregarded for the purpose of the count in respect of the resolution.

As the directors are precluded from voting on this item of business, they make no recommendation as to how members should vote on this resolution.

SPECIAL BUSINESS

RESOLUTION 2 – Additional placement capacity

(a) General

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

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

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section (b)(iii) below).

The Directors of the Company believe that Resolution 2 is in the best interests of the Company and unanimously recommend that shareholders vote in favour of this Resolution.

(b) Description of Listing Rule 7.1A

(i) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a **special resolution** at an annual general meeting.

(ii) Equity Securities

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

As at the date of this Notice, the Company has on issue the following classes of Equity Securities:

- (i) listed fully paid ordinary shares;
- (ii) unlisted options exercisable at \$0.10 each prior to 15 December 2019;
- (iii) unlisted options exercisable at \$Nil each prior to 15 December 2018.
- (iv) unlisted milestone shares capable of converting to fully paid ordinary shares upon attaining the defined milestones.

(iii) Formula for calculating 10% Placement Facility

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

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

A is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 or 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

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

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

(iv) Listing Rule 7.1 and Listing Rule 7.1A

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

At the date of this Notice, the Company has on issue 285,411,118 Shares and therefore has a capacity to issue:

- (i) 42,811,667 Equity Securities under Listing Rule 7.1 assuming that shareholder approval being sought for Resolutions 5 to 13 inclusive is obtained; and
- (ii) Subject to Shareholder approval being sought under Resolution 2, 28,541,111 Equity Securities under Listing Rule 7.1A.

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

(c) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price ('VWAP') of Equity Securities in the same class calculated over the 15 'Trading Days' on which trades in that class of Equity Securities were recorded (as defined in the Listing Rules) immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five (5) Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(d) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (10% Placement Period).

(c) Specific Information required by Listing Rule 7.3A

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

- (i) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class of Equity Securities were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (ii) If Resolution 2 is approved by shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing shareholders' voting power in the Company will be diluted as shown in the table below (in the case of listed options, only if the listed options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing shareholders on the basis of the current market price of shares and the current number of ordinary shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

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

Variable "A" in Listing Rule 7.1A		Dilution		
		\$0.0095 50% decrease in Issue Price	\$0.019 Current Issue Price	\$0.0285 50% increase in Issue Price
Current Variable "A" 285,411,118 Shares	10% Voting Dilution	28,541,411	28,541,411	28,541,411
	Funds raised	\$271,140	\$542,281	\$831,421
50% increase in Current Variable "A" 428,116,667 Shares	10% Voting Dilution	42,811,667	42,811,667	42,811,667
	Funds raised	\$406,710	\$813,421	\$1,220,132
100% increase in Current Variable "A" 570,222,236 Shares	10% Voting Dilution	57,022,223	57,022,223	57,022,223
	Funds raised	\$541,711	\$1,083,422	\$1,625,133

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No listed options (including any listed options issued under the 10% Placement Facility) are exercised into shares before the date of the issue of the Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of shares. If the issue of Equity Securities includes listed options, it is assumed that those listed options are exercised into shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The issue price is \$0.019 being the closing price of the shares on ASX on 25 September 2017.
 - (viii) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 2 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (iv) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new assets. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised for business expansion and/or general working capital (including product and systems development).

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities

will be determined on a case-by-case basis having regard to factors including but not limited to the following:

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

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

(d) Previous approval under Listing Rule 7.3A

The Company obtained shareholder approval under Listing Rule 7.1A at the 2013 Annual General Meeting held on 31 October 2013, but the Company has not previously used any of the additional placement capacity approved at that time.

(e) Details of equity securities issued during the last 12 months

As required by ASX Listing Rule 7.3A6, set out below are details of all equity securities issued in the 12 months preceding the date of the Annual General Meeting.

During the 12 months prior to the date of the Annual General Meeting, the Company a total of 1,533,000 Options under the CCP Corporate Equity Plan under an exception in ASX Listing Rule 7.2 for employee incentive schemes. These equity securities represent 4.13% of the equity securities on issue at the commencement of the 12 months preceding the date of the Annual General Meeting.

Share Options issued under the Company's Corporate Equity Plan	
Date of Issue	15 December 2016
Number issued	1,533,000
Terms	Exercisable at \$Nil by 15 December 2019
Issue Price	\$Nil
Discount to Market	N/A
Basis for persons who received the options	Options issued under the Company's Corporate Equity Plan available to employees and consultants.
Names of persons receiving options	Tom Chicoine 1,333,000 options Mahendranth Dampetla 200,000 options
Valuation of Options issued 15 December 2016	
The Company has valued the Options using the Black-Scholes option model and based on the assumptions set out below:	
Value date	15 December 2016
Share Price	\$0.043
Terms	2 Years
Standard deviation	91%
Risk free rate	1.84%
Indicative value	\$0.043 per option

In addition, the Company issued 4,000,000 Options to Directors during the period following the granting of shareholder approval at the 2016 Annual General Meeting held on 18 November 2016 as required by ASX Listing Rule 10.11.

Share Options issued to Directors upon obtaining shareholder approval	
Date of Issue	18 November 2016
Number issued	4,000,000
Terms	Exercisable at \$0.10 by 15 December 2020
Issue Price	\$Nil
Discount to Market	N/A
Basis for persons who received the options	Options issued to Directors pursuant to shareholder approval at the 2016 Annual General Meeting.
Names of Persons receiving options	Leath Nicholson 2,000,000 options Anoosh Manzoori 2,000,000 options
Valuation of Options issued 18 November 2016	
The Company obtained an independent valuation from Value Logic Pty Limited which formed part of the explanatory memorandum for the 2016 Annual General Meeting	
Value date	18 November 2016
Share Price	\$0.043
Terms	4 Years
Standard deviation	90.32%
Risk free rate	1.67%
Indicative value	\$0.021 per option

The Following ordinary securities have been issued in the 12 months preceding the Annual General Meeting:

Date	Number	Class of Shares	Recipients	Issue Price	Discount to Market Price (if applicable)	Form of Consideration	Use/ Intended use	Consideration	Amount spent	Current value of non-cash consideration
26/08/2016	60,000,000	Ordinary	Public Offer	\$0.05	N/A	Cash	Refer Note 1	\$3,000,000	\$2,400,000	N/A
29/08/2016	109,600,000	Ordinary	CCP Shareholders	\$0.05	N/A	Non-Cash	Refer Note 1	100% of CCP Group	N/A	\$2,740,000
01/09/2016	1,700,000	Ordinary	Advisors to the Company	\$0.05	N/A	Non-Cash	Refer Note 2	\$85,000	N/A	\$42,500
15/12/2016	400,000	Ordinary	S & M French Investments Pty Limited	\$0.05	N/A	Cash	Repayment of debt in lieu of cash	\$20,000	\$20,000	N/A
13/03/2017	3,000,000	Ordinary	CCP Shareholders	Nil	N/A	Non- Cash	Refer Note 1	Achievement of milestone target	N/A	\$75,000
26/05/2017	30,523,723	Ordinary	Placement to recipients set out in Resolutions 5 to 8	\$0.017	N/A	Cash	Working Capital and expediting USA expansion	\$518,903	Nil	N/A
26/06/2017	47,335,687	Ordinary	Eligible Rights Issue participants	\$0.017	N/A	Cash	Working Capital and expediting USA expansion	\$804,706	\$107,000	N/A
19/09/2017	1,000,000	Ordinary	Adtay Pty Ltd	\$0.05	N/A	Non-Cash	Services rendered	\$50,000	N/A	\$19,100
19/09/2017	397,000	Ordinary	Shed Connect Pty Ltd	\$0.022	N/A	Non-Cash	Services rendered	\$9,000	N/A	\$7,543
29/08/2016	60,000,000	Milestone Shares	CCP Shareholders	\$Nil	N/A	Non-Cash	Refer Note 3	100% of CCP Group	N/A	Nil

Note 1: The ordinary shares allotted in respect of the public offer and the acquisition of CCP Group was pursuant to the shareholder approval at the Extraordinary General Meeting held on 29 July 2016 which approved a series of corporate actions including the acquisition of CCP Group and associated capital raise. The use of funds raised was to provide working capital for the commercialisation of the CCP Solution together with the costs associated with the acquisition and readmission to the ASX official list.

Note 2: Shareholder approval to issue advisor shares was granted at the Extraordinary General Meeting held on 29 July 2016. These shares were issued in lieu of cash to advisors to the acquisition of CCP Group and associated capital raise.

Note 3: A total of 60,000,000 milestone shares were allotted as part of the consideration for the acquisition of CCP Group. These milestone shares convert on the basis of 1 ordinary share for every five milestone shares held. At the date of this notice there are 30,000,000 milestone shares on issue. A total of 15,000,000 milestone shares converted to 3,000,000 ordinary shares on 13 March 2017 and a further 15,000,000 milestone shares were cancelled as the milestone targets were not met. There is no consideration payable and they represent an adjustment to the acquisition based upon achieving revenue targets.

The Directors unanimously recommend that shareholders vote in favour of this resolution.

The Chairman intends to vote undirected proxies in favour of this resolution.

RESOLUTION 3 – Re-election of Mr Adam Gallagher as a Director retiring by rotation

Article 13.5 of the Company's Constitution provides that at each Annual General Meeting one-third of the Directors (except for the Managing Director), or, if their number is not three or a multiple of three then the number nearest but not exceeding one-third, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot.

Mr Gallagher offers himself for re-election as a Director of the Company. He has been a non-executive Director since June 2015.

Mr Gallagher has strong experience and working knowledge of the Technology sector, M&A transactions, finance and capital markets through nearly twenty years of commercial, IT and investment experience across major banks, stock exchanges, digital media, communications, private equity and listed companies. For the last ten years he has predominantly worked with expansion stage technology businesses both listed and unlisted as an officeholder, advisor and investor. He also had seven years of funds management experience as a microcap manager consistently achieving returns well above the All Ords Index.

An assessment of the performance of Mr Gallagher has been conducted in the context of his skills, experience, knowledge, understanding of the Company's businesses and the diversity represented on the Board.

The Directors (with Mr Gallagher abstaining) unanimously recommend that shareholders vote in favour of this resolution.

The Chairman intends to vote undirected proxies in favour of this resolution.

RESOLUTION 4 – Re-election of Mr Anthony Rowley as a Director retiring by rotation

Article 13.5 of the Company's Constitution provides that at each Annual General Meeting one-third of the Directors (except for the Managing Director), or, if their number is not three or a multiple of three then the number nearest but not exceeding one-third, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot.

Mr Rowley offers himself for re-election as a Director of the Company. He has been an executive Director since 7 September 2016 and is the Company's Chief Operations Officer.

Mr Rowley has an extensive background in corporate governance, sales and marketing, business planning and administration. He was involved in the creation of Telstra Internet and some of Australia's early e-commerce initiatives. With more than 25 years' experience in private and public-sector organisations, he is an experienced business advisor and executive manager.

An assessment of the performance of Mr Rowley has been conducted in the context of his skills, experience, knowledge, understanding of the Company's businesses and the diversity represented on the Board.

The Directors (with Mr Rowley abstaining) unanimously recommend that shareholders vote in favour of this resolution.

The Chairman intends to vote undirected proxies in favour of this resolution.

RESOLUTIONS 5, 6, 7 and 8 Ratification of Placements

On 25 May 2017, the Company announced that it had successfully completed a placement of 30,523,273 shares at \$0.017 per share to raise \$518,895 from sophisticated investors. The placement, which was corner-stoned by James Spenceley and Tony Grist who are two of Australia's most successful Technology and Telecom entrepreneurs.

Details of the placement made on 25 May 2017 are:

Allottees	No of Securities Issued	Issue Price \$	Consideration/ Funds raised \$
MHOR Australia Small Cap Fund	4,705,882	0.017	80,000
Bravo Futura Capital Pty Ltd	1,699,745	0.017	28,896
Spenceley Management Pty Ltd	12,058,824	0.017	205,000
Denlin Nominees Pty Ltd	12,058,823	0.017	205,000
Total	30,523,274		518,896

The placement was undertaken to provide funds for expediting the USA expansion, general working capital and the costs of the capital raising. It was immediately followed by a non-renounceable rights issue that was oversubscribed.

In general terms, Listing Rule 7.1 of the ASX Listing Rules imposes a 15% cap on the number of equity securities that can be issued by the Company, without the approval of shareholders (or an ASX waiver) in any 12-month period ("15% limit"). However, the Company is permitted to issue equity securities (which includes shares, options to purchase shares and convertible notes) more than the 15% limit if those equity securities are issued in reliance on an exception to Listing Rule 7.1 or the issue is approved by shareholders (or an ASX waiver is obtained). Listing Rule 7.4 enables shareholders to subsequently approve the issue of such equity securities for the purpose of Listing Rule 7.1.

The effect of the ratification by Shareholders is that the Ordinary Shares set out in the above table will not count towards the 15% limit. A consequence of approval would also be that it would increase the number of the Company's equity securities from which the 15% limit is calculated.

The Directors unanimously recommend that shareholders vote in favour of this resolution.

The Chairman intends to vote undirected proxies in favour of this resolution.

Resolution 9 – Ratification of Placement – S & M French Investments Pty Limited

S & M French Investments Pty Limited was an original CCP Group shareholder prior to the completion of the acquisition of the CCP Group by CCP Technologies Limited. S & M Investments Pty Limited had advanced unsecured loan funds totalling \$20,000. It was agreed to settle this liability by way of issue of ordinary securities. 400,000 ordinary securities at an issue price of \$0.05 cents per share were issued on 15 December 2016.

In general terms, Listing Rule 7.1 of the ASX Listing Rules imposes a 15% cap on the number of equity securities that can be issued by the Company, without the approval of shareholders (or an ASX waiver) in any 12-month period ("15% limit"). However, the Company is permitted to issue equity securities (which includes shares, options to purchase shares and convertible notes) more than the 15% limit if those equity securities are issued in reliance on an exception to Listing Rule 7.1 or the issue is approved by shareholders (or an ASX waiver is obtained). Listing Rule 7.4 enables shareholders to subsequently approve the issue of such equity securities for the purpose of Listing Rule 7.1.

The effect of the ratification by Shareholders is that the Ordinary Shares set out above will not count towards the 15% limit. A consequence of approval would also be that it would increase the number of the Company's equity securities from which the 15% limit is calculated.

Resolutions 10 and 11 – Ratification of Placement – Shares allotted in lieu of cash

Adtay Pty Limited and Shed Connect Pty Limited have both provided services to the Company on normal commercial terms. Adtay Pty Limited is a company associated with Mr Gary Taylor, Company Secretary and Chief Financial Officer.

On 19 September 2017, the Company issued 1,000,000 fully paid ordinary shares to Adtay Pty Ltd at a price of \$0.05 per share and 397,000 fully paid ordinary shares to Shed Connect Pty Limited, at a price of \$0.0227 per share for services rendered.

In general terms, Listing Rule 7.1 of the ASX Listing Rules imposes a 15% cap on the number of equity securities that can be issued by the Company, without the approval of shareholders (or an ASX waiver) in any 12-month period ("15% limit"). However, the Company is permitted to issue equity securities (which includes shares, options to purchase shares and convertible notes) more than the 15% limit if those equity securities are issued in reliance on an exception to Listing Rule 7.1 or the issue is approved by shareholders (or an ASX waiver is obtained). Listing Rule 7.4 enables shareholders to subsequently approve the issue of such equity securities for the purpose of Listing Rule 7.1.

The effect of the ratification by Shareholders is that the Ordinary Shares set out above will not count towards the 15% limit. A consequence of approval would also be that it would increase the number of the Company's equity securities from which the 15% limit is calculated.

Outlined below is the information required to be provided to shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4:

The following table sets out the information required pursuant to Listing Rule 7.4:

Allottees	Issue Price per Share	Funds Raised	Consideration	Number of Securities issued
Adtay Pty Ltd	\$0.05	Nil	\$50,000	1,000,000
Shed Connect Pty Limited	\$0.0227	Nil	\$9,000	397,000

The shares have the same terms as, and rank equally with, other fully paid ordinary shares in the Company.

RESOLUTION 12 - Grant of Options to Mr Adam Gallagher (or his nominee)

This resolution seeks shareholder approval for the proposed issue of options to Mr Adam Gallagher, a Non-Executive Director of the Company. Listing Rule 10.11 requires that entity cannot issue or agree to issue equity securities to a Director being a related party without the approval of holders of ordinary securities.

An issue of Rights made with the approval of ordinary holders under ASX Listing Rule 10.11 does not also require shareholder approval under ASX Listing Rule 7.1

The following information is provided in relation to the terms of the options and for the purpose of ASX Listing Rule 10.13.

- a. The options will be issued to Adam Gallagher;
- b. The maximum number of options to be issued is 1,446,550;
- c. The options will be issued within 7 days of obtaining shareholder approval;
- d. The options will be granted for Nil Consideration and no monies will be raised from the grant of options;
- e. The options can be exercised any time after the vesting date and before the expiry date by payment of the exercise price of \$0.10 per security.

The details of the options to be issued are:

- a. 1,446,550 Options to be issued to Adam Gallagher, Non-Executive Director;
- b. The options will be issued at an exercise price of \$0.10;
- c. The closing share price on the date on which the resolution to grant these options by the Board of Directors was passed was \$0.019 cents. The strike price reflects the prevailing market price of the Company's securities at the time they were approved by the Board plus \$0.081 cents per security which represents a 426% premium to the closing price;
- d. The options will be issued for nil cash consideration (but with an exercise price as described below), accordingly no funds will be raised from the grant of the options;
- e. Each option entitles the non-executive director to subscribe for a fully paid ordinary security in the Company at a price of \$0.010 per security at any time from when the options vest until the end of the option exercise period;
- f. The options will vest 2 years after the grant date;
- g. The options will expire 4 years after the grant date;
- h. The minimum number of options that can be exercised at any time after the vesting date is 160.
- i. The Options will, subject to shareholder approval, be granted within 7 days after the date of the Annual General Meeting;
- j. The options will be unquoted;
- k. The options will be granted pursuant to the terms set out below.

Key Terms of Options

1. *Entitlement*

- 1.1. Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- 1.2. Shares issued on the exercise of Options will rank equally with all existing Shares on issue (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an Option), as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

2. *Issue Date*

The Issue Date is no later than 7 days after shareholder approval is obtained.

3. *Vesting Date*

The Options vest on the second anniversary of the Issue Date.

4. *Exercise of Option*

- 4.1. The Option holder may exercise an Option at any time between the Vesting Date until the day before the fourth anniversary of the Issue Date (Exercise Period).
- 4.2. The exercise price of each Option is \$0.10 (Exercise Price).
- 4.3. An Option is exercisable by the Option holder during the Exercise Period, by signing and delivering a Notice of Exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's share registry.
- 4.4. All Options not exercised prior to the expiration of the Exercise Period will lapse.
- 4.5. In the event of liquidation of the Company, all unexercised Options will lapse.

5. *Quotation*

- 5.1. The Company will not apply to the ASX for official quotation of the Options.
- 5.2. On receipt by the Company of the Notice of Exercise and payment of the Exercise Price, the Company must, within 2 Business Days and if the Shares are listed on the Australian Stock Exchange (ASX) within the time period prescribed by the Listing Rules of the ASX (ASX Listing Rules):
 - (a) allot to the Option holder one Share in the Company for each Option exercised by the Option holder;
 - (b) cause to be despatched to the Option holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s; and
 - (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Options that remain unexercised.

6. *Participation in Securities Issues*

Subject to paragraph 8 below, the Option holder is not entitled to participate in new issues of securities without exercising the Options.

7. *Participation in a Reorganisation of Capital*

- 7.1. In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holders which is not conferred on shareholders of the Company.
- 7.2. In any reorganisation as referred to in paragraph 7.1, Options will be treated in the following manner:

- (a) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (b) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (c) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
 - (d) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
 - (e) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
 - (f) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on an Option holder which are not conferred on shareholders.
- 7.3. In the event of a pro rata issue of Shares by the Company, the Exercise Price for each Option will be adjusted in accordance with Listing Rule 6.22.2 of the ASX Listing Rules (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
8. *Takeovers and Schemes of Arrangement*
- 8.1. If during the currency of any Options and prior to their exercise a takeover offer or a takeover announcement (within the meaning of the Corporations Act) is made to holders of Shares then within 10 Business Days after the Company becomes aware of the offer, the Company must forward a notice notifying the Option holder of the offer and from the date of such notification, the Option holder has 60 days within which to exercise the Options notwithstanding any other terms and conditions applicable to the Options or arrangement. If the Options are not exercised within 60 days after notification of the offer, the Options may be exercised at any other time according to their terms of issue.
- 8.2. If an offer for the Shares is made to shareholders of the Company pursuant to a scheme of arrangement which has been approved in accordance with the Corporations Act, the Option holder will be entitled to exercise Options held by it within the period notified by the Company.
9. *Transfers not permitted*
- The Options are not transferable.
10. *Notices*
- Notices may be given by the Company to the Option holder in the manner prescribed by the Constitution of the Company for the giving of notices to the shareholders of the Company and the relevant provisions of the Constitution of the Company will apply with all necessary modification to notices to be given to the Option holder.
11. *Rights to Accounts*
- Option holders will be sent all reports and accounts required to be laid before shareholders in general meeting and all notices of general meeting of shareholders, however, in the event the Option holder is not a Shareholder, it will not have any right to attend or vote at these meetings.
12. *Dividends*
- 12.1. The Options do not provide any entitlement to dividends paid to ordinary shareholders.

13. *Inconsistency*

13.1. To the extent that any of these Option terms are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these terms are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms.

14 *Lapse of Options*

14.1 An Option not previously exercised during the Exercise Period will lapse in the following circumstances:

- (a) on the date that is the earlier of the Last Exercise Date; and that date which is a date on which there has been:
 - (i) a determination of the Board following the Non-Executive Director having in the opinion of the Board been dismissed for a reason which entitles the Company, Related Body Corporate or an Associated Company to dismiss the Non-Executive Director without notice for committing any act of fraud, defalcation or gross misconduct in relation to the affairs of the Company, Related Body Corporate or any Associated Company (whether or not charged with an offence) or doing any act which in the reasonable opinion of the Board brings the Company, Related Body Corporate or any Associated Company into disrepute; and
 - (ii) resignation of the Non- Executive Director of their own accord prior to the vesting date.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless either

- the giving of the financial benefit falls within one of the exceptions to the provision; or
- prior shareholder approval is obtained to the giving of the financial benefit.

The definition of a 'related party' for the purposes of the Corporations Act is defined widely and includes a director of the public company.

The definition of a 'financial benefit' for the purposes of the Corporations Act also has a very wide meaning. It includes the public company paying money or issuing securities to a related party.

Mr Adam Gallagher is related parties of the Company due to the fact he is a Director of the Company. The issue of options to Mr Adam Gallagher constitutes a 'financial benefit' as described in the Corporations Act. Accordingly, the proposed issue of Options pursuant to Resolutions 12 will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the Directors that the proposed issue of Options pursuant to Resolutions 12 fall within the exception of section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the position held by the Director. Accordingly, the Directors are not seeking shareholder approval under section 208 of the Corporations Act, although shareholder approval must be obtained pursuant to ASX Listing Rule 10.11

Independent Option Valuation

The Directors determined that in order to properly assess the value of the financial benefit of the proposed options it was prudent to obtain an independent report on the valuation of the proposed Options. Accordingly, the Company engaged Value Logic Pty Ltd to undertake the valuation. The Value Logic Valuation Report dated 20 September 2017 is attached to this Notice of Meeting and Explanatory Memorandum.

The valuation undertaken concludes that the number of options to be issued is 1,446,550 for the fair value of \$15,000 per annum for two years. The Directors therefore consider that the issue of these options is fair and reasonable. It is proposed that Adam Gallagher receive 1,446,550 options on the terms set out above which represents the fees to be foregone in cash over the next two years. In the event that Adam Gallagher resigns prior to the vesting date the options will lapse.

The Directors (with Adam Gallagher abstaining) unanimously recommend that shareholders vote in favour of resolution 12

Other than information specified in this Explanatory Memorandum, the Directors are not aware of any other information that would be reasonably required by Shareholders in order to decide whether it is in the best interests of the Company to pass Resolution 12.

The Chairman intends to vote undirected proxies in favour of this resolution.

Resolution 13 – Approval of Employee Share Option Plan

The Company's existing Corporate Equity Plan was approved by Shareholders at the 2011 Annual General Meeting. There have been substantial changes to legislation and regulations regarding these types of plans. The Company was of the view that it was more economical to establish a new plan rather than make substantial amendments to the existing plan.

The Company has therefore established a new Employee Share Option Plan (ESOP) which was adopted by the Board on 3 October 2017. The Company is now seeking shareholder approval for the ESOP.

The Board adopted the ESOP to foster an ownership culture within the Company within the Company and to motivate staff, management and directors to achieve performance targets.

The employees of the Company will be instrumental in the growth of the Company. The Directors consider that the ESOP is an appropriate method to rewards employees for their past performance, to provide long term incentives in the Company's growth and motivate and generate loyalty from employees.

At the date of this notice of meeting no securities have been issued under the ESOP.

(a) Listing Rules

Listing Rule 7.1 requires shareholder approval for an issue of equity securities if, over a rolling 12-month period, the amount of equity securities issued (without prior shareholder approval) is more than 15% of the number of ordinary shares on issue at the start of that 12 month period.

Listing Rule 7.2 Exception 9 provides that an issue of securities under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 if the issue of securities is made under an employee incentive scheme and that employee incentive scheme was approved by shareholders no more than three years before the date of issue. The ESOP is regarded as an employee incentive plan for the purposed of Listing Rule 7.2.

The Company intends that the issue of securities under the ESOP not be included when undertaking the calculation pursuant to Listing Rule 7.1. Accordingly, it is seeking shareholder approval in order for the Company to be able to issue securities pursuant to the ESOP and have those securities qualify under Exception 9 to Listing Rule 7.2.

(b) Corporations Act

Section 200B of the Corporations Act requires shareholder approval by ordinary resolution, and in accordance with the special provisions of Section 200E of the Act, in order to access the exemption from the prohibition on a company giving a benefit with that person's retirement from an office or position of employment in that company where that person is, or was in the three years prior to his or her retirement, in a managerial or executive office of the company.

The ESOP allows the Board, in its discretion, to afford persons ceasing employment with the Company certain benefits under the ESOP. The term "benefit" has a wide operation and includes the Board exercising its discretion to bring forward the option exercise period and permit the early exercise of the Participant's options granted under the ESOP (Accelerated Exercise Period).

For Section 200B benefit to be allowed, Section 200E requires that this Notice provide shareholders with either the value of the proposed benefits or, where the value of the proposed benefits cannot currently be ascertained, the manner in which the value of the proposed benefits is calculated, and the matter, events and circumstances that will, or are likely to, affect the calculation of the value.

In the circumstances of a possible Accelerated Exercise Period, the value of the termination benefits that the Board may give under the ESOP cannot be determined in advance, as many factors that will or are likely to affect the value will not be known until the time the benefit is decided to be awarded (if at all). The Board has not determined whether it will exercise discretion to grant any Accelerated Exercise Period or, in what circumstances it will exercise its discretion.

Specifically, the value of an Accelerated Exercise Period will depend on a number of factors, including the Company's share price at the time of vesting of the options and the number of options that the Board decides to allow to vest early (if any). Shareholders should note the benefit is restricted to an acceleration of the vesting of an option, it does not change the exercise price or the number of shares which are subject to the options.

(c) **Summary of the terms of the ESOP**

A summary of the terms of the ESOP is outlined below:

Eligibility	A person is eligible to participate in the ESOP if he or she is a Director, officer, employee or contractor of a group company or who is otherwise an Eligible Participant under ASIC Class Order 14/1000(Eligible Persons).
Awards	Awards under the ESOP include Shares, Options (to acquire a Share on payment of an exercise price), Rights (to acquire a Share without payment) and Performance Shares (being Shares subject to certain performance hurdles. The Board may at any time make invitations to Eligible Persons to participate in the ESOP specifying the total number of Awards being made available or the manner for determining that number, the closing date for applications, in the case of options, the exercise period, the exercise price and exercise conditions (if any) and in the case of shares, the issue price and any other specific terms and conditions of issue. No payment is due on the issue of an Award. Awards are not transferrable.
Options and Rights	Subject to any adjustment in the event of a bonus issue, rights issue or reconstruction of capital, each Option and Right is an option to subscribe for one share. Upon exercise of an Option or Right by the participant, each Share issued will rank equally with other shares of the Company Rights and Options do not carry rights to participate in rights or bonus issues.
Capital Events	If there is a variation in the share capital of the Company including a capitalisation, rights issue, sub-division, consolidation, or a reduction of share capital, the Board may, subject to the applicable Listing Rules or the rules of any other relevant stock exchange, make such adjustments as it considers appropriate.
Lapse Awards	Any Awards not vested in accordance with the Rules may not be exercised unless otherwise permitted by the Board. Note vested Awards lapse. Awards will automatically lapse in the event of fraud, breach of dishonesty or in certain circumstances where the participant ceases to be employed,
Administration	The ESOP is administered by the Board. The Board may make regulations and determine procedures to administer and implement the ESOP and may also terminate or suspend the operation of the ESOP at its discretion.
Amendment	The Board may at any time amend the rules governing the operation of the ESOP or waive or modify the application of the rules in relation to any participant. However, the Board may not amend the rules in a way that would decrease a participant's rights in respect of options acquired by them, other than amendments required to comply or conform to legislation or listing rules, to correct any manifest error or mistake or to take into account any possible adverse tax implications.
Termination	The ESOP may be terminated or suspended at any time by a resolution of the Board, provided the termination or suspension does not materially adversely affect the rights of persons holding shares or options issued under the plan at that time.

A copy of the full ESOP will be tabled at the Meeting and is available on the Company's website.

A voting exclusion applies to Resolution 13 – please see the notes to Resolution 13 in the notice of meeting.

Resolution 14 - Approval of Executive Director Share Rights

The Remuneration Committee has determined that the annual remuneration paid by the Company to Executive Directors (**Participants**) of the Company for their services as a director may be delivered partially in cash and partially in equity. The Company is effectively still in its early days of development and growth and as such the input of the Executive Directors is crucial to that growth. The granting of Rights linked to the Share Price in general is seen as being beneficial to all shareholders.

The current Executive Directors of the Company are Anthony Rowley and Michael White. The Executive Directors have both short term and long term incentives as part of their contract of employment. The proposed Rights represent the long term incentive component of that contract.

Shareholder approval is required under ASX Listing Rule 10.14 because they are Directors of the Company.

The terms of grant to be applicable to the Rights are outlined in the section below under the heading “Terms of grant of Rights”.

An issue of Rights made with the approval of ordinary holders under ASX Listing Rule 10.14 does not also require shareholder approval under ASX Listing Rule 7.1

Terms of grant of Rights

The Rights proposed to be granted to the Executive Directors are 5,000,000 options each with an exercise price of \$0.10 each, which entitle the holder to acquire fully paid Ordinary Shares in the Company. Each Right entitles the holder to acquire one Ordinary Share.

Briefly the key terms of Rights are:

- (a) **(Vesting period)** the 5,000,000 Rights will only vest on 31 December 2019.
- (b) **(Vesting condition)** the 5,000,000 Rights will only vest in the event that the share price of CCP achieves the target (based on 3 month VWAP leading up to the vesting date) of 10c by 31 December 2019.
- (c) **(Expiry period)** any Rights that remain unexercised after 31 December 2020 expire and are no longer exercisable.
- (d) **(Right to acquire Shares)** the 5,000,000 Rights entitle the holder to receive 5,000,000 fully paid Ordinary Shares in the Company without payment.
- (e) **(Early cessation of Directorship)** if the services of an Executive Director ceases to be supplied to the Company prior to 31 December 2019 as a result of death, then that Non-Executive Director’s legal personal representatives may exercise Rights within the period stated in the Rules.
- (f) **(Change of Control)** there may be an exercise of Rights on a takeover bid, change of control, scheme of arrangement or winding up, subject to the ASX Listing Rules.

Additional Information

The following information in relation to the Rights which may be granted pursuant to Resolution 14 is set out for the purposes of ASX Listing Rule 10.15.

The maximum number of Rights that may be acquired by all persons for whom approval is required under ASX Listing Rule 10.14 is 10,000,000 Rights that the Board may grant to the Executive Directors as a result of passing Resolution 14 (as described above).

There is no amount payable by the Executive Director on grant of the 5,000,000 Rights each.

The voting exclusion statement that applies to Resolution 14 is set out below Resolution 14 in the Notice.

The Rights will only vest in the event that the share price of CCP achieves the target (based on 3 month VWAP leading up to the vesting date) of 10c by 31 December 2019.

The value of the rights will be determined at grant date based upon the 30 day VWAP immediately preceding that date. Had the Rights been issued at the date of this notice it would have resulted in a share based expense value of approximately \$28,000 for each 5,000,000 Rights. The estimated value range is \$25,000 - \$30,000.

The Board may determine in its absolute discretion that a Participant will not be required to provide payment of the Exercise Price of Rights by cash, cheque or some other method acceptable to the Company, but that on exercise of the Rights the number of Shares that will be issued, transferred or allocated will be equal in value to the difference between the Exercise Price otherwise payable in relation to the Rights and the then Market Value of the Shares as at the time of the exercise (with the number of Shares rounded down).

The date by which the Rights approved under Resolution 14 will be issued by the Company will be no later than 12 months after the meeting, that is, no later than 8 November 2018.

Other features of the Rights, which are consistent with the Rules, include:

- the Rights will not be listed on the ASX;
- the Ordinary Shares issued on exercise of the Rights will rank equally in all respects with the Company’s Ordinary Shares listed on the ASX; and

- the Company will apply to the ASX for official quotation of the newly issued Ordinary Shares on the exercise of the Rights.

Chapter 2E of the Corporations Act

As stated above, chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless either

- the giving of the financial benefit falls within one of the exceptions to the provision; or
- prior shareholder approval is obtained to the giving of the financial benefit.

The Directors are related parties of the Company and the issue of options constitute a 'financial benefit' as described in the Corporations Act.

It is the view of the Directors (excluding the Executive Directors who did not vote) that the proposed issue of Options pursuant to Resolutions 14 falls within the exception of section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the position held by the Director. Accordingly, the Company is not seeking shareholder approval under section 208 of the Corporations Act.

GLOSSARY

In this Explanatory Memorandum:

\$ or AUD means Australian dollars.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASIC means Australian Securities and Investments Commission.

ASTC Settlement Rules means the ASTC Settlement Rules from time to time issued by ASX Settlement Pty Limited.

Board means the board of the Company.

Closely Related Party means the closely related parties of Key Management Personnel as defined in the Corporation Act, and includes

Company means CCP Technologies Limited ACN 009 213 754.

Constitution means the Constitution of the Company approved by Securityholders on 17 April 2007 and as amended by securityholder approval on 25 October 2012.

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

Directed Proxy Form means a proxy form which specifies how the proxy is to vote.

Director means a director of the Company.

ESOP means the Company's Employee Share Option Plan which is subject to shareholder approval in Resolution 13 of this Notice.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

Key Management Personnel means the Directors, officers and other employees set out in the Remuneration Report for the year ended 30 June 2017.

Group means the Company and each related body corporate of the Company.

Listing Rules or **ASX Listing Rules** means the official listing rules of ASX.

Meeting or **Annual General Meeting** means the annual general meeting convened by the Notice.

Notice means the notice of meeting accompanying this Explanatory Memorandum.

Ordinary Securities means an ordinary security in the Company which is quoted on the ASX.

Option means a right to acquire a Share (by transfer, issue or allocation at the absolute discretion of the Board) on the payment of the Exercise Price on the terms set out in the ESOP.



CCP TECHNOLOGIES LIMITED
ACN 009 213 754

Lodge your vote:



By Mail:

Advanced Share Registry Limited
PO Box 1156
Nedlands WA 6909

Alternatively you can fax your form to
Facsimile: +61 8 9262 3723

For Online Vote
www.advancedshare.com.au

For all enquiries call:

Telephone: +61 (0) 8 9389 8033
Email: admin@advancedshare.com.au

Proxy Form

Instructions

1. Every shareholder has the right to appoint some other person or company of their choice, who need not be a shareholder, to attend and act on their behalf at the meeting. If you wish to appoint a person or company other than the Chairman, please insert the name of your proxyholder(s) in the space provided (see reverse).
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name that appears on the proxy.
4. If a shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
5. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy 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.
6. To be effective, proxies must be delivered by shareholders as follows:
Shareholders must deliver their proxies prior to 5:00pm (AWT) on 8 November 2017 by mail to PO Box 1156, Nedlands, 6909, Western Australia or by facsimile at +61 9262 3723 or deliver to the Share Registry of the Company at 110 Stirling Hwy, Nedlands, Western Australia, 6009.
7. For the purposes of Regulation 7.11.37 of the Corporations Regulations the Company determines that shareholders holding shares at 7.00pm (AEDT) on 8 November 2017 will be entitled to attend and vote at the Meeting.
8. The Chairman intends to vote in favour of all resolutions set out in the Notice of Meeting, except if no choice is specified in respect of Resolution 1 – Adoption of Remuneration Report where no vote will be cast.
9. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting.
10. This proxy should be read in conjunction with the accompanying documentation provided by management of the Company.
11. The shares represented by this proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any poll that may be called for, and if the shareholder has specified a choice in respect of any matter to be acted upon, the shares will be voted accordingly.

Turn over to complete the form →



CHECK OUT OUR WEBSITE at
www.advancedshare.com.au

- Check all holdings by using HIN/SRN
- Update your holding details
- Reprint various documents online

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'x') should advise your broker of any changes.

Form of Proxy

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

 **PLEASE NOTE:** This proxy is solicited on behalf of the management of CCP Technologies Limited ACN 009 213 754 (the "Company") for use at the meeting of the shareholders of the Company to be held at the BDO Melbourne Boardroom, Level 18, 727 Collins Street, Melbourne, Victoria, Australia on Friday 10 November 2017 at 11:30am (Melbourne time) or any adjournment thereof (the "Meeting").

I/We being a member/s of CCP Technologies Limited hereby appoint

the Chairman of
the meeting

OR



PLEASE NOTE: If you leave the section blank, the Chairman of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions at the Meeting and at any adjournment of that meeting.

With respect to any amendment or variations to the matters identified in the Notice of Annual General Meeting and any other matters which may properly come before the Meeting, I/we confer discretionary authority on the person voting on behalf of me/us to vote as that person sees fit. At the time of printing this Form of Proxy, management knows of no such amendment, variation or other matter.

STEP 2 Items of Business



PLEASE NOTE: If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and your votes will not be counted in computing the required majority on that item.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

FOR AGAINST ABSTAIN

Resolution 1 – Adoption of Remuneration Report	☐	☐	☐
Resolution 2 – Additional Share Placement Capacity	☐	☐	☐
Resolution 3 – Director retiring by rotation - Re-election of Mr Adam Gallagher	☐	☐	☐
Resolution 4 – Director retiring by rotation - Re-election of Mr Anthony Rowley	☐	☐	☐
Resolution 5 – Ratification of Issue of Securities to MHOR Australia Small Cap Fund	☐	☐	☐
Resolution 6 – Ratification of Issue of Securities to Denlin Nominees Pty Ltd	☐	☐	☐
Resolution 7 – Ratification of Issue of Securities to Bravo Futura Capital Pty Ltd	☐	☐	☐
Resolution 8 – Ratification of Issue of Securities to Spenceley Management Pty Ltd	☐	☐	☐
Resolution 9 – Ratification of Issue of Securities to S & M French Investments Pty Ltd	☐	☐	☐
Resolution 10 – Ratification of Issue of Securities to Adtay Pty Ltd	☐	☐	☐
Resolution 11 – Ratification of Issue of Securities to Shed Connect Pty Ltd	☐	☐	☐
Resolution 12 – Grant of Options to Mr Adam Gallagher (or his nominee)	☐	☐	☐
Resolution 13 – Employee Share Option Plan	☐	☐	☐
Resolution 14 – Approval of Executive Director Rights	☐	☐	☐

If no choice is specified, the shareholder is conferring discretionary authority on the proxy to vote at his or her discretion. However, the Chairman intends to vote FOR each of the resolutions other than to adopt the Remuneration Report for which no vote will be cast by the Chairman.

SIGN

Signing by member

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Member 1

Member 2 (if joint holding)

Member 3 (if joint holding)

Sole Director and Sole Secretary

Director/Company Secretary

Director

/ /
Date

Reference: V100127
Contact: Ian Wood



20 September 2017

Mr Gary Taylor
CCP Technologies Ltd
Suite 202/22 St Kilda Road,
St Kilda VIC 3182
gary.taylor@ccp-network.com

OPTIONS VALUATION

You have requested us to provide an independent valuation of options to be issued to a director for the purpose of disclosing expenses in the company's financial statements, and presentation at an Annual General Meeting.

The valuation of the options issued is attached in Appendix 1.

SHARE BASED PAYMENTS

AASB 2 Share Based Payment requires that reporting entities must recognise services acquired in a share-based payment transaction as the services are received. The issue of options is in return for employment services provided to the company, therefore the value of these services is to be recognised.

The value of the services acquired by the company is to be measured at the fair value of the equity instruments granted, where the fair value of the services provided cannot be estimated reliably. As the issue of options is in consideration of future services, the fair value of the services cannot be reliably measured. As such, the value of the options to be issued needs to be used as the reliable measurement of the services provided.

As the options will not be listed on the ASX and will not be tradable, the market value of the options cannot be readily determined from any sales data. Therefore, an option pricing model is necessary to provide a value for the options issued.

OPTION VALUATION MODEL

The options valuation model to be adopted has to provide a valuation of the options in accordance with AASB 2. Namely the model has to take into account the following factors:

- The Exercise Price (X)
- The share price at the time of issue (S)
- The expected life of the options (T)
- The share's expected volatility (σ)
- Expected dividends (D)
- The expected risk-free interest rate (rf)

EXERCISE PRICE

The exercise price is set in accordance with the terms and conditions of the options to be issued to Adam Gallagher. The exercise price of the options has been set at \$0.10 per option. As the exercise price has presently not been altered, and there is no intention that it be altered, no adjustment to the exercise price is to be made.

SHARE PRICE AT THE TIME OF ISSUE

The time of issue is the day on which the options are granted. Grant date is defined in AASB 2 as being the date on which the company and the recipient agree to the terms of the options. If the grant of options is subject to shareholder approval the grant date is the date on which the approval is obtained.

The options in question have a proposed grant date of 25 October 2017, which is the date of shareholder approval at the Annual General Meeting. As the grant date of the options is in the future, the share price at the time of issue has been estimated as the share price on 19 September 2017. This share price was \$0.019.

EXPECTED LIFE OF THE OPTIONS

The expected life of the options will be taken to be the full period of time from grant date to expiry date. While there may be an adjustment made to take into account any expected early exercise of the options or any variation of the expiry date by the company, there is no past history that either of these factors would warrant an earlier exercise of the options, and no other factors which would indicate that this would be a likely occurrence.

As the company has not paid, and does not intend to pay, dividends over the life of the options, by exercising as close to the expiry date as possible, the option holder can continue to earn interest on their money with the same level of risk and return in their options as they would have if they held shares.

As a result, an option holder will choose to exercise their options as close to the expiry date as possible to generate a higher rate of return for the same level of risk. Therefore, the option holder is not expected to exercise their options earlier than the expiry date and no adjustment to the expected life of the options has been made.

SHARE PRICE VOLATILITY

The company has a long history of share transactions by which to gauge the company's share price volatility, and this data provides some indication of the expected future volatility of the company's share price. The share price volatility over the last 4 years was 118.671%. Due to the company's historical share price movements, and the relative percentage of each movement against the share price, it is expected that this volatility will not change significantly over the life of the options.

Therefore a volatility of 118.671% has been used as the expected future share price volatility over the life of the options.

EXPECTED DIVIDENDS

The company has not declared dividends in the past, and does not expect to declare dividends in the future. As a result, no adjustment has been made to the pricing of the options to take into account payment of dividends, to reflect the expectation that dividends are not expected to be declared over the period of the life of the options.

RISK FREE RATE

The risk free rate is the implied yield at the date the options are issued on zero-coupon national government bonds with a remaining life equal to the life of the option.

The interest rates were taken from historical data available from the Reserve Bank of Australia for 5 year Treasury Bonds.

NUMBER OF OPTIONS ON ISSUE

AASB 2 requires that where the grant (or vesting) of an equity instrument is conditional upon satisfying specified vesting conditions (except market conditions), those vesting conditions are not taken into account when calculating the fair value of the options at the grant, or issue, date. Instead, the number of options included in the measurement is adjusted to reflect the likelihood of those vesting conditions being met. The amount treated as remuneration is based on the number of options that are expected to vest.

As a result, in accordance with AASB 2, the number of shares to be vested must be adjusted to take into account any expected forfeitures.

The options issued are not subject to performance requirements which might result in the options not vesting to the director. As a result, the number of options to be vested has not been adjusted to take into account any possible vesting restrictions.

The number of options provided to the director is 1,446,500 options.

BLACK-SCHOLES VS BINOMIAL MODEL

Our engagement is to provide a valuation of options for the purposes of disclosing expenses in the financial statements in accordance with AASB 2 Share Based Payment. Upon reviewing the factors to be taken into account and the variables to be calculated, it is considered that both the Black-Scholes and binomial model are relevant to calculating the value of the options to be issued to the director. The Binomial method allows for significant customisation of the calculation process, particularly to take into account the payment of dividends. However, as the company does not pay dividends, both models provide similar valuations. Both calculations are provided for comparison.

TAX VALUE OF OPTIONS – ASSESSABLE INCOME

Where employees receive options or shares in a company under an employee share scheme at a discount to their market value, the amount of the discount is included in their assessable income in the year in which the shares or rights are received.

CCP Technologies Ltd will provide options to a director for nil consideration, resulting in the full value of the options being included in the employee's assessable income.

As the options issued are unlisted rights, their market value is, at the choice of the individual:

- (a) The market value of the right (as calculated above); or
- (b) The amount determined by the application of the regulations.

The amount determined by the regulations is the greater of:

- (a) The market value of the share that may be acquired by exercising the right less the exercise price; and
- (b) The value determined by reference to the calculation method in Division 83A Income Tax Assessment Act 1997.

In the present case, the calculation method contained in Division 83A has been used as the market value is less than the exercise price.

Any vesting conditions do not affect the valuation of the market value of the options under Division 83A.

The market values of the rights using this calculation method are attached in Appendix 1.

DISCLAIMER

This report has been prepared from information provided by the directors of CCP Technologies Ltd, and from other information available to the public. Whilst Value Logic Pty Ltd has taken proper care in assessing the completeness and accuracy of this information, it has not conducted an audit of the information or of the business. Value Logic Pty Ltd's report should not therefore be construed as an auditor's opinion.

Value Logic Pty Ltd does not hold an Australian Financial Services Licence. This report is not intended to influence a person in making a decision in relation to a particular financial product.

CONCLUSION

Upon taking into account the above factors, the Black-Scholes and Binomial model calculations provided valuations for the options to be issued by the company. These valuations were checked and considered reasonable when taking into account the various influencing factors, such as time to expiry and company share price volatility.

Should you have any queries, please do not hesitate to contact the writer.

Yours Sincerely



Value Logic Pty Ltd

Encl.

Name of Valuer:	Ian Wood
Name of Firm:	Value Logic Pty Ltd
Professional Qualifications:	B. Bus (Acc), LLB., CA, certificate of public practice holder with ICAA
Statement of experience:	Over 18 years working in public practice, valuing options, convertible notes and performance rights issued by companies and valued for the purposes of AASB 2 and ITAA 1997 and ITAA 1936.
Statement of independence:	This valuation has been prepared with regard to the standards provided under APES 225 Valuation Services. The opinion provided is an independent opinion of value and in providing my opinion I do not consider that I have been influenced by any factors that would cause my independence to be influenced or compromised. Fees charged for this valuation have been calculated on the basis of time, work and professional expertise required to provide this opinion. They have not been calculated on, or were contingent upon, in any way, the outcome of the opinion provided.

APPENDIX 1

CCP Technologies Limited Valuation of Options Issued



Series	Adam Gallagher	Total
No of options	1,446,550	
Issue Date	25 October 2017	
Vesting Date	25 October 2019	
Expiry Date	25 October 2021	
Share Price (\$)	\$0.019	
Exercise Price (X)	\$0.100	
Time to Expiry (T)	4.00	
Risk Free Rate (Rf)	2.38%	
Dividend Yield (D)	0.00%	
Volatility (σ)	118.671%	
Black-Scholes Value	\$0.0104	
Binomial Model Value	\$0.0104	
Total Value	\$15,000	
Accounting allocation		
30 June 2018	\$5,096	
30 June 2019	\$7,500	
30 June 2020	\$2,404	
Total Allocation	\$15,000	
Taxation Valuation		
Months to Expiry	48	
Share price at issue	\$0.019	
Tax Value	\$0.000	
	\$0	\$0