

CIPHERPOINT LIMITED
ACN 120 658 497
NOTICE OF GENERAL MEETING

Notice is given that a General Meeting ("**Meeting**") of Cipherpoint Limited ("the **Company**" or "**Cipherpoint**") will be held at The Adina Apartment Hotel, Orchid Room, Level 5, 189 Queen Street, Melbourne, Victoria, 3000 at 9.30am (Melbourne time) on Wednesday, 28 September 2022.

Further details in respect of each of the resolutions proposed in this Notice of General Meeting ("**Notice**") are set out in the Explanatory Memorandum ("**Memorandum**") accompanying this Notice. Details of the resolutions contained in the Memorandum should be read together with, and form part of, this Notice.

GENERAL BUSINESS

RESOLUTION 1A: APPROVAL FOR ISSUE OF SHARES

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholders approve the issue of 100,000,000 fully paid ordinary shares at a deemed issue price of \$0.01 (1 cent) per share to the holders of 100% of the issued capital of Excite IT Pty Limited as described in the Memorandum which accompanied and formed part of this Notice."

A voting exclusion as set out below in this Notice applies to Resolution 1A.

RESOLUTION 1B: APPROVAL FOR ISSUE OF SHARES

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholders approve the issue of 50,000,000 fully paid ordinary shares at a deemed issue price of \$0.01 (1 cent) per share to the holders of 100% of the issued capital of Excite IT Pty Limited as described in the Memorandum which accompanied and formed part of this Notice."

A voting exclusion as set out below in this Notice applies to Resolution 1B.

RESOLUTION 1C: APPROVAL FOR ISSUE OF SHARES

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholders approve the issue of fully paid ordinary shares, the number of which shall be calculated in accordance with the formula in the Memorandum, to Bryan Saba (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice."

A voting exclusion as set out below in this Notice applies to Resolution 1C.

RESOLUTION 1D: APPROVAL FOR ISSUE OF SHARES

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholders approve the issue of fully paid ordinary shares, the number of which shall be calculated in accordance with the formula in the Memorandum, to Bryan Saba (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice."

A voting exclusion as set out below in this Notice applies to Resolution 1D.

Voting Exclusion Statement – Resolutions 1A to 1D

The Company will disregard any votes cast in favour of Resolutions 1A to 1D respectively by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their associates.

However, this does not apply to a vote cast in favour of Resolutions 1A to 1D respectively by:

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

RESOLUTION 1E: APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, shareholders approve the issue of 30,000,000 performance rights (each convertible to one fully paid ordinary share upon satisfaction of an applicable milestone prior to the expiry date) to Bryan Saba (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion as set out below in this Notice applies to Resolution 1E.

Voting Exclusion Statement – Resolution 1E

The Company will disregard any votes cast in favour of Resolution 1E by or on behalf of a person referred to in rule 10.14, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question and any of their associates.

However, this does not apply to a vote cast in favour of Resolution 1E by:

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

RESOLUTION 2A: APPROVAL FOR ISSUE OF SHARES

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholders approve the issue of fully paid ordinary shares, the number of which shall be calculated in accordance with the formula in the Memorandum, to the vendors of Virtual Information Technology Pty Limited as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion as set out below in this Notice applies to Resolution 2A.

RESOLUTION 2B: APPROVAL FOR ISSUE OF SHARES

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholders approve the issue of fully paid ordinary shares, the number of which shall be calculated in accordance with the formula in the Memorandum, to the vendors of Virtual Information Technology Pty Limited as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion as set out below in this Notice applies to Resolution 2B.

Voting Exclusion Statement – Resolutions 2A and 2B

The Company will disregard any votes cast in favour of Resolutions 2A and/or 2B respectively by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their associates.

However, this does not apply to a vote cast in favour of Resolutions 2A and/or 2B respectively by:

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

RESOLUTION 3A: ADOPTION OF EMPLOYEE INCENTIVE SCHEME – PERFORMANCE RIGHTS PLAN

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

“That, for the purposes of ASX Listing Rule 7.2 Exception 13 and for all other purposes, approval is given for the Company to adopt an employee incentive scheme, being the Cipherpoint Performance Rights Plan, as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion statement for Resolution 3A is set out below.

RESOLUTION 3B: ADOPTION OF EMPLOYEE INCENTIVE SCHEME – LOAN SHARE PLAN

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

“That, for the purposes of ASX Listing Rule 7.2 Exception 13 and for all other purposes including sections 259B and 260C of the Corporations Act 2001 (Cth), approval is given for the Company to adopt an employee incentive scheme, being the Cipherpoint Loan Share Plan, as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion statement for Resolution 3B is set out below.

Voting Exclusion Statement – Resolutions 3A and 3B:

The Company will disregard any votes cast in favour of any or all of Resolutions 3A and/or 3B by or on behalf of a person who is eligible to participate in the employee incentive scheme or any of their associates.

However, this does not apply to a vote cast in favour of Resolutions 3A and/or 3B respectively by:

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

Proxy Voting Prohibition – Resolutions 3A and 3B:

Other than as set out below, a vote on Resolutions 3A and/or 3B respectively must not be cast as proxy by a Restricted Voter.

A Restricted Voter may cast a vote on Resolutions 3A and/or 3B respectively as a proxy if either:

- () the Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or*
- (a) the Restricted Voter is the Chair and the written appointment of the Chair as proxy:*
 - () does not specify the way the proxy is to vote on this Resolution; and*
 - (i) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.*

Dated: 29 August 2022

By the order of the Board

Patrick Gowans
Company Secretary of Cipherpoint Limited

The accompanying Memorandum and the Proxy and Voting Instructions formed part of this Notice.

PROXY AND VOTING INSTRUCTIONS

Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- one proxy if the member is only entitled to one vote; and
- one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged with the Company's share registry not less than 41 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy.

Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 7:00 pm on 26 September 2022 (Sydney time) are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

How the Chair Will Vote Undirected Proxies

Subject to the restrictions set out below and in the Notice, The Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

Proxy Voting Restrictions

The Remuneration Report identifies key management personnel for the year ended 31 March 2022. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

Key management personnel whose remuneration details are included in the 2022 Remuneration Report or any of their closely related parties will not be able to vote undirected proxies held by them on Resolutions 3A and 3B provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

CIPHERPOINT LIMITED

ACN 120 658 497

("the Company")

**GENERAL MEETING
EXPLANATORY MEMORANDUM**

PURPOSE OF INFORMATION

This Explanatory Memorandum ("**Memorandum**") accompanies and forms part of the Company's Notice of General Meeting ("**Notice**") for the General Meeting ("**Meeting**") to be held at The Adina Apartment Hotel, Orchid Room, Level 5, 189 Queen Street, Melbourne, Victoria, 3000 at 9.30am (Melbourne time) on Wednesday, 28 September 2022.

Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions set out therein to vote before the Meeting.

The Notice incorporates, and should be read together, with this Memorandum.

BUSINESS

Background to Resolutions 1A and 1B – proposed acquisition of Excite IT Pty Limited

On 28 July 2022, the Company announced that it had entered into a binding but conditional agreement to acquire all of the issued capital of Excite IT Pty Limited (**Excite**), a provider of managed IT and securities services, cloud solutions and automatic. Further details regarding Excite and its business, and the strategic rationale for the proposed acquisition of Excite by the Company are set out in the announcement on 28 July 2022.

The material terms of the binding but conditional agreement are set out in Annexure A.

Background to acquisition consideration – Resolutions 1A and 1B

The consideration payable for the acquisition of Excite from Bryan Saba and Nina Saba, the Excite shareholders (**Excite Vendors**), comprises:

- upfront cash consideration of \$1,250,000 (less any required balance sheet adjustments).
- upfront equity consideration of 100,000,000 fully paid ordinary shares in the capital of the Company (**Consideration Shares**) at a deemed issue price of \$0.01 (1 cent) per Consideration Share. Shareholder approval to issue the Consideration Shares is sought under Resolution 1A.
- \$500,000 as deferred cash consideration, payable on the date that is 12 months from completion.
- If, for the 12 months ending 30 June 2023, the EBITDA of the Excite business on a standalone basis is no less than \$800,000, a further 50,000,000 fully paid ordinary shares in the capital of the Company (**Deferred Consideration Shares**) at a deemed issue price of \$0.01 (1 cent) per Deferred Consideration Share. Shareholder approval to issue the Deferred Consideration Shares is sought under Resolution 1B.

Issue of the Consideration Shares and the Deferred Consideration Shares are subject to shareholder approval.

The Company has sought a waiver of ASX Listing Rule 7.3.4 to permit the issue of the Deferred Consideration Shares no later than 30 September 2023 and confirmation from ASX that the terms of the Deferred Consideration Shares to be issued upon and subject to the satisfaction of the milestone described above are appropriate and equitable in accordance with ASX Listing Rule 6.1.

The Company confirms that the Deferred Consideration Shares are being issued as part of the consideration for the acquisition of Excite and will only be issued if the relevant milestone is achieved. The milestone applicable for the issue of the Deferred Consideration Shares is linked to the standalone performance of the Excite business. The milestone was negotiated by the Company with the rationale of ensuring a portion of the consideration is

aligned with the short term performance of Excite. By making a portion of the consideration contingent on the achievement of an EBITDA milestone, the Company is seeking to manage risks inherent in the acquisition of third party entities with respect to consistency of ongoing performance, as well as to align the interests of the Excite Vendors with those of the shareholders of the Company in seeking ongoing successful performance of Excite.

Bryan Saba, an Excite Vendor, is proposed to be appointed as Managing Director and CEO of the corporate group of the Company as part of the acquisition of Excite. The Company proposes issuing Bryan Saba incentive securities in connection with his appointment as set out in Resolutions 1C to 1E, further details of which are set out below.

ASX Listing Rules – Resolutions 1A and 1B

Bryan Saba is proposed to be appointed as a Director (and is therefore considered to be a related party of the Company for the purposes of the ASX Listing Rules) under the binding but conditional agreement under which the Company proposes acquiring 100% of the issued capital of Excite. Accordingly the issue of the Consideration Shares and the Deferred Consideration Shares is to be made under an agreement or transaction between the Company and Bryan Saba, a person who would not otherwise be a related party but for the fact he is to become a related party of the Company in future due to the agreement or transaction.

Noting the above, ASX Listing Rule 10.12 Exception 13 applies such that approval to issue the Consideration Shares and Deferred Consideration Shares is not required under ASX Listing Rule 10.11. The Company is however seeking approval to issue the Consideration Shares and Deferred Consideration Shares for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specific exceptions, issue or agree to issue during any twelve month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the company's issued share capital at the commencement of the twelve month period. One circumstance where an action or an issue is not taken into account in calculating the 15% threshold is where the issue has prior approval of shareholders at a general meeting.

If shareholders approve Resolutions 1A and 1B, the Company will be able to issue the securities the subject of those Resolutions. The issue of those securities will also increase the capacity of the Company to issue equity securities under ASX Listing Rule 7.1 (and, subject to the relevant shareholder approval being held at the time, ASX Listing Rule 7.1A). If shareholders do not approve Resolutions 1A and/or 1B, the Company will not be able to issue the securities the subject of those Resolutions and the proposed acquisition of Excite would not be able to proceed on the stated terms. If shareholders do not approve Resolutions 1A and/or 1B, the Company may seek to negotiate revised terms for the acquisition of Excite however there is no guarantee such negotiation would be successful.

The following information is provided in accordance with ASX Listing Rule 7.3 for Resolutions 1A and 1B:

- The Consideration Shares and Deferred Consideration Shares are to be issued to Bryan Saba and Nina Saba, the holders of 100% of the issued capital of Excite IT Pty Limited.
- 100,000,000 fully paid ordinary shares (being the Consideration Shares) are to be issued under Resolution 1A and 50,000,000 fully paid ordinary shares (being the Deferred Consideration Shares) are to be issued under Resolution 1B.
- The Consideration Shares are proposed to be issued at completion of the acquisition of Excite (anticipated for 31 October 2022) and in any event less than 3 months after the date of the meeting. The Deferred Consideration Shares are proposed to be issued on or before 30 September 2023, subject to ASX granting a waiver of ASX Listing Rule 7.3.4 as described above. In the event that ASX does not grant a waiver of ASX Listing Rule 7.3.4 then the Deferred Consideration Shares will not be issued pursuant to the shareholder approval sought under Resolution 1B and the Company may in future refresh the shareholder approval.
- The consideration for the issue of the Consideration Shares and the Deferred Consideration Shares is 100% of the issued capital of Excite. The Consideration Shares and Deferred Consideration Shares have a deemed issue price of \$0.01 (1 cent) each and form part of the consideration for the acquisition.

- No funds will be raised from the issue of the Consideration Shares and/or the Deferred Consideration Shares, which are being issued as part consideration for acquisition of 100% of the issued capital of Excite.
- The Consideration Shares and Deferred Consideration Shares are to be issued under a binding but conditional agreement to acquire Excite, the material terms of which are summarised in Annexure A.
- A voting exclusion statement as set out in the Notice applies to Resolutions 1A and 1B.

Background to Resolutions 1C to 1E – issue of securities to incoming Director

As part of the proposed acquisition, Bryan Saba is proposed to be appointed as the Managing Director and CEO of the corporate group of the Company. Entry into a market based services agreement between the Company and Bryan Saba is a condition precedent of the acquisition of Excite by the Company.

Under the terms of the services agreement, the Company proposes issuing Bryan Saba (or his nominee(s)):

- \$500,000 of fully paid ordinary shares in the Company (**Excite Milestone One Shares**) if:
 - the normalised revenues of the Company are greater than \$6.5 million for the 12 months ending 30 June 2023; or
 - the EBITDA is positive for the 6 months to 30 June 2023.

The number of Excite Milestone One Shares to be issued shall be calculated by dividing \$500,000 by the 30 day VWAP of the shares of the Company prior to 30 June 2023. The Excite Milestone One Shares shall be subject to voluntary escrow until 30 June 2024. Shareholder approval for the issue of the Excite Milestone One Shares is sought under Resolution 1C.

- \$500,000 of fully paid ordinary shares in the Company (**Excite Milestone Two Shares**) if:
 - the normalised revenues of the Company are greater than \$7.5 million for the 12 months ending 30 June 2024; or
 - the EBITDA is greater than or equal to \$500,00 for the 12 months to 30 June 2024.

The number of Excite Milestone Two Shares to be issued shall be calculated by dividing \$500,000 by the 30 day VWAP of the shares of the Company prior to 30 June 2024. The Excite Milestone Two Shares shall be subject to voluntary escrow until 30 June 2025. Shareholder approval for the issue of the Excite Milestone One Shares is sought under Resolution 1D.

- An aggregate of 30,000,000 performance rights (**Excite Performance Rights**) under a performance rights plan proposed to be adopted by the Board prior to completion of the acquisition of Excite for the specific purpose of the issue of the Excite Performance Rights, such Excite performance rights plan being separate and distinct from the existing incentive plans of the Company as adopted by shareholders.

The tranches of Excite Performance Rights are:

- 10,000,000 Excite Performance Rights vest upon the shares of the Company achieving and sustaining a 30 day VWAP of \$0.03.
- 10,000,000 Excite Performance Rights vest upon the shares of the Company achieving and sustaining a 30 day VWAP of \$0.04.
- 10,000,000 Excite Performance Rights vest upon the shares of the Company achieving and sustaining a 30 day VWAP of \$0.05.

Excite Performance Rights expire 5 years from issue. Shareholder approval for the issue of the Excite Performance Rights is sought under Resolution 1E.

If there is a change of control in the Company prior to 30 June 2024 (control being as defined in section 50AA of the Corporations Act) then the Excite Milestone One Shares and Excite Milestone Two Shares immediately vest and become payable either as fully paid ordinary shares or in cash, at the election of the Excite Vendors.

Issue of the Excite Milestone One Shares, Excite Milestone Two Shares and the Excite Performance Rights are subject to shareholder approval.

The Company has sought a waiver of ASX Listing Rule 7.3.4 to permit the issue of the Excite Milestone One Shares no later than 30 September 2023 and the Excite Milestone Two Shares no later than 30 September 2024 and confirmation from ASX that the terms of the Excite Milestone One Shares and Excite Milestone Two Shares to be issued upon and subject to the satisfaction of the milestone described above are appropriate and equitable in accordance with ASX Listing Rule 6.1.

The Company confirms that the Excite Milestone One Shares and Excite Milestone Two Shares will only be issued if the relevant milestone is achieved and are being used as incentive securities. The milestone was negotiated by the Company to align the interest of the recipient with the shareholders of the Company.

ASX Listing Rules – Resolutions 1C and 1D

Bryan Saba is proposed to be appointed as a Director (and is therefore considered to be a related party of the Company for the purposes of the ASX Listing Rules) under the binding but conditional agreement under which the Company proposes acquiring 100% of the issued capital of Excite. Accordingly the issue of the Excite Milestone One Shares and the Excite Milestone Two Shares is to be made under an agreement or transaction between the Company and Bryan Saba, a person who would not otherwise be a related party but for the fact he is to become a related party of the Company in future due to the agreement or transaction.

Noting the above, ASX Listing Rule 10.12 Exception 13 applies such that approval to issue the Excite Milestone One Shares and Excite Milestone Two Shares is not required under ASX Listing Rule 10.11. The Company is however seeking approval to issue the Excite Milestone One Shares and Excite Milestone Two Shares for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specific exceptions, issue or agree to issue during any twelve month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the company's issued share capital at the commencement of the twelve month period. One circumstance where an action or an issue is not taken into account in calculating the 15% threshold is where the issue has prior approval of shareholders at a general meeting.

If shareholders approve Resolutions 1C and 1D, the Company will be able to issue the securities the subject of those Resolutions. The issue of those securities will also increase the capacity of the Company to issue equity securities under ASX Listing Rule 7.1 (and, subject to the relevant shareholder approval being held at the time, ASX Listing Rule 7.1A). If shareholders do not approve Resolutions 1C and/or 1D, the Company will not be able to issue the securities the subject of those Resolutions and the proposed acquisition of Excite would not be able to proceed on the stated terms. If shareholders do not approve Resolutions 1C and/or 1D, the Company may seek to negotiate revised terms for the acquisition of Excite however there is no guarantee such negotiation would be successful.

The following information is provided in accordance with ASX Listing Rule 7.3 for Resolutions 1C and 1D:

- The Excite Milestone One Shares and Excite Milestone Two Shares are to be issued to Bryan Saba (or his nominee(s)).
- The maximum number of Excite Milestone One Shares to be issued shall be calculated by dividing \$500,000 by the 30 day VWAP of the shares of the Company prior to 30 June 2023. The maximum number of Excite Milestone Two Shares to be issued shall be calculated by dividing \$500,000 by the 30 day VWAP of the shares of the Company prior to 30 June 2024.
- The Excite Milestone One Shares are to be issued on or before 30 September 2023 and the Excite Milestone Two Shares are to be issued on or before 30 September 2024, subject to ASX granting a waiver

of ASX Listing Rule 7.3.4 as described above. In the event that ASX does not grant a waiver of ASX Listing Rule 7.3.4 then the securities will not be issued pursuant to the shareholder approval sought under Resolution 1C and 1D and the Company may in future refresh the shareholder approval.

- The Excite Milestone One Shares and Excite Milestone Two Shares are to be issued as remuneration under the executive services agreement between the Company and Bryan Saba that is to be executed as a condition precedent of the acquisition by the Company of Excite.
- No funds will be raised from the issue of the Excite Milestone One Shares and the Excite Milestone Two Shares, which are being issued as remuneration to Bryan Saba.
- The Excite Milestone One Shares and the Excite Milestone Two Shares are to be issued under a binding but conditional agreement to acquire Excite, the material terms of which are summarised in Annexure A.
- A voting exclusion statement as set out in the Notice applies to Resolutions 1C and 1D.

ASX Listing Rules – Resolution 1E

The Excite Performance Rights are proposed to be issued to Bryan Saba (or his nominee(s)) at or about the time he is appointed as a director of the Company. In addition, the Excite Performance Rights are proposed to be issued under a performance rights plan adopted by the Board prior to completion of the acquisition of Excite for the specific purpose of the issue of the Excite Performance Rights, such performance rights plan being separate and distinct from the existing incentive plans of the Company as adopted by shareholders.

ASX Listing Rule 10.14 requires a company to obtain shareholder approval by ordinary resolution prior to the issue of securities under an employee incentive plan to a director of the company or any of their associates or any person whose relationship with either of those persons is such that in ASX's opinion the acquisition should be approved by shareholders.

Shareholder approval is being sought under ASX Listing Rule 10.14 for Resolution 1E and as such approval is not required for ASX Listing Rule 7.1.

If shareholders pass Resolution 1E then the Company will be able to issue the Excite Performance Rights. In addition, shares issued on conversion of Excite Performance Rights will also increase the capacity of the Company to issue equity securities under ASX Listing Rule 7.1 (and, subject to the relevant shareholder approval being held at the time, ASX Listing Rule 7.1A). If shareholders do not approve Resolution 1E, the Company will not be able to issue the Excite Performance Rights and the proposed acquisition of Excite would not be able to proceed on the stated terms. If shareholders do not approve Resolution 1E, the Company may seek to negotiate revised terms for the acquisition of Excite however there is no guarantee such negotiation would be successful.

The following information is provided in accordance with the requirements of ASX Listing Rule 10.15:

- The Excite Performance Rights are to be issued to Bryan Saba (or his nominee(s)).
- It is anticipated Bryan Saba will be a Director at the date of issue of the Excite Performance Rights and accordingly he would be a person to which ASX Listing Rule 10.14.1 applies.
- The maximum number of securities is 30,000,000 Excite Performance Rights. The tranches of Excite Performance Rights are:
 - 10,000,000 Excite Performance Rights vest upon the shares of the Company achieving and sustaining a 30 day VWAP of \$0.03.
 - 10,000,000 Excite Performance Rights vest upon the shares of the Company achieving and sustaining a 30 day VWAP of \$0.04.
 - 10,000,000 Excite Performance Rights vest upon the shares of the Company achieving and sustaining a 30 day VWAP of \$0.05.

Excite Performance Rights expire 5 years from issue.

- The total remuneration package of Bryan Saba remains to be negotiated between the Company and Bryan Saba and forms a condition precedent to the proposed acquisition by the Company of Excite. The remuneration package of Bryan Saba will include the Excite Milestone One Shares, Excite Milestone Two Shares and the Excite Performance Rights.
- A summary of the material terms of the Excite Performance Rights are set out in Annexure C. Excite Performance Rights were chosen as a means of preserving cash reserves whilst aligning the interest of the recipient with that of the existing shareholders. The Company attributes the following value to each tranche of the Excite Performance Rights:

Tranche	30 day VWAP	Value (aggregate
A	0.03 (3 cents)	\$21,000
B	0.04 (4 cents)	\$20,000
C	0.05 (5 cents)	\$19,000
Total	-	\$60,000

Note: The performance rights have been attributed a value in proportion to the current share price. This approximation is based on a assessment of the methodology adopted for previous formal valuation commissioned to support prior annual audit. Further formal valuation of performance rights will be performed during future financial audits, accordingly the above should be considered indicative only.

- The Company proposes issuing the Excite Performance Rights at completion of the proposed acquisition of Excite (anticipated 31 October 2022) and in any event no later than 3 years after the date of the meeting.
- The Excite Performance Rights will not have any issue price.
- The performance rights plan for the issue of the Excite Performance Rights is proposed to be adopted by the Board prior to completion of the acquisition of Excite for the specific purpose of the issue of the Excite Performance Rights, and is separate and distinct from the existing incentive plans of the Company as adopted by shareholders. A summary of the Excite performance rights plan is set out in Annexure D.
- No loan will be made in relation to the acquisition of the Excite Performance Rights.
- The Company confirms that:
 - Details of any securities issued under the performance rights plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14
 - Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the performance rights plan after this resolution is approved and who were not named in the Notice will not participate until approval is obtained under ASX Listing Rule 10.14.
- A voting exclusion statement as set out in the Notice applies to Resolution 1E.

Chapter 2E of the Corporations Act – Resolutions 1A to 1E

As an individual proposed to join the Board of the Company as a director, Bryan Saba is considered a related part of the Company in accordance with Section 228(6) of the Corporations Act.

Section 208 of the Corporations Act provides that a public company must not, subject to certain exceptions, give a financial benefit to a related party without approval of the company's members (shareholders). The issue of securities the subject of Resolutions 1A to 1E to Bryan Saba constitutes the giving of a financial benefit as defined under section 229 of the Corporations Act.

Section 210 of the Corporations Act provide an exception to the requirement to obtain shareholder approval for the giving of a financial benefit to a related party where the benefit is given on terms that would be reasonable if the company and the related party were dealing on arms' length or on terms less favourable to the related party than terms that would be reasonable if the company and related party were dealing on arms' length terms.

The existing Directors of the Company have formed the view that the terms of the proposed acquisition of Excite are reasonable, or less favourable to Bryan Saba than terms that would be reasonable in circumstances if the Company and each of the respective parties were dealing on arms' length terms.

The existing directors have formed this view having regard to the following:

- Bryan Saba is not a related party of the Company other than by application of section 228(6) of the Corporations Act which arose solely due to his proposed appointment to the Board of the Company as part of the acquisition by the Company of 100% of the issued capital of Excite.
- The terms of the proposed acquisition by the Company of 100% of the issued capital of Excite was a result of prolonged, robust negotiations between the Company and the Excite Vendors. The parties were free from any undue influence, control or pressure and each had the opportunity to seek and obtain independent advice.
- Bryan Saba has not been, and will not prior to completion be, involved in any Board meeting of the Company or in respect of any internal discussions of the Company.
- The acquisition by the Company of 100% of the issued capital of Excite is subject to shareholder approval.

Having regard to the above, the Company considers the issue of securities the subject of Resolutions 1A to 1E is reasonable and on terms that would be (and in this case have been) offered to parties at arms' length from the Company having regard to the purpose of the issue and falls within the exception set out in section 210 of the Corporations Act.

In addition, Section 211 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given to the related party as an officer of the Company and to give the remuneration would be reasonable given:

- The circumstances of the Company; and
- The related party's circumstances (including the responsibilities involved in the office or employment).

The Directors consider the proposed issue of the Excite Milestone One Shares, Excite Milestone Two Shares and Excite Performance Rights are reasonable remuneration and, as such, fall within the exception set out in section 211 of the Corporations Act.

In reaching this view, the Company has considered the proposed position of Bryan Saba as Managing Director and CEO of the corporate group of the Company with effect upon completion of the acquisition by the Company of 100% of the issued capital of Excite, the reliance of the Company on a limited number of personnel, the need for the Company to incentivise its executives whilst aligning that incentive with increasing shareholder value and the desirability to preserve cash reserves. The Company considers the conditionality of issue of the Excite Milestone One Shares, Excite Milestone Two Shares and Excite Performance Rights is an effective tool to incentivise Bryan Saba whilst preserving cash reserves and aligning his interests with shareholders.

If shareholders approve Resolutions 1A to 1E, Bryan Saba will be issued the securities the subject of those Resolutions (it being noted that the issue of the securities the subject of Resolutions 1B to 1E are conditional upon the satisfaction of relevant milestones as specified above).

Director recommendations – Resolutions 1A to 1E

The Directors unanimously recommend that shareholders vote in favour of Resolutions 1A to 1E.

Background to Resolutions 2A and 2B – Milestone securities in connection with VIT acquisition

On 13 October 2021, the Company announced that it had entered into a binding terms sheet to acquire 100% of the issued capital of Virtual Information Technology Pty Limited (**VIT**) from the sole shareholder of VIT (**VIT Vendor**). A summary of the material terms of the terms sheet is set out in Annexure B.

The Company completed the acquisition of VIT on 25 November 2021 and issued the VIT Vendor 10,200,00 fully paid ordinary shares as part consideration for the acquisition under the placement capacity available to the Company under ASX Listing Rule 7.1.

The Company is seeking shareholder approval for the issue of the following deferred securities that are to be issued to the VIT Vendor, subject to and conditional upon satisfaction of the applicable milestone:

- \$500,000 of fully paid ordinary shares (**VIT Milestone One Shares**) calculated on the basis of the 15 day VWAP of the Company prior to 31 December 2022. The issue of the VIT Milestone One Shares was subject to the revenue of VIT being \$900,000 or more for the 12 months ended 30 June 2022, which was achieved. The calculation of the number of VIT Milestone One Shares to be issued was initially proposed to be on the basis of the 15 day VWAP to 30 June 2022, however given the suspension of the quoted securities of the Company in June 2022 and recent market conditions, the Company has agreed with the VIT Vendor to amend the calculation to determine the number of VIT Milestone One Shares.
- Up to \$500,000 of fully paid ordinary shares (**VIT Milestone Two Shares**) calculated on the basis of the 15 day VWAP of the Company prior to 31 December 2022. The VIT Milestone Two Shares are to be issued if, any the conclusion of the 12 month ended 30 June 2023, the revenue of VIT is \$1.2 million or more. If the revenue of VIT for the period is less than \$1.2 million but is \$900,000 or more, the number of VIT Milestone Two Shares to be issued shall be reduced on a pro rata basis. If the revenue of VIT for the period is less than \$900,000 then no VIT Milestone Two Shares will be issued.

The Company has sought a waiver of ASX Listing Rule 7.3.4 to permit the issue of the VIT Milestone One Shares on or before 31 January 2023 to allow for the relevant VWAP calculation to take place. As noted above, the milestone for issue of the VIT Milestone One Shares has already been achieved.

The Company has sought a waiver of ASX Listing Rule 7.3.4 to permit the issue of the VIT Milestone Two Shares no later than 30 September 2023 and confirmation from ASX that the terms of the VIT Milestone Two Shares to be issued upon and subject to the satisfaction of the milestone described above are appropriate and equitable in accordance with ASX Listing Rule 6.1.

The Company confirms that the VIT Milestone Two Shares are being issued as part of the consideration for the acquisition of VIT and will only be issued if the relevant milestone is achieved. The milestones applicable for the issue of the VIT Milestone One Shares and VIT Milestone Two Shares respectively are linked to the standalone performance of the VIT business. The milestones were negotiated by the Company with the rationale of ensuring a portion of the consideration is aligned with the short term performance of VIT. By making a portion of the consideration contingent on the achievement of revenue milestones, the Company is seeking to manage risks inherent in the acquisition of third party entities with respect to consistency of ongoing performance, as well as to align the interests of the VIT Vendors with those of the shareholders of the Company in seeking ongoing successful performance of VIT.

ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not, subject to specific exceptions, issue or agree to issue during any twelve month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the company's issued share capital at the commencement of the twelve month period. One circumstance where an action or an issue is not taken into account in calculating the 15% threshold is where the issue has prior approval of shareholders at a general meeting.

If shareholders approve Resolutions 2A and 2B, the Company will be able to issue the securities the subject of those Resolutions. The issue of those securities will also increase the capacity of the Company to issue equity securities under ASX Listing Rule 7.1 (and, subject to the relevant shareholder approval being held at the time, ASX Listing Rule 7.1A). If shareholders do not approve Resolutions 2A and/or 2B, the Company may seek to issue the securities under its existing placement capacity under ASX Listing Rule 7.1 and such securities, if issued, will continue to use the placement capacity of the Company under ASX Listing Rule 7.1 until such time as the prior issue of the securities was ratified by shareholders or 12 months after the issue has elapsed.

The following information is provided in accordance with ASX Listing Rule 7.3 for Resolutions 2A and 2B:

- The VIT Milestone One Shares and VIT Milestone Two Shares are to be issued to the VIT Vendor, being the former holder of 100% of the issued capital of Virtual Information Technology Pty Limited.
- The maximum number of fully paid ordinary shares under Resolution 2A is (being the VIT Milestone One Shares) equal to \$500,000 divided by the price per VIT Milestone One Share to be calculated on the 15-day VWAP prior to 31 December 2022. The maximum number of fully paid ordinary shares under Resolution 2B is (being the VIT Milestone Two Shares) equal to \$500,000 divided by the price per VIT Milestone Two Share to be calculated on the 15-day VWAP prior to 30 June 2023. The number of VIT Milestone Two Shares to be issued will be less than \$500,000 worth in the event the revenue of VIT for the 12 month period ended 30 June 2023 is less than \$1.2 million but more than or equal to \$900,000, noting that no VIT Milestone Two Shares will be issued if the revenue of VIT for that period is less than \$900,000.
- The VIT Milestone One Shares are proposed to be issued on or before 31 January 2023 and the VIT Milestone Two Shares are proposed to be issued on or before 30 September 2023, subject to ASX granting a waiver of ASX Listing Rule 7.3.4 as described above. In the event that ASX does not grant a waiver of ASX Listing Rule 7.3.4 then the VIT Milestone One Shares and VIT Milestone Two Shares will not be issued pursuant to the shareholder approval sought under Resolutions 2A and 2B and the Company may in future refresh the shareholder approval or seek to issue the VIT Milestone One Shares and VIT Milestone Two Shares under the placement capacity available to the Company under the ASX Listing Rules.
- The consideration for the issue of the VIT Milestone One Shares and VIT Milestone Two Shares is 100% of the issued capital of VIT.
- No funds will be raised from the issue of the VIT Milestone One Shares and/or the VIT Milestone Two Shares, which are being issued as part consideration for acquisition of 100% of the issued capital of VIT.
- The VIT Milestone One Shares and VIT Milestone Two Shares are to be issued under a binding but conditional agreement to acquire VIT, the material terms of which are summarised in Annexure B.
- A voting exclusion statement as set out in the Notice applies to Resolutions 2A and 2B.

Director recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolutions 2A and 2B.

Resolutions 3A and 3B – adoption of employee incentive schemes

Resolutions 3A and 3B seek shareholder approval for the adoption of three separate employee incentive schemes (**Plans**), being the PRP and LSP. A summary of each of the Plans forms Annexures E and F and a copy of the Plans (or either one of them) can be provided upon request to the Company.

The Plans were previously adopted at the 2020 AGM of the Company on 25 August 2020 and were refreshed at the general meeting of shareholders on 31 March 2021 and the 2021 AGM on 24 September 2021. The Company is seeking approval to renew the adoption of the Plans with increased limits on the number of securities to be issued under the Plans by an aggregate of 25,000,000 to accommodate future staff issues.

No directors or their associates will participate in any of the Plans or receive any securities under any of the Plans unless and until further shareholder approval of specific issues to them is obtained.

Regulation Requirements –ASX Listing Rules Chapter 7

ASX Listing Rule 7.1 requires that shareholder approval is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.2 Exception 13 provides an exception to ASX Listing Rule 7.1 for securities issued under an employee incentive scheme within 3 years of shareholder approval of the scheme. The Company therefore seeks approval of the Plans under ASX Listing Rule 7.2 Exception 13 so that issues of securities under the Plans does not impede the capacity of the Company to issue up to a further 15% of its capital without shareholder approval.

Details of any issues of securities under the Plans since they were last approved are set out below:

- **PRP:** 6,250,000 performance rights were issued under the PRP on 7 September 2020 and an Appendix 3G for the issue was released to ASX on that date. A further 16,250,000 performance rights were issued under the PRP on 28 May 2021 and two Appendix 3G's were released to ASX on that date. A further 1,000,000 performance rights were issued under the PRP on 18 November 2021 and an Appendix 3G was released to ASX on that date. A further 3,000,000 performance rights were issued under the PRP on 15 March 2022 and an Appendix 3G was released to ASX on 17 March 2022. A further 1,000,000 performance rights were issued under the PRP on 3 May 2022 and an Appendix 3G was released to ASX on 3 May 2022.
- **LSP:** 2,250,000 loan plan shares were issued under the LSP on 28 October 2020 and an Appendix 3G was released to ASX on that date. A further 9,869,000 loan plan shares were issued under the LSP on 22 July 2021 and an Appendix 3G was released to ASX on that date. A further 11,580,000 loan plan shares were issued under the LSP on 3 May 2022 and an Appendix 3G was released to ASX on 4 May 2022.

The maximum number of securities that may be issued under the LSP and PRP (in aggregate) is 93,000,000 securities, being an increase of 25,000,000 from the limit approved by shareholders on 24 September 2021. The Company has also already issued the securities under the Plans as described above. As noted above, the Company seeks to increase the limits on the number of securities to be issued under the Plans to accommodate future staff issues.

The remaining capacity under the Plans will be reserved for future issues subject to Board discretion at the relevant time. Any issue of securities under any of the Plans will be announced to ASX.

Corporations Act – Resolution 3B

Approval is sought under Resolution 3B for the purposes of sections 259B and 260C of the Corporations Act 2001 (Cth).

The LSP provides that the Company may provide financial assistance (in the form of an interest free, limited recourse loan) to participants to fund the acquisition price of shares issued under the LSP, further details of which are set out in summary in Annexure F.

Under section 260C(4) of the Corporations Act, a company may financially assist a person to acquire its shares if the financial assistance is given under an employee share scheme that is approved by shareholders at a general meeting. The LSP provides that the Company may financially assist a person to acquire Loan Plan Shares by providing financial assistance in the form of a loan. This may be considered to be the Company providing financial the acquisition of its own shares or other securities. Accordingly Resolution 3B seeks approval of the Plan for the purposes of section 260C(4) of the Corporations Act.

The LSP also provides for the Company to take security over the shares issued under the LSP, and to place restrictions on transfer, as a means of security loan repayment obligations. This may also constitute taking security over its own shares. Section 259B(1) of the Corporations Act provides that a company must not take security over shares in itself except as permitted by the Corporations Act. Section 259B(2) provides that the Company may take security over shares in itself under an employee share scheme that has been approved by

shareholders at a general meeting. Resolution 3B seeks approval of the LSP for the purposes of section 259B(2) of the Corporations Act.

Note: all monetary amounts are in Australian dollars.

ANNEXURE A
SUMMARY OF MATERIAL TERMS OF EXCITE ACQUISITION

The material terms of the binding but conditional agreement under which the Company proposes acquiring Excite IT Pty Limited (**Excite**) is set out below. The issue of all securities under the conditional agreement are subject to shareholder approval which is sought under Resolutions 1A to 1E of the Addendum:

Vendors

Bryan Saba and Nina Saba are the holders of 100% of the issued capital of Excite (**Excite Vendors**).

Bryan Saba is proposed to be appointed as the Managing Director and CEO of the corporate group of the Company. The Company proposes entering into a market based services agreement with Bryan Saba as a condition precedent of the acquisition, including to have further shares issued on conditional short term operating hurdles and the issue of performance rights referable to long term targets of the Company group. Further details are set out below and in Resolutions 1C to 1E of the Addendum and in the Memorandum.

Consideration

The consideration payable for the acquisition of Excite from the Excite Vendors comprises:

- upfront cash consideration of \$1,250,000 (less any required balance sheet adjustments).
- upfront equity consideration of 100,000,000 fully paid ordinary shares in the capital of the Company (**Consideration Shares**) at a deemed issue price of \$0.01 (1 cent) per Consideration Share.
- \$500,000 as deferred cash consideration, payable on the date that is 12 months from completion.
- If, for the 12 months ending 30 June 2023, the EBITDA of the Excite business on a standalone basis is no less than \$800,000, a further 50,000,000 fully paid ordinary shares in the capital of the Company (**Deferred Consideration Shares**) at a deemed issue price of \$0.01 (1 cent) per Deferred Consideration Share.

Services Agreement

The Company offering, and Bryan Saba accepting, a market based service agreement is a condition precedent. Under the terms of the service agreement the Company proposes issuing the following securities to Bryan Saba (or his nominee(s)):

- \$500,000 of fully paid ordinary shares in the Company (**Excite Milestone One Shares**) if:
 - the normalised revenues of the Company are greater than \$6.5 million for the 12 months ending 30 June 2023; or
 - the EBITDA is positive for the 6 months to 30 June 2023.

The number of Excite Milestone One Shares to be issued shall be calculated by dividing \$500,000 by the 30 day VWAP of the shares of the Company prior to 30 June 2023. The Excite Milestone One Shares shall be subject to voluntary escrow until 30 June 2024.

- \$500,000 of fully paid ordinary shares in the Company (**Excite Milestone Two Shares**) if:
 - the normalised revenues of the Company are greater than \$7.5 million for the 12 months ending 30 June 2024; or
 - the EBITDA is greater than or equal to \$500,00 for the 12 months to 30 June 2024.

The number of Excite Milestone Two Shares to be issued shall be calculated by dividing \$500,000 by the 30 day VWAP of the shares of the Company prior to 30 June 2024. The Excite Milestone Two Shares shall be subject to voluntary escrow until 30 June 2025.

- An aggregate of 30,000,000 performance rights (**Excite Performance Rights**) under a performance rights plan proposed to be adopted by the Board prior to completion of the acquisition of Excite for the specific purpose of the issue of the Excite Performance Rights. The tranches of Excite Performance Rights are:
 - 10,000,000 Excite Performance Rights vest upon the shares of the Company achieving and sustaining a 30 day VWAP of \$0.03.
 - 10,000,000 Excite Performance Rights vest upon the shares of the Company achieving and sustaining a 30 day VWAP of \$0.04.
 - 10,000,000 Excite Performance Rights vest upon the shares of the Company achieving and sustaining a 30 day VWAP of \$0.05.

Excite Performance Rights expire 5 years from issue.

If there is a change of control in the Company prior to 30 June 2024 (control being as defined in section 50AA of the Corporations Act) then the Milestone One Shares and Milestone Two Shares immediately vest and become payable either as fully paid ordinary shares or in cash, at the election of the Excite Vendors.

Conditions Precedent

The acquisition of Excite by the Company is conditional upon various conditions precedent, including:

- The Company completing due diligence.
- The Company raising sufficient funds for the upfront cash consideration.
- The Company obtaining all necessary shareholder and ASX approvals (which include the approvals sought under Resolutions 1A and 1B).
- The Company offering, and Bryan Saba accepting, a market based service agreement.
- Other completion conditions typical for transactions of this kind, including absence of any material adverse event.

Other terms

The agreement otherwise contains terms typical for an arrangement of this kind including balance sheet adjustment items, provisions for completion and representations and warranties underpinned by indemnities given by each of the parties to the agreement.

ANNEXURE B
SUMMARY OF REMAINING MATERIAL TERMS OF VIT ACQUISITION

The material terms of the agreement under which the Company acquired 100% of the issued capital of Virtual Information Technology Pty Limited (**VIT**). As noted above, the Company completed the acquisition of VIT on 25 November 2021 and issued the VIT Vendor 10,200,00 fully paid ordinary shares as part consideration for the acquisition under the placement capacity available to the Company under ASX Listing Rule 7.1.

The material terms set out herein relate to post-completion provisions:

Deferred consideration

The Company is seeking shareholder approval for the issue of the following deferred securities that are to be issued to the VIT Vendor, subject to and conditional upon satisfaction of the applicable milestone:

- \$500,000 of fully paid ordinary shares (**VIT Milestone One Shares**) calculated on the basis of the 15 day VWAP of the Company prior to 31 December 2022. The issue of the VIT Milestone One Shares was subject to the revenue of VIT being \$900,000 or more for the 12 months ended 30 June 2022, which was achieved. The calculation of the number of VIT Milestone One Shares to be issued was initially proposed to be on the basis of the 15 day VWAP to 30 June 2022, however given the suspension of the quoted securities of the Company in June 2022 and recent market conditions, the Company has agreed with the VIT Vendor to amend the calculation to determine the number of VIT Milestone One Shares.
- Up to \$500,000 of fully paid ordinary shares (**VIT Milestone Two Shares**) calculated on the basis of the 15 day VWAP of the Company prior to 31 December 2022. The VIT Milestone Two Shares are to be issued if, any the conclusion of the 12 month ended 30 June 2023, the revenue of VIT is \$1.2 million or more. If the revenue of VIT for the period is less than \$1.2 million but is \$900,000 or more, the number of VIT Milestone Two Shares to be issued shall be reduced on a pro rata basis. If the revenue of VIT for the period is less than \$900,000 then no VIT Milestone Two Shares will be issued.

Executive Services Agreement

The Company has entered into an executive services agreement with the founder of VIT that includes a market based salary and the issue of 2.5 million performance rights which occurred on 15 March 2022.

Other terms

The agreement otherwise contains terms typical for an arrangement of this kind including representations and warranties underpinned by indemnities given by each of the parties to the agreement and provisions with respect to confidentiality.

ANNEXURE C
TERMS OF PERFORMANCE RIGHTS

Performance Rights have the following milestones:

- 10,000,000 Excite Performance Rights vest upon the shares of the Company achieving and sustaining a 30 day VWAP of \$0.03.
- 10,000,000 Excite Performance Rights vest upon the shares of the Company achieving and sustaining a 30 day VWAP of \$0.04.
- 10,000,000 Excite Performance Rights vest upon the shares of the Company achieving and sustaining a 30 day VWAP of \$0.05.

Reference in this Annexure C to “Applicable Milestone” is to the milestone outlined above applicable to that relevant Performance Rights. The common terms of Performance Rights are set out below:

- (a) A Performance Right is a right to receive a Share in the capital of the Company subject to satisfaction of an Applicable Milestone.
- (b) Any Performance Right that has not converted to a Share on the date that is five (5) years from issue (**Lapse Date**) lapses.
- (c) A Performance Right does not entitle the Holder to attend, or vote on any resolutions proposed at, a general meeting of shareholders of the Company.
- (d) A Performance Right does not entitle the Holder to any dividends.
- (e) Upon winding up of the Company, a Performance Right may not participate in the surplus profits or assets of Company.
- (f) A Performance Right is not transferable unless otherwise determined by the Board.
- (g) In the event that the issued capital of the Company is reconstructed, and the Company is listed on ASX at the relevant time, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holders are not diminished or terminated.
- (h) This clause applies whilst the Company is listed on ASX. Performance Rights will not be quoted on ASX. Upon conversion of a Performance Right in an ordinary share in the Company (Share) in accordance with these terms, the Company must within seven (7) days from the date of conversion, apply for and use best endeavours to obtain official quotation on ASX of the Shares arising from conversion.
- (i) Holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (j) This clause applies whilst the Company is listed on ASX. The terms of the Performance Rights may be amended as necessary by the Board to comply with the ASX Listing Rules, or any direction of ASX regarding the terms provided that, subject to compliance with the ASX listing rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (k) A Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (l) The continued service of the Holder is not a condition of the Performance Right, and those rights will not lapse if the Holder ceases to be an employee or director of the Company.

- (m) In the event the Applicable Milestone(s) is satisfied prior to the Lapse Date, Performance Rights held by a Holder will convert into an equal number of Shares. Only those Performance Rights to which the satisfied Applicable Milestone was the milestone will convert to Shares and all other Performance Rights will remain unconverted until the earlier of satisfaction of the Applicable Milestone applying to them or the Lapse Date. The conversion of Performance Rights is subject to applicable laws and, in particular, the conversion not resulting in a breach of section 606 of the Corporations Act 2001 (Cth).
- (n) If the Applicable Milestone for a Performance Right is not achieved by the Lapse Date, all Performance Rights for which that milestone is the Applicable Milestone will lapse and be deemed to have been cancelled without payment or other compensation to the Holder.
- (o) The Shares into which the Performance Rights will convert will rank *pari passu* in all respects with existing Shares and, if the Company is listed on ASX, an application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (p) The conversion of Performance Rights is subject to compliance at all times with the Corporations Act and the Listing Rules of ASX (if the Company is listed on ASX at the relevant time).

ANNEXURE D
TERMS OF EXCITE PERFORMANCE RIGHTS PLAN

The Company proposes adopting the Performance Rights Plan (**Plan** in this Annexure D) for the purposes of offering the Excite Performance Rights to Bryan Saba (or his nominee(s)) as long term incentives. The Plan is proposed to be adopted by the Board at or about completion of the acquisition by the Company of 100% of the issued capital of Excite.

The maximum number of securities that may be issued under the Plan is 30,000,000, being all of the Excite Performance Rights to be issued to Bryan Saba (or his nominee(s)).

Any issues of Performance Rights or agreements to issue Performance Rights under the PRP will be announced to ASX. The Board will determine what Applicable Milestones apply to Performance Rights, including the date by which such Applicable Milestones must be satisfied and any applicable vesting conditions. Satisfaction of Applicable Milestones (including vesting) is as determined by the Board. The Applicable Milestones for the Excite Performance Rights, being the only securities to be issued under the Plan, are described in Annexure C.

Upon satisfaction of all Applicable Milestones, shares will automatically issue and be transferred to the holder (unless prohibited by the Corporations Act or if the Company is in a blackout period as defined in the Company's Securities Trading Policy) in which case the shares shall be transferred as soon as reasonably practicable.

If an Eligible Person ceases their employment or office with the Company and/or its subsidiaries due to total and permanent disability or death, any Performance Rights inure for the benefit of the estate of the Participant.

The terms of Performance Rights shall otherwise be as determined by the Board.

The Board has discretion to administer the Plan (which may be delegated to a committee), including in the event of a variation to the Company's share capital to adjust the terms of Performance Rights, as well as determine to suspend, terminate or reinstate the Plan without notice. The Plan and any offers of Performance Rights under it are subject to the law, the ASX Listing Rules and the Constitution.

ANNEXURE E
SUMMARY OF CIPHERPOINT PERFORMANCE RIGHTS PLAN

The Company proposes adopting the PRP as a long-term incentive plan aimed at creating a strong link between Director and key management personnel performance and reward and increasing shareholder value by enabling current or prospective Directors and key management personnel (each an **Eligible Person**) to have greater involvement, and share in, future growth and profitability of the Company.

Shareholder approval for adoption of the PRP will be sought at the Shareholder Meeting.

Under the PRP, the Board may offer rights to acquire shares (**Performance Rights**) to Eligible Persons. An Eligible Person (or their nominee) who validly accepts an offer becomes a participant in the PRP. Performance Rights may only be transferred upon a Participant becoming deceased.

Any issues of Performance Rights or agreements to issue Performance Rights under the PRP will be announced to ASX.

The Board will determine what Applicable Milestones apply to Performance Rights, including the date by which such Applicable Milestones must be satisfied and any applicable vesting conditions. Satisfaction of Applicable Milestones (including vesting) is as determined by the Board.

Upon satisfaction of all Applicable Milestones, shares will automatically issue and be transferred to the Participant (unless prohibited by the Corporations Act or if the Company is in a blackout period as defined in the Company's Securities Trading Policy) in which case the shares shall be transferred as soon as reasonably practicable.

Unless otherwise determined by the Board, the Performance Rights will lapse on the earlier of Applicable Milestones not being satisfied by the set date or if the Participant ceases to be an Eligible Person and has not been employed or otherwise engaged by the Company for a continuous period of 18 months from issue of the Performance Rights.

If an Eligible Person ceases their employment or office with the Company and/or its subsidiaries due to total and permanent disability or death, any Performance Rights inure for the benefit of the estate of the Participant.

The Board has discretion to administer the Plan (which may be delegated to a committee), including in the event of a variation to the Company's share capital to adjust the terms of Performance Rights, as well as determine to suspend, terminate or reinstate the Plan without notice. The Plan and any offers of Performance Rights under it are subject to the law, the ASX Listing Rules and the Constitution.

ANNEXURE F
SUMMARY OF CIPHERPOINT LOAN SHARE PLAN

- (a) **Eligibility:** Participants in the LSP may be salaried employees or executive or (where approved by the Board non-executive) directors of the Company or any of its subsidiaries (**Employee Participants**).
- (b) **Administration of Plan:** The Board, or a duly appointed committee of the Board, is responsible for the operation of the LSP.
- (c) **Invitations:** The Board of Directors may issue an invitation to the Employee Participant to participate in the LSP. The invitation will:
 - (i) invite applications for the number of shares (**Plan Shares**) specified in the invitation;
 - (ii) specify the date of issue of the Plan Shares;
 - (iii) specify the issue price for the Plan Shares;
 - (iv) invite applications for a loan up to the amount payable in respect of the Plan Shares accepted by the Employee Participant in accordance with the invitation;
 - (v) any vesting conditions applicable to the Plan Shares; and
 - (vi) specify any other terms and conditions attaching to the Plan Shares.

The number of Plan Shares will be determined at the absolute discretion of the Board.

- (d) **Employee Loan:** An Employee Participant who is invited to subscribe for Plan Shares may also be invited to apply for a loan up to the amount payable in respect of the Plan Shares accepted by the Employee Participant (**Employee Loan**), on the following terms:
 - (i) the Employee Loan must be made solely to the Employee Participant and in the name of that Employee Participant;
 - (ii) the Employee Loan will be interest free;
 - (iii) the Employee Loan will be limited recourse, the effect of which is that if all of the Shares issued in respect of the Employee Loan are sold by the Company on behalf of the Employee Participant, the Employee Participant's liability is discharged regardless of the sale price;
 - (iv) the Employee Loan made available to an Employee Participant shall be applied by the Company directly toward payment of the issue price of the Plan Shares;
 - (v) the Employee Loan must be repaid on the earlier to occur of:
 - (A) a Liquidity Event (defined below) occurring;
 - (B) the date on which the Plan Shares have been compulsorily divested in accordance with the Plan rules; and
 - (C) the date on which an Employee Participant disposes of, or attempts to dispose of, the Plan Shares;
 - (vi) an Employee Participant may elect to repay the Employee Loan amount in respect of any or all of the Plan Shares at any time prior to expiry of the term of the Employee Loan;
 - (vii) any fees, charges and stamp duty payable in respect of an Employee Loan will be payable by the Employee Participant;

- (viii) the Company shall have security over the Plan Shares in respect of which an Employee Loan is outstanding and the company shall be entitled to sell those Plan Shares in accordance with the terms of the LSP; and
 - (ix) Plan Shares will not be tradeable by an Employee Participant until the Employee Loan amount in respect of those Plan Shares has been repaid and the Company will retain the share certificate in respect of such Plan Shares until the Employee Loan has been repaid.
- (e) **Divestment of Plan Shares:** If, prior to repayment of an Employee Loan by an Employee Participant, the Employee Participant:
- (i) ceases employment with the Company as a result of the Employee Participant's termination without notice, resignation, gross negligence or serious and wilful misconduct (**Bad Leaver**), does not satisfy any relevant vesting conditions, acts fraudulently or dishonestly, becomes insolvent or fails to repay the Employee Loan on the due date for repayment,
 - (A) the Employee Participant will retain all vested Plan Shares; and
 - (B) all of the unvested Plan Shares will be compulsorily divested on a date determined by the Board;
 - (ii) ceases employment with the Company and is not a Bad Leaver (or the Board considers that the Employee Participant should not be treated as a Bad Leaver):
 - (A) the Employee Participant will retain all vested Plan Shares; and
 - (B) all of the Employee Participant's Plan Shares will be compulsorily divested on a date determined by the Board, unless the Board provides express written consent that the Employee Participant may retain any or all of such unvested Plan Shares.
- (f) **Liquidity Event:** If a change of control occurs (**Liquidity Event**), or the Board determines such event is likely to occur:
- (i) the Board may in its absolute discretion determine the manner in which any or all of the Employee Participant's Plan Shares (whether vested or unvested) will be dealt with which may include, without limitation, in a manner that allows the Employee Participant to participate in and/or benefit from any transaction arising from or in connection with the Liquidity Event and/or the re-designation of any or all of the Employee Participant's Plan Shares; and
 - (ii) if required, the Employee Participant must do and procure all things the Board considers necessary or appropriate to facilitate the variation of the rights of their Plan Shares such that, following such variation, they are ordinary shares in the capital of the Company.
- (g) **Restriction on transfer:** Employee Participants may not sell or otherwise deal with a Plan Share until the Employee Loan amount in respect of that Plan Share has been repaid and until the expiry of the qualifying period in respect of the Plan Shares, if any, that may be imposed by the Board and set out in the invitation.
- (h) **Voting of Plan Shares:** Employee Participants grant to the Company an irrevocable power of attorney pursuant to which it appoints the Company Secretary as its proxy to vote the Plan Shares at its discretion; and
- (i) **Rights attaching to Plan Shares:** Plan Shares will rank equally in all respects (other than with respect to any restrictions on transfer specified above or otherwise imposed by the Board) with other Shares on issue.

