



LINIUS TECHNOLOGIES LIMITED

ACN 149 796 332

Notice of General Meeting and Explanatory Statement

Notice is given that a General Meeting of
Linus Technologies Limited ACN 149 796 332
will be held at the offices of
Norton Rose Fulbright
RACV Tower, Level 15, 485 Bourke Street, Melbourne, Victoria
on 19 April 2018
commencing at 11.00am AEST

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NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of the Shareholders of Linus Technologies Limited ACN 149 796 332 (**Company**) will be held at the offices of Norton Rose Fulbright, RACV Tower, Level 15, 485 Bourke Street, Melbourne, Victoria on 19 April 2018 commencing at 11.00am AEST.

AGENDA

The Explanatory Statement which accompanies and forms part of this Notice of Meeting describes the various Resolutions to be considered at the Meeting.

Terms and expressions used in this Notice of Meeting have the meaning given to them in the "Definitions" section located at the end of the Explanatory Statement.

1. Ratification of prior issue of Securities – February 2018 placement (LR 7.1 issue)

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

"That, for the purposes of ASX Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the prior issue by the Company under ASX Listing Rule 7.1 of 40,625,016 Options on the terms and conditions and in the manner detailed in the Explanatory Statement."

Voting Exclusion:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (or any associates of that person) who participated in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed

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

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

2. Ratification of prior issue of Securities – February 2018 placement (LR 7.1A issue)

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

"That, for the purpose of ASX Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the prior issue by the Company under ASX Listing Rule 7.1A of 81,250,000 Shares on the terms and conditions and in the manner detailed in the Explanatory Statement."

Voting Exclusion:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (or any associates of that person) who participated in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed

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

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

3. Approval for the issue of Securities to Gerard Bongiorno

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

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue by the Company of 2,083,334 Shares and 1,041,667 Options to Gerard Bongiorno (or his nominees) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Gerard Bongiorno and any of his nominees or any of their associates.

However, the Company need not disregard a vote on this Resolution:

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

4. Approval for the issue of Securities to Technical Investing

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue by the Company of 20,833,334 Shares and 10,416,667 Options to Technical Investing Pty Ltd (or its nominees) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Technical Investing Pty Ltd and any of its nominees or any of its associates.

However, the Company need not disregard a vote on this Resolution:

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

OTHER BUSINESS

To consider any other business that may be lawfully brought forward.

BY ORDER OF THE BOARD



Stephen Kerr
Company Secretary
15 March 2018

Information regarding voting and proxies

Snapshot Date – Eligibility to Vote

For the purposes of voting at the Meeting, the Directors have determined that the shareholding of each Shareholder will be as it appears in the share register at 7.00 pm AEST on 17 April 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlement to vote at the Meeting.

Important voting information

The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on the Resolutions.

The Chair of the Meeting intends to vote all undirected proxies in favour of each Resolution.

Proxies

A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy. The proxy may be an individual or a body corporate. A proxy need not be a Shareholder.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions).

Proxy forms must be signed by the Shareholder or the Shareholder's attorney or, if the Shareholder is a company, must be signed by 2 directors or by a director and a secretary or, if it is a proprietary company that has a sole director who is also the sole secretary (or has no secretary), by that director, or under hand of its attorney or duly authorised officer. If the proxy form is signed by a person who is not the registered holder of the shares (e.g. an attorney), then the relevant authority (e.g. in the case of proxy forms signed by the attorney, the power of attorney or a certified copy of the power of attorney) must either have been exhibited previously to the Company or be enclosed with the proxy form.

For an appointment of a proxy to be valid, the form appointing the proxy and, if the form is signed under a power of attorney or other authority, the authority under which the form is signed (or a certified copy of the authority) must be received at the following addresses or by fax at least 48 hours prior to the General Meeting at which the proxy intends to vote:

- a) **Hand Delivery** – Linus Technologies Limited, Level 18, 101 Collins Street, Melbourne VIC 3000;
- b) **Post** - Linus Technologies Limited, Level 18, 101 Collins Street, Melbourne VIC 3000; or
- c) **Email** – info@linus.com
- d) **Facsimile** – +61 3 8680 2380

A proxy form accompanies this Notice of General Meeting. Additional proxy forms are available on request from the registered office of the Company or its share registry. The proxy form contains important information and other instructions which Shareholders should carefully read.

Corporate Representatives

A Shareholder which is a body corporate and which is entitled to attend and vote at a meeting of Shareholders may appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at meetings of Shareholders or in the capacity of a Shareholder's proxy. The appointment may be a standing one. Unless otherwise specified in the appointment, the representative may exercise, on the body corporate's behalf, all of the powers that the body could exercise at a meeting or in voting on a resolution. The representative must present satisfactory evidence that they are authorised to act as the company's representative prior to admission to the Meeting.

EXPLANATORY STATEMENT

PURPOSE OF INFORMATION

The purpose of this Explanatory Statement (which accompanies, and forms part of, the Notice of Meeting) is to provide Shareholders with an explanation of the business to be considered and Resolutions to be proposed at the General Meeting of Linus Technologies Limited ACN 149 796 332 to be held at 11.00am AEST on 19 April 2018 and to allow Shareholders to determine how they wish to vote on those Resolutions.

Terms and expressions used in this Explanatory Statement have the meaning given to them in the "Definitions" section located at the end of this Explanatory Statement.

Shareholders are encouraged to carefully read this Explanatory Statement and the Notice of Meeting in their entirety before deciding how to vote on each resolution. Shareholders should consult their financial or other adviser if they are undecided about what to do.

1. Ratification of prior issue of Securities – Feb 2018 placement (LR 7.1 and 7.1A issues) (Resolutions 1 & 2)

1.1 Background

On 21 February 2018, the Company announced to ASX that it had completed a placement to raise \$10,000,000 by the issue of 83,333,334 Shares and 41,666,667 free-attaching Options issued to sophisticated and professional investors, none of whom are related parties of the Company (with the exception of Gerard Bongiorno, a Director, approval for the issue of securities to whom is sought under Resolution 3) (**Placement**).

The Company issued the Securities within the 15% annual limit set out in ASX Listing Rule 7.1 and the 10% annual limit set out in ASX Listing Rule 7.1A (described below). By issuing those Securities under the Placement, the Company's capacity to issue further Equity Securities without Shareholder approval within those limits was accordingly reduced.

Resolutions 1 and 2 seek Shareholder approval for the prior issue of the Shares to the placees noted above. They are proposed as ordinary resolutions and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the Resolutions. Shareholders' attention is drawn to the voting exclusion statement in relation to Resolutions 1 and 2 in the Notice.

1.2 ASX Listing Rules 7.1, 7.1A and 7.4

Subject to a number of exceptions, in general terms, ASX Listing Rule 7.1 limits the number of Equity Securities (for example, shares, options and convertible notes) that a listed company may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued ordinary shares (**15% share issue capacity**).

ASX Listing Rule 7.1A provides that certain eligible companies may seek shareholder approval at its annual general meeting (**AGM**) to issue up to a further 10% of its fully paid ordinary securities on issue at the start of the 12 month period commencing on the date of the AGM (**10% share issue capacity**). The Company is an eligible company and sought and received shareholder approval to the 10% share issue capacity at its AGM on 28 November 2017. The shareholder approval is valid until the earlier of 12 months from the date of the AGM (that is, until 28 November 2018) or, if the Company undertakes a significant transaction requiring shareholder approval under Listing Rule 11.1.2 or 11.2, the date the shareholders approve that transaction.

Without Shareholder approval pursuant to ASX Listing Rule 7.4, the issues will be counted towards the Company's 15% share issue capacity and 10% share issue capacity respectively and will therefore reduce the Company's capacity to issue securities in the future without obtaining Shareholder approval.

Accordingly, these resolutions seek shareholder approval to allow the Company to substantially refresh its 15% share issue capacity (Resolution 1) and 10% share issue capacity (Resolution 2).

1.3 Information required for Shareholder approval under ASX Listing Rules

In accordance with ASX Listing Rule 7.5, the following information is provided for Shareholders:

- (1) 40,625,016 Options were issued under the Company's ASX Listing Rule 7.1 (15%) capacity on 2 March 2018;
- (2) 81,250,000 Shares were issued under the Company's ASX Listing Rule 7.1A (10%) capacity on 2 March 2018;
- (3) The Shares were issued at \$0.12 per Share and the Options were issued as free-attaching to the Shares on the basis of one Option for every two Shares issued (with fractions rounded up).
- (4) The Shares rank equally with all other Shares on issue in the Company, and each Option was issued with an exercise price of \$0.16 and an expiry date 30 September 2019, and otherwise on the terms and conditions set out in the Schedule. The Options are quoted on ASX under code "LNUOA".
- (5) The funds were raised for ongoing commercialisation of the Company's four target divisions (with a focus on the USA), scaling the utilisation of virtual video, ongoing product development and general working capital purposes.

1.4 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 1 and 2.

2. Approval for issue of Securities to Gerard Bongiorno – February 2018 placement (Resolution 3)

2.1 Background

As announced to ASX on 21 February 2018, Mr Gerard Bongiorno, a Director, agreed to subscribe for 2,083,334 Shares and 1,041,667 Options under the Placement, subject to the Company obtaining Shareholder approval for the issue of those Shares. Further details of the Placement are set out in Section 1 above.

Accordingly, the Company seeks Shareholder approval for the subscription of those Securities (**Director Capital Raising Securities**).

ASX Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders.

Resolution 3 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of the Director Capital Raising Securities to Mr Bongiorno (and/or his nominee). If approval is given under ASX Listing Rule 10.11, Shareholder approval is not required under ASX Listing Rule 7.1.

Furthermore, Shareholder approval of the issue of the Director Capital Raising Securities means that these issues will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 3 is an ordinary resolution.

2.2 Information required for Shareholder approval under ASX Listing Rules

In accordance with ASX Listing Rule 10.13, the following information is provided for Shareholders:

- (1) Mr Bongiorno is a related party of the Company by virtue of his being a Director.
- (2) The maximum number of Securities to be issued to Mr Bongiorno (and/or his nominee) is 2,083,334 Shares and 1,041,667 Options.

- (3) The issue of the Director Capital Raising Securities will occur no later than one month after the date of the Meeting.
- (4) The Director Capital Raising Securities will be issued at an issue price of \$0.12 per Share, being the issue price under the Placement, and the Options are issued free in line with the Placement. The Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company. The Options will have an exercise price of \$0.16 and an expiry date 30 September 2019, and otherwise be on the terms and conditions set out in the Schedule. The Options will be quoted on ASX under code "LNUOA".
- (5) A voting exclusion statement is included in the Notice.
- (6) The funds raised from the issue of the Director Capital Raising Securities, being \$250,000, will be aggregated with and used for the same purpose as the funds raised from the Placement. See Section 1 above for further details.

3. Approval for the issue of Securities to Technical Investing Pty Ltd (Resolution 4)

3.1 Background

Resolution 4 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 20,833,334 Shares and 10,416,667 Options to Technical Investing Pty Ltd (or its nominees)

A summary of ASX Listing Rule 7.1 is set out in Section 1 above.

The effect of this Resolution will be to allow the Company to issue the Securities during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% share issue capacity.

3.2 Information required for Shareholder approval under ASX Listing Rules

In accordance with ASX Listing Rule 7.3, the following information is provided for Shareholders:

- (1) The maximum number of Securities proposed for issue is 20,833,334 Shares and 10,416,667 Options.
- (2) The Securities will be issued no later than three months after Shareholder approval.
- (3) The Shares will be issued at \$0.12 per Share and the Options are free-attaching to the Shares on the basis of one Option for every two Shares issued. This is the same pricing as under the Placement.
- (4) The allottee will be Technical Investing Pty Ltd ACN 111 646 032 and/or nominees, none of whom are related parties of the Company. Technical Investing Pty Ltd is an institutional investor and current Shareholder.
- (5) The Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company. The Options will have an exercise price of \$0.16 and an expiry date 30 September 2019, and otherwise be on the terms and conditions set out in the Schedule. The Options will be quoted on ASX under code "LNUOA".
- (6) The funds raised from the issue of the Shares, being \$2,500,000, will be aggregated with and used for the same purpose as the funds raised from the Placement. See Section 1 above for further details. No funds will be raised by the issue of the Options.
- (7) The Securities will be issued on one date no later than three months after Shareholder approval.

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

DEFINITIONS

Unless the context requires otherwise, the terms below have the following meanings in the Notice and Explanatory Statement (and Schedules):

ASX means Australian Securities Exchange.

Board means the board of Directors.

Company means Linus Technologies Limited ACN 149 796 332.

Constitution means the constitution of the Company.

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

Director or **Directors** means a director or the directors of the Company from time to time.

Equity Securities has the same meaning as in the ASX Listing Rules.

Explanatory Statement means this Explanatory Statement accompanying the Notice.

General Meeting or Meeting means the general meeting of the Company convened by the Notice of Meeting and any adjournment or postponement of it.

Notice or Notice of Meeting means this document which comprises the Company's Notice of General Meeting and the accompanying Explanatory Statement.

Option means an option to acquire a Share.

Resolutions means the resolutions set out in the Notice of Meeting.

Securities means Shares and Options.

Shareholder means a shareholder of the Company.

Share means a fully paid ordinary share in the Company.

A reference to time in the Notice and Explanatory Statement is to Melbourne time.

SCHEDULE – TERMS AND CONDITIONS OF OPTIONS

- (a) Each Option entitles the holder to subscribe for one Share upon the exercise of each Option.
- (b) The exercise price of each Option is \$0.16.
- (c) The Options will expire on 30 September 2019 (**Expiry Date**).
- (d) The Options are exercisable at any time on or prior to the Expiry Date.
- (e) The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and either payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (f) Shares issued on exercise of the Options will rank equally with the then issued fully paid ordinary shares of the Company.
- (g) Upon grant the Company will apply to ASX for quotation of the Options.
- (h) If the Shares of the Company are quoted on the ASX at the time of exercise of the Options, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (i) After an Option is validly exercised, the Company must, within 15 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option issue the Shares and do all such acts, matters and things to obtain the grant of official quotation of the Shares on ASX no later than 5 Business Days after issuing the Shares.
- (j) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to the Company shareholders during the currency of the Options. However, the Company will give the holders of Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (k) If the Company makes a bonus issue of shares or other securities to existing Company shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (l) If the Company makes an issue of Shares pro rata to the existing Company shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

- (m) If there is any reorganisation of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the ASX Listing Rules which apply to the reorganisation at the time of the reorganisation.
- (n) The Options are only transferable with the prior written approval of the Board and subject to compliance with the Corporations Act.
- (o) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

LIV**US**