



LINIUS TECHNOLOGIES LIMITED
ACN 149 796 332

**NOTICE OF
2020 ANNUAL GENERAL MEETING
EXPLANATORY STATEMENT
AND PROXY FORM**

Date of Meeting: 30 November 2020

Time of Meeting: 4:00 pm (AEDT)

Place of Meeting: Suite 0313, Level 3, 299 Toorak Road, South Yarra, Victoria

This Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their independent professional advisers prior to voting.

**SEE OVERLEAF FOR IMPORTANT INFORMATION
REGARDING MEETING ATTENDANCE AND VOTING**

Due to the current restrictions in place as a result of the COVID-19 pandemic, Shareholders are not to physically attend the Meeting and are to either attend the Meeting virtually, vote via proxy prior to the Meeting or appoint the Chair as their proxy.

IMPORTANT INFORMATION REGARDING MEETING ATTENDANCE AND VOTING

Due to current restrictions in place as a result of the Covid-19 pandemic and, in particular, the Government ban on large public gatherings and social distancing requirements, the Company may hold the Meeting physically but only in strictly limited numbers. Shareholders should note that attendance limits will include the officers of the Company and technical and advisory attendees.

While the Company is able to hold the Meeting physically albeit in strictly limited numbers and is required to invite Shareholders to attend the Meeting in person, the Company is hosting the Meeting virtually via a web-based meeting portal arranged for the Meeting to avoid the need for physical attendance. If you do attend and gathering limits have already been reached, you will not be granted entry into the Meeting.

The Board also considers that the health, safety and welfare of the Company's staff, its Shareholders and other stakeholders is of paramount importance.

All resolutions at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting, by appointing a proxy or by poll during the Meeting, such poll to be taken physically at the Meeting (albeit physical attendance is strongly discouraged) and electronically. Further details of the voting methods open to Shareholders are set out in detail below.

Shareholders are strongly encouraged to either vote prior to the Meeting or to appoint the Chair as their proxy.

The Board will continue to monitor the Covid-19 situation closely and details of any alternative arrangements for the Meeting will be issued to Shareholders electronically by no later than 14 days prior to the date of the Meeting.

The Company is aware that, at present, there are significant delays in the Australian postal system due to Covid-19, which may potentially adversely affect both the receipt and return of voting forms by Shareholders. Accordingly, the Board has despatched by email the Notice of Annual General Meeting and Explanatory Statement to all Shareholders who have provided an email address to the Company's share registrar. A copy of the Notice of Annual General Meeting and Explanatory Statement can also be accessed on the ASX company announcements platform at www.asx.com.au.

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to listen to the Meeting and vote online. Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website. Shareholders may submit questions ahead of the Meeting via the portal.

Shareholders are encouraged to submit any questions that they may wish to put to the Company during the Meeting by writing to Advanced Share Registry at admin@advancedshare.com.au, by no later than 4.00pm (AEDT) on 27 November 2020.

Enquiries

Shareholders are requested to contact the Company Secretary on +61 3 8672 7186 or email admin@advancedshare.com.au if they have any queries in respect of the matters set out in this Notice of Annual General Meeting or the Explanatory Statement.

Voting Eligibility

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (AEDT) on 28 November 2020.

Voting by poll

All votes taken at the Meeting will be conducted by way of a poll, taken both physically at the Meeting and electronically during the virtual Meeting. Shareholders will be able to submit their poll immediately after the Chair calls for a vote on each Resolution and up to a period of one hour after the Meeting ends. This means that the outcome of each Resolution will not be able to be determined until after the conclusion of the Meeting to allow the company secretary sufficient time to count the polling result. The result will be announced on ASX.

Voting by proxy

Shareholders should note that:

1. a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
2. a proxy need not be a member of the Company; and
3. a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. To be valid, the proxy form (and any power of attorney under which it is signed) must be completed and returned by the time and in accordance with the instructions set out in the proxy form. Any proxy form received after that time will not be valid for the scheduled Meeting.

Subject to any voting restrictions set out in a voting exclusion statement in respect of the Resolutions, the Chair will vote undirected proxies on, and in favour of, each Resolution.

Corporate representatives

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative must, prior to the Meeting, provide evidence of his or her appointment, to the Company's company secretary by email to admin@advancedshare.com.au by no later than 4.00pm (AEDT) on 27 November 2020, noting whether the representative intends to attend the Meeting physically or virtually including any authority under which the appointment is signed, unless it has previously been given to the Company. Representatives who wish to vote by poll during the virtual Meeting must first notify the company secretary in accordance with the instructions set out above under 'voting by poll'.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of the Shareholders of Linus Technologies Limited ACN 149 796 332 (**Company**) will be held at Suite 0313, Level 3, 299 Toorak Road, South Yarra, Victoria on 30 November 2020 commencing at 4.00pm AEDT.

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.

AGENDA

Financial Statements

To receive and consider the Annual Financial Report of the Company and its controlled entities, the Directors' Report and the Independent Auditor's Report in respect of the financial year ended 30 June 2020.

There is no vote on this item of business.

1. Adoption of the Remuneration Report for the year ended 30 June 2020 (Advisory resolution only)

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

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, Shareholders approve the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2020."

This resolution is advisory only and does not bind the Company or the Directors. The Directors will consider the outcome of the vote and any comments made by Shareholders at the meeting when considering the Company's future remuneration policies.

Voting Prohibition:

A vote on this resolution must not be cast by or on behalf of a member of the key management personnel (**KMP**), details of whose remuneration are included in the Remuneration Report, or by any of their closely related parties.

However, this does not prevent those KMP or any of their closely related parties from voting as a proxy for a person who is not a member of the KMP or a closely related party if:

- the person specifies the way the proxy is to vote on this resolution in the proxy form; or
- the person voting as a proxy is the Chair and the proxy form expressly authorises the Chair to exercise the proxy even if the resolution is directly or indirectly connected with the remuneration of a member of the KMP.

2. Re-election of Director – Christopher W. Richardson

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

"That, for the purpose of clause 6.3 of the Constitution and for all other purposes, Christopher W. Richardson, a Director retiring on rotation and being eligible for re-election, is re-elected as a Director."

3. Ratification of prior issue of Shares – September 2020 placement

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

“That, for the purpose of Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the prior issue by the Company under Listing Rule 7.1 of 171,071,429 Shares on the terms and conditions and in the manner detailed in the Explanatory Statement.”

Voting Exclusion:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who received Shares in the Placement or an associate such a person. However, this does not apply to a vote cast in favour of the Resolution by:

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

4. Approval for the issue of Shares to Gerard Bongiorno – September 2020 placement

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

“That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue by the Company of up to 7,500,000 Shares to Gerard Bongiorno (or his nominees) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Gerard Bongiorno (and/or his nominees) or any of his associates and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any of their associates. However, this does not apply to a vote cast in favour of the Resolution by:

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

5. Approval for additional 10% placement capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities, in number, equal to up to 10% of the number of Shares on issue in the Company (at the time of the issue) calculated in accordance with the formula in Listing Rule 7.1A.2 and otherwise on the terms and conditions and in the manner detailed in the Explanatory Statement.”

BY ORDER OF THE BOARD



Giuseppe Rinarelli
Company Secretary
30 October 2020

EXPLANATORY STATEMENT

Introduction

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 2020 Annual General Meeting of Linus Technologies Limited ACN 149 796 332 to be held at 4.00pm AEDT on 30 November 2020 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.

The Resolutions

1. Consideration of Financial Statements and Reports

The Corporations Act requires the Directors to lay before the Annual General Meeting the Annual Financial Report of the Company (which includes the Financial Statements and Directors’ Declaration), Directors’ Report and Independent Auditor’s Report in respect of the financial year ended on 30 June 2020, as a listed public company.

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on these reports in line the details provided in the Important Information section set out on page 2 of these meeting documents.

There is no requirement in either the Corporations Act or the Company’s constitution for Shareholders to vote on or approve the Annual Financial Report, Directors’ Report or Independent Auditor’s Report.

2. Adoption of the Remuneration Report for the year ended 30 June 2020 (Resolution 1)

2.1 Background

The Remuneration Report is contained in the Directors’ Report in the 2020 Annual Report. Shareholders can access a copy of the report at the Company’s website, www.linus.com.

The Remuneration Report provides information about the remuneration arrangements for KMP, which includes non-executive Directors and the most senior executives, for the year to 30 June 2020.

The Remuneration Report covers the following matters:

- details of Key Management Personnel (**KMP**);
- principles used to determine the nature and amount of remuneration;
- description and details of non-executive director remuneration;
- description and details of executive remuneration;
- executive equity ownership;
- key terms of executive service agreements; and
- related party information.

Shareholders will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. Shareholders will be asked to vote on the Remuneration Report. The resolution is advisory only and does not bind the Company or its Directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company’s remuneration policies.

Under the Corporations Act, if at least 25% of the votes cast on the resolution are against the adoption of the relevant Remuneration Report at two consecutive Annual General Meetings (each an “AGM”, and any such potential 25% or more vote ‘against’ commonly referred to as a “first strike” or “second strike”), Shareholders will be required to vote at the second of those AGMs on a resolution that another general meeting be held within 90 days, at which all of the Directors in office at the time of the Directors’ resolution to make the Directors’ Report containing that second Remuneration Report (other than the Managing Director) must stand for re-election.

2.2 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

2.3 Information required for Shareholder approval under Listing Rules

A vote on Resolution 1 must not be cast by or on behalf of a member of the KMP or by any of their closely related parties (such as certain of their family members, dependents and companies they control).

However, this does not prevent a member of the KMP, details of whose remuneration are included in the Remuneration Report, or any of their closely related parties from voting as a proxy for a person who is not a member of those KMP or any of their closely related parties if:

- the person specifies the way the proxy is to vote on Resolution 1 in the proxy form; or
- the person voting as a proxy is the Chair and the proxy form expressly authorises the Chair to exercise the proxy even if the resolution is directly or indirectly connected with the remuneration of a member of the KMP for the Company. If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 by marking any one of “For”, “Against” or “Abstain” on the proxy form for that item of business. As set out in the section on appointing a proxy, if you have appointed the Chair of the meeting as your proxy and you do not mark any of “For”, “Against” or “Abstain” on the proxy form, you will be authorising the Chair to vote any proxies held by him in favour of Resolution 1, even if that item is connected directly or indirectly with the remuneration of a member of the KMP for the Company. The Chair of the meeting intends to vote any undirected proxies held by him in favour of Resolution 1.

3. Re-election of Director – Christopher W. Richardson (Resolution 2)

Pursuant to the Constitution, one third of the directors are required to retire on rotation each year at annual general meeting of the Company and each of those directors is eligible for re-election at that meeting.

Christopher W. Richardson retires on rotation in accordance with the Constitution and, being eligible and having signified his candidature for the office, offers himself for re-election as a Director.

Details of Mr Richardson’s experience and expertise are contained in the Company’s 2020 Annual Report.

All Directors (with the exception of Mr Richardson as an abstention) recommend that Shareholders vote in favour of Resolution 2.

4. Ratification of prior issue of Shares – April 2020 placement (Resolution 3)

4.1 Background

On 23 September 2020, the Company announced to ASX that it had completed a placement to raise \$4,790,000 by the issue of 178,571,429 Shares issued to sophisticated and professional investors (none of whom are related parties of the Company) and to Mr Gerard Bongiorno, a Director, approval for the issue of securities to whom is sought under Resolution 4 (**Placement**).

The Company issued the Shares within the 15% annual limit set out in Listing Rule 7.1 (described below). By issuing those Shares under the Placement, the Company's capacity to issue further equity securities without Shareholder approval within that limit was accordingly reduced.

Resolution 3 seeks Shareholder approval for the prior issue of the Shares to the placees noted below. It is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the Resolution. Shareholders' attention is drawn to the voting exclusion statement in relation to Resolution 3 in the Notice.

4.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities in any 12 month period other than the amount which is equal to 15% of its fully paid ordinary securities on issue at the start of that 12 month period (**15% share issue capacity**). Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently ratify it and the issue did not breach Listing Rule 7.1.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

Accordingly, this Resolution seeks shareholder approval under and for the purposes of Listing Rule 7.4, allowing the Company to substantially refresh its 15% share issue capacity.

If the Resolution is passed, the issue under the Placement will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If the Resolution is not passed, the issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

4.3 Information required for Shareholder approval under Listing Rules

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

- (1) The placees were sophisticated and professional investors, including clients of the lead manager for the Placement, Blue Ocean Equities Pty Limited AFSL 412765, and existing shareholders of the Company.
- (2) 171,071,429 Shares were issued.
- (3) The Shares were issued on 1 October 2020.
- (4) The Shares were issued at \$0.028 per Share.
- (5) The Shares rank equally with all other Shares on issue in the Company.
- (6) The funds were raised to drive revenue growth for the Company's operations with specific focus on assisting LiveTiles in selling their Intelligent Meeting Solution, of which Linius is the backbone OEM provider, continue to develop AI Meeting Solution, promote the solution into the global video conferencing market and general working capital purposes.

4.4 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

5. Approval for issue of Shares to Gerard Bongiorno – May 2020 placement (Resolution 4)

5.1 Background

As announced to ASX on 23 September 2020, Mr Gerard Bongiorno, a Director, has agreed to subscribe for approximately \$210,000 worth of Shares (being approximately 7,500,000 Shares) 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 4 above.

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to certain categories of recipients, including a related party of the company and their associates, unless it obtains the approval of shareholders.

The proposed issue to Mr Bongiorno falls within Listing Rule 10.11.1 as he is a related party and it does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11. Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Shares.

If the Resolution is passed, the Company will be able to proceed with the issue of the Shares to Mr Bongiorno (and/or nominees). In addition, as Shareholder approval is not required under Listing Rule 7.1 where an approval is given under Listing Rule 10.11, the issue of the Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If the Resolution is not passed, the Company will not be able to proceed with the issue of the Shares to Mr Bongiorno (and/or nominees) and he will not be required to subscribe for the Shares despite his commitment in connection with the Placement.

Resolution 4 is an ordinary resolution.

5.2 Information required for Shareholder approval under Listing Rules

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

- (1) The recipient of the Shares is Gerard Bongiorno.
- (2) Listing Rule 10.11.1 applies as Mr Bongiorno is a related party of the Company in his capacity as a Director.
- (3) The maximum number of Shares to be issued to Mr Bongiorno (and/or his nominees) is 7,500,000 Shares.
- (4) The Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (5) The issue of the Shares will occur no later than one month after the date of the Meeting.
- (6) The Shares will be issued at an issue price of \$0.028 per Share, being the issue price under the Placement.
- (7) The funds raised from the issue of the Shares, being approximately \$210,000, will be aggregated with and used for the same purpose as the funds raised from the Placement. See Section 1 above for further details.
- (8) The Shares are being issued in connection with the Placement and not under a separate agreement.
- (9) A voting exclusion statement is included in the Notice.

6. Approval for additional 10% placement capacity (Resolution 5)

6.1 Background

Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval at its annual general meeting to allow it to issue, or agree to issue, Equity Securities up to 10% of its issued capital during the 12 month period after the entity's annual general meeting at which the approval is obtained (**Additional 10% Placement Capacity**).

The Company is seeking Shareholder approval under Resolution 5 to have the ability to issue Equity Securities under the Additional 10% Placement Capacity.

If Shareholders approve Resolution 5, the number of Equity Securities the Company may issue under the Additional 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (described below). The Equity Securities must be in the same class as an existing class of quoted Equity Securities of the Company. The Company currently has only one class of quoted Equity Securities on issue, being Shares.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and entitled to vote at the Meeting must be in favour of Resolution 5 for it to be passed. Shareholders' attention is drawn to the voting exclusion statement in relation to Resolution 5 in the Notice of Meeting.

6.2 Listing Rule 7.1A – Eligibility criteria

The Company will be an Eligible Entity for the purposes of Listing Rule 7.1A provided it has a market capitalisation no greater than \$300 million (excluding restricted securities) (being, as at the date of the Notice of Meeting, approximately \$39.1 million based on the number of unrestricted securities on issue and the closing price of Shares on ASX on 28 October 2020) and is not included in the S&P/ASX 300 Index as at the date of the relevant special resolution under Listing Rule 7.1A. The Company is not included in that index. Accordingly, the Directors believe that the Company will be an Eligible Entity at the date of the Meeting.

If Shareholders approve Resolution 5, the maximum number of Equity Securities that the Company may issue under the Additional 10% Placement Capacity will be calculated according to the following formula (set out in Listing Rule 7.1A.2) (**Listing Rule 7.1A.2 Formula**):

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

Where:

- A** = The number of fully paid ordinary shares on issue at the commencement of the relevant period:
- plus the number of fully paid ordinary shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4
 - plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue +securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
 - plus the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4,
 - plus the number of partly paid ordinary shares that became fully paid in the relevant period;
 - less the number of fully paid ordinary shares cancelled in the relevant period.

Note that "A" has the same meaning in Listing Rule 7.1 (described above) when calculating the Company's usual annual 15% placement capacity under that Listing Rule.

D = 10%

E = The number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

If the Company obtains the approval of its Shareholders to the Additional 10% Placement Capacity:

- (1) any Shares issued under that Additional 10% Placement Capacity will not be counted in variable “A” above until their issue has been ratified under Listing Rule 7.4 (described above) or 12 months has passed since their issue; and
- (2) any Shares issued under that Additional 10% Placement Capacity are counted in variable “E” above until their issue has been ratified under Listing Rule 7.4 (described above) or 12 months has passed since their issue.

If the Resolution is not passed, the Company will be limited to the 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period.

6.3 Placement capacity under Listing Rules 7.1 and 7.1A

The Additional 10% Placement Capacity is in addition to the Company’s usual annual 15% placement capacity under Listing Rule 7.1 (described above).

As at the date of the Notice of Meeting, the Company has 1,504,128,068 Shares on issue and, therefore, in addition to any other Shares which it can issue under the permitted exceptions to Listing Rules 7.1 and 7.1A, it will have capacity to issue:

- (1) subject to the Shareholders approving Resolution 3, 175,330,542 Shares under Listing Rule 7.1; and
- (2) subject to Shareholders approving Resolution 4, 116,887,028 Shares under Listing Rule 7.1A.

The actual number of Shares that the Company will have capacity to issue or agree to issue under Listing Rule 7.1A will be calculated at the relevant date in accordance with the Listing Rule 7.1A.2 Formula.

6.4 Period of Approval

Shareholder approval of the Additional 10% Placement Capacity is valid from, and therefore Equity Securities may be issued under the Additional 10% Placement Capacity from, the date of the Meeting until the first to occur of the following:

- (1) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (2) the time and date of the Company’s next Annual General Meeting; and
- (3) the time and date of the approval by Shareholders of the Company’s ordinary securities of a transaction under Listing Rule 11.1.2 (Proposed change to nature or scale of activities) or Listing Rule 11.2 (Change involving main undertaking),

(the **Period of Approval**).

Upon the expiry of the Period of Approval, unless the Company has before the end of the Period of Approval obtained a further approval under Listing Rule 7.1A.1, its placement capacity will be governed by Listing Rule 7.1 (and Listing Rule 10.11, in the case of placements to related parties).

An approval under Resolution 5 will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2 referred to above.

6.5 Minimum Issue Price

Under Listing Rule 7.1A.3, Equity Security issued must be in an existing quoted class and issued for cash consideration which is not less than 75% of the VWAP for securities in that class calculated over the 15 trading days on which trades were recorded immediately before:

- (1) the date on which the price at which the securities are to be issued is agreed by the Company and the recipient of the securities; or
- (2) if the securities are not issued within 10 trading days of that date in paragraph (1), the date on which the securities are issued.

6.6 Purpose and allocation

As at the date of the Notice of Meeting, the Company does not have any specific intention to use the Additional 10% Placement Capacity.

The Company is seeking approval to take advantage of the ASX's recognition that flexibility is sometimes required if action needs to be taken swiftly. The Additional 10% Placement Capacity may be used to raise funds to support the Company's ongoing business, continued product development for the Linus technology, sales and marketing, commercialization of the technology and general working capital purposes or for the acquisition of business opportunities which may arise.

Ultimately, if Resolution 5 is approved, the Company's allocation policy for issues of Equity Securities under the Additional 10% Placement Capacity will be dependent on various considerations including (but not limited to) the purpose of the proposed issue, the alternative methods for raising funds that are available to the Company at the time, the effect of the proposed issue on the control of the Company, the circumstances of the Company and the prevailing market conditions at the time of the proposed issue. The identity of the placees will be determined on a case-by-case basis at or around the time of issue. However, the placees of any Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company. It is unlikely that such a placee will be a person to whom the Company is required to issue a prospectus or other disclosure document under the Corporations Act.

The Company may issue Equity Securities under the Additional 10% Placement Capacity for cash consideration only.

6.7 Risk of Economic and Voting Dilution

Any issue of Equity Securities under the Additional 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Equity Securities under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the Additional 10% Placement Capacity, the economic and voting dilution of existing Shareholders through the Company using the Additional 10% Placement Capacity is as shown in the table below. The table has been prepared based on the number of quoted Shares on issue and the closing price of those quoted Shares as at close of trade on ASX on 28 October 2020.

Number of Shares on Issue (variable "A" in Listing Rule 7.1A.2)*	Dilution			
	Dilution based on number of Shares issued (being 10% of the number of Shares at the time of issue)	Funds raised based on an issue price of \$0.013 (50% decrease in current issue price)	Funds raised based on an issue price of \$0.026 (Current issue price)	Funds raised based on an issue price of \$0.039 (50% increase in current issue price)
1,504,128,069 (Current)	150,412,807	\$1,955,366	\$3,910,733	\$5,866,099
2,256,192,104 (50% increase)	225,619,210	\$2,933,050	\$8,799,149	\$8,799,149
3,008,256,138 (100% increase)	300,825,614	\$3,910,733	\$7,821,466	\$11,732,199

*The number of Shares on issue could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or securities issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1 or 7.4.

The table above uses the following assumptions:

1. The current Shares on issue are the Shares on issue as at the date of the Notice of Meeting.
2. The current issue price set out above is the closing price of the Shares on ASX on 28 October 2020.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting other than issues under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 or 7.4.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own Shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to issues under Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares.

Shareholders should note that there is a risk that:

- (1) the market price for the Company's Equity Securities may be significantly lower on the issue date than on the date of the Meeting; and
- (2) the Company's Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

6.8 Prior Issues of Equity Securities over last 12 months

The Company previously obtained approval under Listing Rule 7.1A at its annual general meeting held on 26 November 2019.

Listing Rule 7.3A.6 requires the Notice of Meeting (or this Explanatory Statement) to include details of the total number of Equity Securities issued by the Company in the 12 months preceding the date of the Meeting and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period.

No Equity securities were issued under Listing Rule 7.1A approval.

6.9 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

Definitions

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

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

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.

Explanatory Statement means this Explanatory Statement accompanying the Notice.

Listing Rules means ASX Listing Rules.

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

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

Schedule means schedule to this Explanatory Statement,

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.



LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

Important Note: Due to the current restrictions in place as a result of the COVID-19 pandemic, Shareholders are to either vote via proxy prior to the Meeting, appoint the Chair as their proxy or by poll during the Meeting (such poll to be taken electronically).

2020 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Linus Technologies Limited and entitled to attend and vote hereby:

APPOINT A PROXY



The Chair of the Meeting

OR



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

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at Suite 0313, Level 3, 299 Toorak Road, South Yarra, Victoria on 30 November 2020 at 4:00 pm (AEDT) and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though this resolution is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions

	For	Against	Abstain*
1 Adoption of the Remuneration Report for the year ended 30 June 2020 (Advisory resolution only)	☐	☐	☐
2 Re-election of Director – Christopher W. Richardson	☐	☐	☐
3 Ratification of prior issue of Shares – September 2020 placement	☐	☐	☐
4 Approval for the issue of Shares to Gerard Bongiorno – September 2020 placement	☐	☐	☐
5 Approval for additional 10% placement capacity	☐	☐	☐



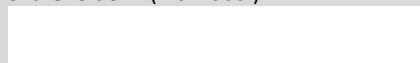
* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

COVID-19: LINIUS TECHNOLOGIES LIMITED GENERAL MEETING

Due to current restrictions in place as a result of the Covid-19 pandemic and, in particular, the Government ban on large public gatherings and social distancing requirements, the Company may hold the Meeting physically but only in strictly limited numbers. Shareholders should note that attendance limits will include the officers of the Company and technical and advisory attendees.

All resolutions at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting, by appointing a proxy or by poll during the Meeting, such poll to be taken physically at the Meeting (albeit physical attendance is strongly discouraged) and electronically.

Shareholders are strongly encouraged to either vote prior to the Meeting or to appoint the Chair as their proxy.

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to listen to the Meeting and vote online. Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website. Shareholders may submit questions ahead of the Meeting via the portal.

Shareholders are encouraged to submit any questions that they may wish to put to the Company during the Meeting in writing to Advanced Share Registry at admin@advancedshare.com.au, by no later than 4.00pm (AEDT) on 27 November 2020.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 4:00 pm (AEDT) on 28 November 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033