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Buddy

BUDDY PLATFORM LIMITED
ACN 121 184 316

NOTICE OF ANNUAL GENERAL MEETING

For the Annual General Meeting of the Company to be held at Level 2, 333 King William Street, Adelaide, South Australia on 30 November 2016 at 10am (ACDT)

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 499900044.

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IMPORTANT INFORMATION

BUDDY PLATFORM LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Buddy Platform Limited (**Company**) will be held at Level 2, 333 King William Street Adelaide SA on 30 November 2016 at 10am (ACDT) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 28 November 2016 at 7pm (AEDT).

Terms and abbreviations used in this Notice and the Explanatory Memorandum will, unless the context requires otherwise, have the meaning given to them in the glossary.

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BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) 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.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ANANDA KATHIRAVELU

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

“That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Ananda Kathiravelu, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – ELECTION OF DIRECTOR – JOHN VAN RUTH

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

“That, for the purpose of clause 14.4 of the Constitution and for all other purposes, Mr John van Ruth, a Director who was appointed on 11 February 2016, retires, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – APPROVAL OF 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, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – APPROVAL TO ISSUE PERFORMANCE SHARES TO A RELATED PARTY – MR JOHN VAN RUTH

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,500,000 Performance Shares to Mr John van Ruth (or his nominee) on the terms and conditions set out in the Explanatory Statement

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr John Van Ruth (or his nominee) and any of his associates.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chair 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.

7. RESOLUTION 6 - APPROVAL OF PRIOR ISSUE

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 2,000,000 Performance Shares to Mr Tim Ritchie (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

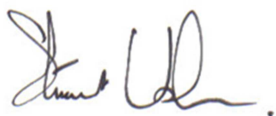
The Company will disregard any votes cast on this Resolution by Mr Tim Ritchie (or his nominee) and any of his associates.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chair 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.

Dated: 28 October 2016

BY ORDER OF THE BOARD



**Mr Stuart Usher
Company Secretary**

EXPLANATORY STATEMENT

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

This Explanatory Statement has been prepared to provide additional information on matters to be considered at the Annual General Meeting which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

The Directors have determined pursuant to Regulation 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company on 28 November 2016 at 7pm (AEDT).

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.buddy.com.

2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the

remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

| Proxy | Directions given | No directions given |
|---------------------------------------|------------------|--|
| Key Management Personnel ¹ | Vote as directed | Unable to vote ³ |
| Chair ² | Vote as directed | Able to vote at discretion of Proxy ⁴ |
| Other | Vote as directed | Able to vote at discretion of Proxy |

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ANANDA KATHIRAVELU

Clause 14.2 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director)

shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;

- (b) the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots;
- (c) a Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election; and
- (d) in determining the number of Directors to retire, no account is to be taken of:
 - (i) a Director who only holds office until the next annual general meeting pursuant to clause 14.4 of the Constitution; and/ or
 - (ii) a Managing Director,each of whom are exempt from retirement by rotation.

The Company currently has five Directors (inclusive of the Managing Director and a Director appointed under clause 14.4 of the Constitution) and accordingly one must retire.

Mr Ananda Kathiravelu, retires by rotation and seeks re-election.

The Company considers Mr Kathiravelu to be an independent director.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – JOHN VAN RUTH

Clause 14.4 of the Constitution allows the Directors to appoint at any time a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 14.4 of the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are eligible to retire by rotation (if any) at that meeting.

Mr van Ruth was appointed as a Director by the Board on 11 February 2016. Accordingly, Mr van Ruth will retire in accordance with clause 14.4 of the Constitution and Listing Rule 14.4 and being eligible, seek election from Shareholders.

PROFILE OF MR JOHN VAN RUTH:

Mr. van Ruth is currently Chief Executive Officer of Operation Finders Foundation, and holds a number of non-executive directorships. Prior to his work in the not for profit sector, he spent four years as Chief Financial Officer for Coopers Brewery, the largest Australian owned Brewery. Before Coopers Brewery, Mr. van Ruth held a number of senior executive roles with other iconic South Australian companies including the RAA of SA, Inc., Adelaide Bank and Faulding. His early career was with professional services firms EY, KPMG and Arthur Andersen with particular focus on strategic advisory services in emerging technologies in Australia, Netherlands and Canada.

Mr. van Ruth's other non-executive directorships include Chair of the Chartered Accountants ANZ SA/NT Regional Council and councillor on the Chartered Accountants ANZ joint governing council. He is also a councillor on the Australian Institute of Company Directors (AICD) SA Regional Council, and member of the National AICD Director Professional Development Oversight Committee.

Mr. van Ruth is currently the Chairman of the Audit and Risk Committee. The Company considers Mr. van Ruth as an independent director.

5. RESOLUTION 4 - APPROVAL OF 10% PLACEMENT CAPACITY- SHARES

5.1 General

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 4, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out in section 5.2 below).

The effect of Resolution 4 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

5.2 Listing Rule 7.1A

Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$80,453,2382 based on a share price of \$0.10 as at 25th October 2016.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. At the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: BUD).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under Listing Rule 7.1 or 7.4.

5.3 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 5.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and

- (ii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

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

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Number of Shares on Issue (Variable 'A' in Listing Rule 7.1A2) | Dilution | | | |
|--|-------------------------------------|--|-----------------------|--|
| | Issue Price (per Share) | 0.05 50% decrease in Issue Price | 0.10 Issue Price | 0.15 50% increase in Issue Price |
| 80,453,282 (Current Variable A) | Shares issued - 10% voting dilution | 80,453,282 Shares | 80,453,282 Shares | 80,453,282 Shares |
| | Funds raised | \$4,022,664 | \$8,045,328 | \$12,067,992 |
| 120,679,923 (50% increase in Variable A) | Shares issued - 10% voting dilution | 120,679,923 Shares | 120,679,923 Shares | 120,679,923 Shares |
| | Funds raised | \$6,033,996 | \$12,067,992 | \$18,101,988 |
| 160,906,564 (100% increase in Variable A) | Shares issued - 10% voting dilution | 160,906,564 Shares | 160,906,564 Shares | 160,906,564 Shares |
| | Funds raised | \$8,045,328 | \$16,090,656 | \$24,135,985 |

*The number of Shares on issue (Variable A in the formula) 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 scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 804,532,819 Shares on issue comprising:
 - (a) 804,532,819 existing Shares as at the date of this Notice of Meeting; and
2. The issue price set out above is the closing price of the Shares on the ASX on 25 October 2016.
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 Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares, no Performance Shares have been issued and no Performance Rights have been converted into Shares before the date of issue of the Equity Securities.
6. 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.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition) and general working capital etc; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments including/excluding previously announced acquisitions, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

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

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

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(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 9 November 2015.

In the 12 months preceding the date of the Meeting the Company issued a total of 848,578,529 Equity Securities which represent approximately 500% of the total number of Equity Securities on issue at 30 November 2015. The Equity Securities issued in the preceding 12 months were as follows:

| Date of Issue | Ordinary Shares | Unlisted Options | Performance Shares | Performance Rights | Basis of issue and value of consideration |
|----------------------|------------------------|---|---------------------------|---------------------------|--|
| 17 December 2015 | 624,999,956 | 2,807,715 options exercisable at \$0.10 per share expiring on 17 November 2020 30,000,000 options exercisable at \$0.125 per share expiring on 30 November 2017 12,500,000 options exercisable at \$0.03 expiring on 30 November 2017 | 91,000,000 | 32,270,858 | In accordance with a prospectus dated 3 November 2015 and a supplementary prospectus dated 24 November 2015. The securities were issued in consideration for the acquisition of all of the issued capital of Buddy Platform Inc. The proceeds under the offer will be used to fund: (a) expenses of the offers and acquisition; (b) engineering and development; (c) program costs; (d) hosting and infrastructure; (e) marketing; (f) business development and sales; and (g) working capital needs of the Company. |

| | | | | | |
|-----------------|------------|--|---|---|---|
| | | | | | <p>Value of:</p> <p>(a) the 2,807,715 options is \$280,775;</p> <p>(b) the performance rights is \$4,517,921; and</p> <p>(c) the performance shares is \$12,740,000.</p> <p>The 30,000,000 options and 12,750,000 options issued were issued for nil cash consideration in satisfaction of services to the Company.</p> |
| 9 February 2016 | - | 10,000,000 options exercisable at \$0.12 on 30 November 2017 | - | - | Capital raising options issued for nil cash consideration for those persons assisting to raise funds under the prospectus dated 3 November 2015 and a supplementary prospectus dated 24 November 2015. |
| 11 July 2016 | 45,000,000 | - | - | - | Placement to institutional and sophisticated investors for working capital purposes, issued at \$0.10 per share. |

(g) **Compliance with Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

5.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

6. RESOLUTION 5 – APPROVAL TO ISSUE PERFORMANCE SHARES TO A RELATED PARTY – MR JOHN VAN RUTH

6.1 General

Resolution 5 seeks Shareholder approval for the issue of Performance Shares to Mr John van Ruth who was appointed as a Director on 11 February 2016. The issue is in accordance with Mr van Ruth's letter of appointment which provides that, subject to shareholder approval, Mr van Ruth will be issued 2,500,000 Performance Shares as part of his remuneration as a Director.

As part of the acquisition of 100% of the total issued capital of Buddy Platform Inc. completed on 17 December 2015 (**Buddy Acquisition**), the Company sought Shareholder approval at the annual general meeting held on 9 November 2015 (**Previous Meeting**) for the issue of 100,000,000 Performance Shares to certain parties (refer to the notice of annual general meeting dated 7 October 2015 (**Previous Notice**)). On 17 December 2015, 91,000,000 Performance Shares (of the 100,000,000 Performance Shares approved) were issued in respect to the Buddy Acquisition.

The 2,500,000 Performance Shares proposed to be issued to Mr John van Ruth (or his nominee) forms part of the 100,000,000 Performance Shares approved at the Previous Meeting and Mr John van Ruth was previously identified in Schedule 7 of the Previous Notice as the "Director to be nominated by Buddy".

Further Shareholder approval is being sought for the issue of the 2,500,000 Performance Shares on the basis that they are being issued more than 3 months from the Previous Meeting and accordingly, the Shareholder approval obtained at the Previous Meeting has lapsed.

The terms of the Performance Shares are detailed in Section 6.5, being the same terms outlined in the Previous Notice. Accordingly, Shareholders should note that, as announced on 18 July 2016, the Company has achieved the first milestone detailed in Section 6.5(l)(i). Shareholders should also be aware that in approving Resolution 5, following the issue of the 2,500,000 Performance Shares, 833,333 Performance Shares (1/3) will convert into Shares (in accordance with the Section 6.5(m) below) and the

Company will issue 833,333 Shares to Mr John van Ruth under its current Listing Rule 7.1 capacity.

Resolution 5 is an ordinary resolution.

6.2 Section 208 of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Mr John van Ruth who is a Director is a related party of the Company.

The Directors have formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the granting of the Performance Shares to Mr van Ruth as the exception in section 211 of the Corporations Act applies. The Directors have determined that the Performance Shares are reasonable remuneration for the purposes of section 211 of the Corporations Act.

6.3 Listing Rule 10.11

In accordance with Listing Rule 10.11, Shareholder approval is required for the issue of equity securities to a related party. Mr John van Ruth is a related party of the Company, being a Director.

6.4 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the Consideration Securities:

- (a) the Performance Shares will be issued to Mr John Van Ruth (or his nominee), a Director of the Company;
- (b) the maximum number of Performance Shares to be issued is 2,500,000. The actual number of Performance Shares that will vest and convert into Shares is dependent on the satisfaction of the relevant performance conditions detailed in Section 6.5 below;
- (c) the Performance Shares will be issued no later than 1 month after the date of the Meeting;
- (d) the Performance Shares will be issued for nil cash consideration and forms part of Mr John van Ruth's remuneration;
- (e) Shares issued on the conversion of the Performance Shares will rank equally in all respects with the Company's existing Shares on issue;
- (f) a voting exclusion statement is included in the Notice for Resolution 5; and
- (g) other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 5.

6.5 Terms and Conditions of Performance Shares

- (a) (Performance Shares): Each Performance Share is a share in the capital of the Company.
- (b) (General Meetings): The Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders have the right to attend general meetings of the Company.
- (c) (No Voting Rights): The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- (d) (No Dividend Rights): The Performance Shares do not entitle the Holder to any dividends.
- (e) (No Rights on Winding Up): Upon winding up of Buddy, the Performance Shares may not participate in the surplus profits or assets of Buddy.
- (f) (Transfer of Performance Shares): The Performance Shares are not transferable.
- (g) (Reorganisation of Capital): In the event that the issued capital of Buddy is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (h) (Application to ASX): The Performance Shares will not be quoted on ASX. Upon conversion of the Performance Shares into Shares in accordance with these terms, Buddy must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.
- (i) (Participation in Entitlements and Bonus Issues): Subject always to the rights under item (g) (Reorganisation of Capital), holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (j) (Amendments required by ASX): The terms of the Performance Shares may be amended as necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (k) (No Other Rights): The Performance Shares give the Holders 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) (Milestones): The Performance Shares will, subject to paragraph (m), convert upon satisfaction of any one of the following milestones:

- (i) One third (1/3) of all Performance Shares held by the Holder as at the date of issue of the Performance Shares (Issue Date) shall convert upon Buddy (or its subsidiaries) logging 20,000,000 total discrete connections to any Buddy server or service (Interactions) by any approved network connected hardware or software application (Device) per day for no less than 3 consecutive weeks within a period of 24 months from the date of completion of the capital raising, being 17 December 2016;
- (ii) One third (1/3) of all Performance Shares held by the Holder as at the Issue Date shall convert upon the total number of devices creating an Interaction with a Buddy application that it has not previously interacted with (New Connection) exceeding 500,000 per week for no less than three (3) consecutive weeks within a period of 24 months from the date of completion of the capital raising, being 17 December 2016;
- (iii) One third (1/3) of all Performance Shares held by the Holder as at the Issue Date shall convert upon Buddy (or its subsidiaries) satisfying the following milestones within a period of 36 months from the date of completion of the capital raising, being 17 December 2016:
 - (A) total daily device interactions with the Buddy Platform exceed 50,000,000 per day for no less than 3 consecutive weeks; and
 - (B) total number of devices creating new connections to Buddy exceeding 1,000,000 per week for no less than 3 consecutive weeks.

(each referred to as a **Milestone**).

- (m) (Conversion of Performance Shares): Subject to paragraphs (m)(i) and (m)(ii) below, in the event a Milestone is satisfied, the Performance Shares held by the Holder will convert into an equal number of Buddy Shares. If:
 - (i) the conversion of the Performance Shares into Buddy Shares would result in the Holder being in contravention of section 606(1) of the Corporations Act, then the conversion of such number of Performance Shares that would cause the contravention will be deferred until such time or times thereafter the conversion would not result in such a breach; and
 - (ii) the above paragraph (m)(i) applies, the Holder may by notice in writing, require the Company to call a meeting of its shareholders for the purposes of obtaining approval under item 7, section 611 of the Corporations Act. If the Holder provides such notice in writing to the Company, the Company must as soon as practicable call a meeting of its shareholders for the purposes of obtaining approval under item 7, section 611 of the Corporations Act for the conversion of the Performance Shares into Shares.
- (n) (No Conversion if Milestone not Achieved): Any Performance Share not converted into a Share within 5 years from the Issue Date will lapse.

- (o) (After Conversion): The Shares issued on conversion of the Performance Shares will, as and from 5.00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (p) (Conversion Procedure): Buddy will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into Shares.

6.5 Directors' Recommendation

The Directors (other than Mr Joh van Ruth) recommend that Shareholders vote in favour of this Resolution

7. RESOLUTION 6 – APPROVAL OF PRIOR ISSUE

7.1 General

Resolution 6 seeks the approval of Shareholders for the prior issue of 2,000,000 Performance Shares to Mr Tim Ritchie more than 3 months from date of the Previous Meeting.

Mr Tim Ritchie is not a related party or an associated of a related party.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the company's issued capital at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The Company is seeking Shareholder approval to the issue of securities described below. The Board believes that it is in the best interests of the Company to maintain the ability to issue up to its full placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval so that the Company retains financial flexibility and can take advantage of commercial opportunities that may arise.

By way of background, the Company has issued the following Performance Shares under the Company's 15% placement capacity:

- (a) 91,000,000 Performance Shares were issued on 17 December 2015 when the Company completed the Buddy Acquisition, pursuant to a Prospectus dated 3 November 2015. Shareholder approval for the issue of 100,000,000 Performance Shares (as part of the consideration for the Buddy Acquisition) was obtained at the Previous Meeting.
- (b) On 28 October 2016, 2,000,000 Performance Shares were issued under Listing Rule 7.1 at a deemed fair value of \$0.14 per Performance Share. The Performance Shares rank equally with all other existing Performance Shares.

The Performance Shares were issued in accordance with terms of employment in Mr Tim Ritchie's role as Vice President Sales.

Resolution 6 is an ordinary resolution.

7.2 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the Placement as follows:

- (a) 2,000,000 Performance Shares were issued to Mr Tim Ritchie on 28 October 2016;
- (b) the Performance Shares were issued at a deemed fair value of \$0.14 per Performance Share;
- (c) the Performance Shares were issued on the terms and conditions set out in Section 6.5; and
- (d) a voting exclusion statement is included in the Notice for Resolution 6.

7.3 Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of these Resolutions.

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GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 5.1 of the Explanatory Statement.

ACDT means Australian Central Daylight Time as observed in Adelaide, South Australia.

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

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of directors of the Company.

Buddy Acquisition has the meaning given in Section 6.1.

Buddy Shares means a fully paid ordinary share in the capital of the Buddy.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company or **Buddy** means Buddy Platform Limited (ACN 121 184 316).

Constitution means the Company's constitution.

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

Directors mean the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and

- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Explanatory Statement means the explanatory statement accompanying the Notice.

Holder has the meaning given in Section 6.5.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Milestone has the meaning given in Section 6.5.

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

Official List means the official list of ASX.

Ordinary Securities has the meaning set out in the Listing Rules.

Performance Shares means performance shares in the Company to be issued with the terms detailed in Section 6.5 of this Notice.

Previous Meeting has the meaning given in Section 6.1.

Previous Notice has the meaning given in Section 6.1.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

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

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

Shareholder means a registered holder of a Share.

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

APPOINTMENT OF PROXY FORM

BUDDY PLATFORM LIMITED
ACN 121 184 316

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.00am (ACST), on 30 November 2016 at Level 2, 333 King William Street Adelaide, SA, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 to 6 (except where I/we have indicated a different voting intention below) even though Resolutions 5 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

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

Voting on business of the Meeting

| | | FOR | AGAINST | ABSTAIN |
|--------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-Election of Director – Mr Ananda Kathiravelu | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Election of Director – Mr John van Ruth | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Approval of 10% Placement Capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Approval to issue performance shares to a related party – Mr John van Ruth | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Approval of Prior Issue | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is:

%

Signature of Shareholder(s):

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail:

YES NO

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Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

To vote by proxy, please complete and sign the enclosed Proxy Form and return it by:

- (a) post to Buddy Platform Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 Australia;
- (b) facsimile to Buddy Platform Limited, C/- Link Market Services Limited on +61 2 9287 0309; or
- (c) by hand to Buddy Platform Limited, C/- Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

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