



Buddy

BUDDY TECHNOLOGIES LIMITED

ACN 121 184 316

NOTICE OF GENERAL MEETING

**For the General Meeting of the Company to be held at Ibis
Adelaide, Meeting Room: The Hub, 122 Grenfell Street, Adelaide
SA 5000 on 24 October 2019 at 11am (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 +61-499-900-044.

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IMPORTANT INFORMATION

BUDDY TECHNOLOGIES LIMITED

ACN 121 184 316

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of shareholders of Buddy Technologies Limited (**Company**) will be held at Ibis Adelaide, Meeting Room: The Hub, 122 Grenfell Street, Adelaide SA 5000, on 24 October 2019 at 11am (ACDT).

The Explanatory Statement provides additional information on matters to be considered at the Meeting. The Explanatory Statement 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 22 October 2019 at 6.30pm (ACDT).

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

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF TRANCHE 1 PLACEMENT

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

*"That, pursuant to Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 250,641,234 Shares (**Tranche 1 Placement Shares**) each at an issue price of A\$0.02 (**Tranche 1 Placement**) on the terms and conditions in the Explanatory Statement."*

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the Tranche 1 Placement or any associate of that person.

The Company need 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 Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – APPROVE THE ISSUE OF TRANCHE 2 PLACEMENT SHARES

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

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 55.2 million Shares (**Tranche 2 Placement Shares**) each at an issue price of A\$0.02 (**Tranche 2 Placement**) on the terms and conditions in the Explanatory Statement."*

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who may participate in the Tranche 2 Placement or a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, or any associate of that person (or those persons).

The Company need 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 Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – APPROVE THE ISSUE OF SHARES UNDER THE SPP

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

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 250 million Shares (**SPP Shares**) at an issue price of A\$0.02 on the terms and conditions in the Explanatory Statement."*

A voting exclusion has not been included as the Company has obtained a waiver from ASX in respect of Listing Rule 7.3.8.

Dated: 24 September 2019

BY ORDER OF THE BOARD



Mr Stuart Usher
Company Secretary

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EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Ibis Adelaide, Meeting Room: The Hub, 122 Grenfell Street, Adelaide SA 5000, on 24 October 2019 at 11am (ACDT).

This Explanatory Statement forms part of the Notice which should be read in its entirety. This Explanatory Statement contains the terms and conditions on which the Resolutions will be voted.

A Proxy Form is located at the end of this Explanatory Statement.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice including this Explanatory Statement carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) 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. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 11.00am (ACDT) on 22 October 2019, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. BACKGROUND

On 11 September 2019, the Company announced:

- (a) a placement of 305.7 million Shares to institutional and sophisticated investors each at an issue price of A\$0.02 to raise approximately A\$6.1 million (before costs) to be completed in two tranches (being the Tranche 1 Placement and the Tranche 2 Placement) (**Placement**); and
- (b) that it intends to offer all existing Shareholders with a registered address in Australia and New Zealand (**Eligible Shareholders**) the opportunity to subscribe

for Shares each at an issue price of A\$0.02 per Share under a share purchase plan to raise up to an additional A\$5 million (before costs) (**SPP**).

The Company completed the Tranche 1 Placement by issuing a total of 250,641,234 Shares on 19 September 2019. The Company raised a total of approximately A\$5.013 million (before costs) pursuant to the Tranche 1 Placement.

The Company is seeking to ratify the Shares issued under the Tranche 1 Placement (being the subject of Resolution 1) and approve the issue of up to 55.2 million Shares to be issued under the Tranche 2 Placement (being the subject of Resolution 2).

The issue of Shares under the SPP is subject to shareholder approval (being the subject of Resolution 3). Refer to the Company's ASX announcements dated 11 September 2019 and 19 September 2019 for further information.

The funds used from the Placement and SPP will be utilised for operating expenses of the Company and growth of the Company's consumer and commercial business.

4. RESOLUTION 1 – RATIFICATION OF TRANCHE 1 PLACEMENT

4.1 General

As detailed above, the Company issued the Tranche 1 Placement Shares each at an issue price of A\$0.02 to institutional and sophisticated investors to raise approximately A\$5.013 million. None of the subscribers under the Tranche 1 Placement were related parties or associates of related parties of the Company.

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 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 confirms that the issue of Shares under the Placement did not breach Listing Rule 7.1.

The effect of passing Resolution 1 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 1 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 1.

4.2 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the Tranche 1 Placement as follows:

- (a) 250,641,234 Shares have been issued to institutional and sophisticated investors introduced to the Company by Bell Potter Securities Limited on 19 September 2019.
- (b) The Tranche 1 Placement Shares were issued at an issue price of A\$0.02 per Share.

- (c) The Tranche 1 Placement Shares are fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- (d) The funds will be utilised for operating expenses of the Company and growth of the Company's consumer and commercial business.
- (e) A voting exclusion statement is included in the Notice for Resolution 1.

4.3 Director Recommendation

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

5. RESOLUTION 2 - APPROVE THE ISSUE OF TRANCHE 2 PLACEMENT SHARES

5.1 General

Resolution 2 seeks Shareholder approval for the issue of the Tranche 2 Placement Shares.

None of the subscribers under the Tranche 2 Placement will be a related party or an associate of a related party of the Company.

Resolution 2 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 2.

5.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Directors to issue the Placement Shares during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

5.3 Specific information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, information is provided in relation to the Tranche 2 Placement as follows:

- (a) The maximum number of Tranche 2 Placement Shares to be issued is 55.2 million Shares.
- (b) The Tranche 2 Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Tranche 2 Placement Shares will be issued at an issue price of A\$0.02 per Share.
- (d) The Tranche 2 Placement Shares will be issued to institutional and sophisticated investors introduced to the Company by Bell Potter Securities Limited.
- (e) The Tranche 2 Placement Shares will be fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

- (f) The funds will be utilised for operating expenses of the Company and growth of the Company's consumer and commercial business.
- (g) The issue of the Tranche 2 Placement Shares will occur on or around 30 October 2019.
- (h) A voting exclusion statement is included in the Notice for Resolution 2.

5.4 Director Recommendation

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

6. RESOLUTION 3 - APPROVE THE ISSUE OF SHARES UNDER THE SPP

6.1 General

The Company intends to offer Eligible Shareholders to participate in the SPP pursuant to which each Eligible Shareholder may apply for SPP Shares at A\$0.02 each.

The SPP provides all Eligible Shareholders the opportunity to participate on the same terms and conditions as the Placement, and will raise up to approximately A\$5 million (before costs).

The funds raised under the SPP will be used for the purposes set out in Section 3.

Resolution 3 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 3.

6.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2 Exception 15 provides an exception to Listing Rule 7.1 for the issue of securities pursuant to a share purchase plan. However, for this exception to apply, the issue price of the Shares must be greater than 80% of the volume weighted average market price (**VWAP**) of Shares calculated over the last 5 days on which sales in Shares were recorded before the day the SPP was announced.

The VWAP of Shares for the last 5 days on which sales in Shares were recorded prior to the date of the announcement of the SPP (being 11 September 2019) is A\$0.024, with 80% of this VWAP being A\$0.0208. The price per SPP Share is A\$0.02, which is 75% of the relevant VWAP prior to the date of the announcement of the SPP on 11 September 2019. Accordingly, Exception 15 of Listing Rule 7.2 does not apply to the issue of SPP Shares and Shareholder approval is required.

The effect Resolution 3 will be to maintain the Company's ability to issue securities within the 15% placement capacity during the next 12 months.

The Company has been granted a waiver of Listing Rule 10.11 to permit the Directors and their associates to participate in the SPP on the same terms as other Eligible Shareholders without Shareholder approval.

6.3 Specific information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, information is provided in relation to the SPP Shares as follows:

- (a) The maximum number of SPP Shares to be issued is 250 million Shares.
- (b) The SPP Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The issue price of the SPP Shares will be A\$0.02 per Share.
- (d) The SPP Shares will be issued to Eligible Shareholders who have elected to participate in the SPP.
- (e) The SPP Shares will be fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- (f) The funds will be utilised for operating expenses of the Company and growth of the Company's consumer and commercial business.
- (g) The issue of the SPP Shares will occur on or around 30 October 2019.
- (h) The Company has obtained a waiver from ASX in respect of Listing Rule 7.3.8 to permit Resolution 3 to not include a voting exclusion statement that excludes any person who may participate in the SPP.

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GLOSSARY

A\$ means Australian dollars.

ACDT means Australian Central Daylight Time, being the time in Adelaide, South Australia.

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.

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.

Company or **Buddy** means Buddy Technologies 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 Shareholders has the meaning given to that term in Section 3.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Listing Rules means the Listing Rules of ASX.

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

Placement has the meaning given to that term in Section 3.

Proxy Form means the proxy form accompanying the Notice.

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.

SPP has the meaning given to that term in Section 3.

SPP Shares has the meaning given to that term in Resolution 3.

Tranche 1 Placement has the meaning given to that term in Resolution 1.

Tranche 1 Placement Shares has the meaning given to that term in Resolution 1.

Tranche 2 Placement has the meaning given to that term in Resolution 2.

Tranche 2 Placement Shares has the meaning given to that term in Resolution 2.

VWAP has the meaning given to that term in Section 3.

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Buddy

Buddy Technologies Limited
ACN 121 184 316

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Buddy Technologies Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

ALL ENQUIRIES TO
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Buddy Technologies Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act 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 the law, as the proxy sees fit) at the General Meeting of the Company to be held at **11:00am (ACDT) on Thursday, 24 October 2019 at Ibis Adelaide, Meeting Room: The Hub, 122 Grenfell Street, Adelaide SA 5000** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*
1 Ratification of Tranche 1 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approve the Issue of Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approve the Issue of Shares under the SPP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular Item, 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 SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder'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).

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STEP 1

STEP 2

STEP 3

HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

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 the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities 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.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach 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 also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (ACDT) on Tuesday, 22 October 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Buddy Technologies Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

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