



**NOTICE OF ANNUAL GENERAL MEETING**  
**TOPBETTA HOLDINGS LTD ACN 164 521 395**

**TIME:** 11:00am AEDT  
**DATE:** Tuesday, 22 November 2016  
**PLACE:** TopBetta Holdings Limited  
22 Lambton Road  
Broadmeadow NSW 2292

**Important notice**

This Notice of Meeting should be read in conjunction with the Explanatory Memorandum. The Explanatory Memorandum contains important information about the matters to be considered at the Annual General Meeting of TopBetta Holdings Limited to assist shareholders to determine how to vote on the resolutions set out in the accompanying Notice of Meeting.

Should you wish to discuss any of the matters detailed in this Notice of Meeting, please do not hesitate to contact the Company Secretary on +61 3 9614 2444 or [companysecretary@topbetta.com](mailto:companysecretary@topbetta.com).

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## Notice of Annual General Meeting of Shareholders of TopBetta Holdings Limited

Notice is given that the annual general meeting of shareholders of TopBetta Holdings Limited (ACN 164 521 395) (**TopBetta** or the **Company**) will be held:

- on **Tuesday, 22 November 2016 at 11am AEDT**
- at **22 Lambton Rd, Broadmeadow NSW 2292**

## Important Information

### Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

### 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 20 November 2016.

### Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

### Voting online

To vote online, please go to:

- [www.investorvote.com.au](http://www.investorvote.com.au) and follows the instructions on your Proxy Form; or
- [www.intermediaryonline.com](http://www.intermediaryonline.com) for Intermediary Online subscribers.

### Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;

- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

#### Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the Resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the Resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

#### Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the Resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the Resolution,

the chair of the meeting is taken, before voting on the Resolution closes, to have been appointed as the proxy for the purposes of voting on the Resolution at the meeting.

#### **Corporate representatives**

A shareholder that is a body corporate may appoint an individual to act as its representative at the meeting by providing a duly executed Certificate of Appointment of Corporate Representative. Unless otherwise specified in the Certificate, the representative may exercise all or any of the powers that the body corporate may exercise at the meeting or in voting on a resolution. A Certificate is available upon request from the share registry.

Appointments may be lodged in advance of the meeting with the Company's share registry, or handed in at the Meeting when registering.

# BUSINESS OF THE ANNUAL GENERAL MEETING

## Ordinary business

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### 1. Financial Statements And Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016, including the financial statements, Director's Report, the Remuneration Report and the auditor's report.

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### 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 Exclusion 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,

(each a **Restricted KMP Voter**).

However, a Restricted KMP Voter 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:

(c) the Restricted KMP Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(d) the Restricted KMP 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.

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### 3. Resolution 2 – Re-election of Director – Matthew Cain

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

***“THAT Matthew Cain, having retired from his office as Director in accordance with Article 15.6 of the Company's constitution and ASX Listing Rule 14.4, and being eligible, having offered himself for election, be elected as a Director of the Company.”***

The Chairman intends to vote all undirected proxies in favour of this Resolution.

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### 4. Resolution 3 – Appointment of Auditor

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 section 327B(1)(a) of the Corporations Act and for all other purposes, PKF (NS) Audit and Assurance Limited Partnership, having been nominated by the Board upon the Company becoming a public company and consented in writing to act in the capacity of auditor, be appointed as auditor of the Company on the terms and conditions in the Explanatory Memorandum.”***

The Chairman intends to vote all undirected proxies in favour of this Resolution.

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### 5. Resolution 4 – Approval of Prior Issue of Shares

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

***“THAT, for the purposes of ASX Listing Rule 7.4, approval is given in respect of the issue of 14,454,681 fully paid ordinary shares in the Company on 24 August 2016 on the terms and conditions as set out in the Explanatory Memorandum.”***

**Voting Exclusion Statement:**

The Company will disregard any votes cast on this Resolution by any person who participated in the issue of shares under this Resolution and any associates of those persons. However, the Company need 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 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.

The Chairman intends to vote all undirected proxies in favour of this Resolution.

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**6. Resolution 5 – Approval of Issue of Options**

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

*“THAT, for the purposes of ASX Listing Rule 7.1 approval is given in respect of the issue of 3,000,000 Options in the Company to Canaccord Genuity (Australia) Limited on the terms and conditions as set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast on this Resolution by Canaccord Genuity (Australia) Limited and any of its associates. However, the Company need 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 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.

The Chairman intends to vote all undirected proxies in favour of this Resolution.

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**7. Resolution 6 – Approval of 10% Placement Capacity**

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

*“THAT, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 over a 12 month period from the date of the Annual General Meeting, at a price no less than that determined pursuant to ASX Listing Rule 7.1A.3 and otherwise on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement:**

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 may obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed and any associates of those persons. However, the Company need 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 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.

The Chairman intends to vote all undirected proxies in favour of this Resolution.

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**8. Other Business**

To transact any other business which may legally be brought before the meeting.

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**Dated: 20 October 2016****By order of the Board**

**Charly Duffy**  
**Company Secretary**

# EXPLANATORY MEMORANDUM

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

## 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.corporate.topbetta.com.au/news](http://www.corporate.topbetta.com.au/news).

## 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 two 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

As this is the Company's first annual general meeting, shareholders have not voted in respect of a remuneration report. 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:

Person appointed as proxy	Where directions are given on Proxy Form	Where no directions are given on Proxy Form
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

#### Notes:

<sup>1</sup> 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.

<sup>2</sup> 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).

<sup>3</sup> 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.

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

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### **3. Resolution 2 – Re-election of Director – Matthew Cain**

#### **3.1 General**

Article 15.6 of the Constitution requires that, if the Company has three or more directors, one third of the directors (or if their number is not three or a multiple of three, then the number nearest but not exceeding one third) must retire at the Company's next annual general meeting. Article 15.7 of the Constitution allows such Director who retires under Article 15.6 to be eligible for re-election at that meeting. Article 15.6 of the Constitution further prescribes that the director who has held their office as Director for the longest period of time is to retire and stand for re-election at the Meeting and, in the event that multiple persons became directors on the same day, the Director to retire shall be determined by lot (unless otherwise agreed between themselves).

As Managing Director of the Company, Todd Buckingham is not subject to the requirements of Article 15.6 of the Constitution.

Mr Simon Dulhunty and Mr Matthew Cain were each appointed to the Board on 2 October 2015 and they have determined who will retire in accordance with Article 15.6 of the Constitution.

Accordingly, Mr Matthew Cain will retire as Director at the Meeting and, being eligible, will stand for re-election.

Personal particulars for Mr Cain are set out below.

#### **3.2 Mr Matthew Cain**

Matthew Cain has over 18 years' experience in the financial services and banking industry. He brings a significant amount of senior management, financial and corporate experience to the group. Matthew has an extensive family background in racing and is involved with racing a number of horses with prominent Melbourne horse trainers. Matthew is currently a Committee Member of the Melbourne Racing Club and a director of Ferghana Capital. He is also a Board Trustee to the Caulfield Racecourse Reserve.

Mr Cain was appointed to the Board on 2 October 2015.

#### **3.3 Board Recommendation**

The Board (other than Mr Cain) recommends that you vote in favour of this Resolution.

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### **4. Resolution 3 – Appointment of Auditor**

#### **4.1 General**

Section 327B(1)(a) of the Corporations Act requires a public company to appoint an auditor at its first annual general meeting. Accordingly, the Company is seeking shareholder approval of the appointment of PKF (NS) Audit and Assurance Limited Partnership (**PKF**) as the Company's auditor.

PKF has been duly nominated for appointment as the Company's auditor by a shareholder of the Company, as required by section 328B of the Corporations Act. A copy of the shareholder's written notice of nomination is set out at Annexure A.

#### **4.2 Board Recommendation**

The Board recommends that you vote in favour of this Resolution.

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### **5. Resolution 4 – Approval of Prior Issue of Shares under Placement**

#### **5.1 General**

On 24 August 2016, the Company announced that it had completed a placement of 14,454,681 Shares in the Company (**Placement Shares**) to raise \$2.6 million (**Placement**). The proceeds of the Placement were used to target customer acquisitions over the Spring Racing Carnival and expedite the launch of new products, including an international pooled B2B betting product. The Placement Shares issued under the Placement were issued under the Company's placement capacity under ASX Listing Rule 7.1.

The issue of the Placement Shares did not breach ASX Listing Rules 7.1.

Approval is now sought pursuant to ASX Listing Rule 7.4 to the issue of the Placement Shares. Such approval will refresh the Company's ability to issue additional securities in the future without seeking shareholder approval.

#### **5.2 ASX Listing Rules 7.1 & 7.4**

Other than in respect of the exceptions prescribed under the ASX Listing Rules, ASX Listing Rule 7.1 limits the number of securities that a company may issue without shareholder approval in any 12 month period to 15% of its issued securities.

ASX Listing Rule 7.4 allows for shareholders to subsequently approve an issue of securities, provided the issue was not in breach of ASX Listing Rule 7.1. Shareholders are being asked to approve the issue of the Placement Shares in accordance with ASX Listing Rule 7.4.

If the Placement Shares are approved pursuant to ASX Listing Rule 7.4, the Company's capacity to issue further securities under ASX Listing Rules 7.1 is restored. The Directors consider it prudent to retain the capacity to issue further securities and, accordingly, seek Shareholders' approval to the issue of the Placement Shares as set out in this Resolution.

Accordingly, Shareholders are being asked to approve the issue of the Placement Shares in accordance with ASX Listing Rule 7.4.

### **5.3 Summary of the issue of Shares under this Resolution**

For the purposes of ASX Listing Rule 7.5, the following information is provided:

- the number of Shares for which Shareholder approval is being sought is 14,454,681 Shares issued under ASX Listing Rule 7.1;
- the Placement Shares were issued at an issue price of \$0.18 per Share;
- from their date of issue, the Placement Shares ranked equally in all respects with the Company's existing Shares;
- the Placement Shares were issued to various unrelated sophisticated and institutional investors who satisfied the definitions contained in sections 708(8) and 708(11) of the Corporations Act;
- the Placement Shares were issued under the Placement to raise \$2.6 million. These funds will be used to aggressively target customer acquisitions over the Spring Racing Carnival and expedite the launch of new products, including an international pooled B2B betting product; and
- A voting exclusion statement is included in the Notice of Meeting.

### **5.4 Board Recommendation**

The Board recommends that you vote in favour of this Resolution.

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## **6. Resolution 5 – Approval of Issue of Options**

### **6.1 General**

On 24 August 2016, the Company announced that it had completed the Placement. Canaccord Genuity (Australia) Limited (**Canaccord**) acted as Joint Lead Manager, together with Foster Stockbroking Pty Ltd.

As set out in the announcement dated 18 August 2016, in part consideration for the provision of services by Canaccord, the Company agreed to issue to Canaccord 3,000,000 Options, subject to obtaining Shareholder approval at the Annual General Meeting (the terms of which are set out in section 6.3 below).

Approval is now sought pursuant to ASX Listing Rule 7.1 for the issue of the Options which, if approved, will refresh the Company's ability to issue that number of securities in the future without seeking Shareholder approval in accordance with ASX Listing Rule 7.1.

### **6.2 ASX Listing Rule 7.1**

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of securities that a company may issue without shareholder approval in any 12 month period to 15% of its issued securities.

The effect of this Resolution will be to allow the Company to issue the Options to Canaccord without using the Company's 15% placement capacity.

### **6.3 Summary of the issue of Options under this Resolution**

For the purposes of ASX Listing Rule 7.3, the following information is provided:

- the maximum number of Options for which Shareholder approval is being sought under this Resolution is 3,000,000 Options;
- the Options 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 ASX Listing Rules);
- no consideration is payable for the issue of Options;
- the terms of the Options are as follows:
  - exercise price of \$0.25 per Option;
  - the Options will expire on the date that is 3 years from the date of issue; and
  - the Options will vest as follows:



- 1,500,000 Options to vest 12 months after completion of the Placement, being 24 August 2017; and
- 1,500,000 Options to vest on the earlier of:
  - 12 months after completion of the Placement, being 24 August 2017; or
  - the Company's VWAP trading above \$0.50 for a period of at least one month; and
- each Option is exercisable into one fully paid ordinary Share;
- the Options are to be issued to Canaccord;
- no funds will be raised by the issue of the Options. Any funds raised from the exercise of the Options will be used for working capital; and
- a voting exclusion statement is included in the Notice of Meeting.

Additional terms and conditions of the Options proposed to be issued are set out at Annexure B.

#### 6.4 Board Recommendation

The Board recommends that you vote in favour of this Resolution.

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### 7. Resolution 6 – Approval of 10% Placement Capacity

#### 7.1 General

ASX 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 (which term has the meaning given to it in the ASX Listing Rules) to up to 10% of its issued capital over a period up to 12 months after its annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the capacity to issue securities under ASX Listing Rule 7.1 without shareholder approval.

If Shareholders approve this Resolution, the number of equity securities TopBetta may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 as detailed in section 7.2 below.

This Resolution is a special resolution and, accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the meeting (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative) must be in favour of this Resolution for it to be passed.

#### 7.2 ASX Listing Rule 7.1A

The ASX Listing Rules provide that an entity that satisfies both of the following tests may seek shareholder approval under ASX Listing Rule 7.1A:

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

TopBetta is not included in the S&P/ASX 300 Index and has a market capitalisation, as at 17 October 2016, of approximately \$11 million.

Any equity securities issued in reliance of ASX Listing Rule 7.1A must be in the same class as an existing class of quoted equity securities. TopBetta currently has one class of equity securities on issue which are quoted, being the Shares.

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of equity securities calculated in accordance with 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:

- (1) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- (2) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (3) plus the number of Shares issued in the previous 12 months with the approval of shareholders under ASX Listing Rules 7.1 and 7.4; and
- (4) 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 ASX 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 Shares under ASX Listing Rule 7.1 or 7.4.

### 7.3 Information required by ASX Listing Rule 7.1A

ASX Listing Rule 7.3A requires the following information to be provided in relation to a resolution under ASX Listing Rule 7.1A:

#### 7.3.1 Minimum Price

The minimum price at which the equity securities may be issued is 75% of the VWAP of equity securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the equity securities are to be issued is agreed; or
- (b) if the equity securities are not issued within 5 ASX trading days of the date in paragraph (a) above, the date on which the equity securities are issued.

#### 7.3.2 10% placement period

The equity securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of:

- (a) 12 months after the date of the Annual General Meeting; or
- (b) the date of approval by shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or ASX Listing Rule 11.2 (disposal of the Company's main undertaking).

#### 7.3.3 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 this Resolution 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, in the circumstances set out in the table below.

The table below shows the dilution of existing shareholders on the basis of the closing price of the Shares on the ASX on 17 October 2016 (**Closing Price**) and the number of Shares for variable A, calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on 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) has increased by 50% and by 100% and the economic dilution where the issue price of Shares issued under the 10% Placement Capacity is 50% less than the Closing Price and 100% greater than the Closing Price.

Variable A in ASX Listing Rule 7.1A.2		Dilution		
		0.050	0.100	0.200
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
Current Variable A= 110,819,227	10% voting dilution (Shares to be issued under 7.1A)	11,081,923	11,081,923	11,081,923
	Funds raised	\$554,096.15	\$1,108,192.30	\$2,216,384.60
50% increase in Current Variable A= 166,228,840.50	10% voting dilution (Shares to be issued under 7.1A)	16,622,885	16,622,885	16,622,885
	Funds raised	\$831,144.25	\$1,662,288.50	\$3,324,577.00
100% increase in Current Variable A= 221,638,454	10% voting dilution (Shares to be issued under 7.1A)	22,163,846	22,163,846	22,163,846
	Funds raised	\$1,108,192.30	\$2,216,384.60	\$4,432,769.20

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 ASX Listing Rule 7.1.

The table above has been prepared on the basis of the following assumptions:

- (a) the Issue Price set out in the table is the closing price of the Shares on the ASX on 17 October 2016;

- (b) the Company issues the maximum possible number of equity securities under the 10% Placement Capacity;
- (c) no rights convertible into Shares are exercised;
- (d) subject to point (e) below, the Company has not issued any equity securities in the 12 months prior to the date of the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or which were not approved under ASX Listing Rule 7.1 or 7.4;
- (e) Resolution 4 contained in this Notice is approved by Shareholders;
- (f) this table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1;
- (g) the issue of equity securities under the 10% placement facility consists only of Shares.

Shareholders should note that there is a risk that:

- (a) the market price for the Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (b) the equity securities issued under the 10% Placement Capacity may be issued at a price that is at a discount to the market price for the Shares on the date of issue,

which may affect the amount of funds raised by the issue.

Shareholders should also note that the calculations in the table 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.

#### **7.3.4 Purpose of Issue under 10% Placement Capacity**

The Company may issue equity securities under the 10% Placement Capacity for the following purposes:

- (a) as cash consideration in which case the Company intends to use funds raised for either or both of working capital purposes or to fund growth opportunities; or
- (b) as non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

#### **7.3.5 Allocation under the 10% Placement Capacity**

The allottees of the equity securities to be issued under the 10% Placement Capacity will depend on prevailing market conditions and will be determined on a case by case basis. However, the allottees of equity securities could consist of current shareholders, new investors or both. Allottees may also include vendors of assets into the Company.

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

- (a) the purpose of the issue;
- (b) 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;
- (c) the effect of the issue of the equity securities on the control of the Company;
- (d) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (e) prevailing market conditions; and
- (f) advice from corporate, financial and broking advisers (if applicable).

#### **7.3.6 Previous Approval under ASX Listing Rule 7.1A**

As this is the Company's first annual general meeting, the Company has not previously obtained approval under ASX Listing Rule 7.1A.

#### **7.3.7 Voting exclusion statement**

A voting exclusion statement is included in the notice. As at the date of the notice, TopBetta has not approached any existing Shareholder, security holder or an identifiable class of existing security holders to participate in the issue of any equity securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholder's votes will be excluded under the voting exclusion in the notice.

### **7.4 Board Recommendation**

The Board recommends that you vote in favour of this Resolution.

# Glossary

**\$** means Australian dollars.

**10% Placement Capacity** has the meaning ascribe to it in section 7.1 of the Explanatory Memorandum.

**AEDT** means Australian Eastern Daylight Time as observed in Melbourne, Victoria, Australia.

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

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

**ASX Listing Rules** means the Listing Rules of ASX.

**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.

**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)*.

**Company** or **TopBetta** means TopBetta Holdings Ltd ACN 164 521 395.

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice of Meeting.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Memorandum and the Proxy Form.

**Options** means an option to subscribe for Shares in the capital of the Company.

**Placement** has the meaning ascribed to in section 5.1 of the Explanatory Memorandum.

**Placement Shares** has the meaning ascribed to in section 5.1 of the Explanatory Memorandum.

**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 of Meeting, or any one of them, as the context requires.

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

**Shareholder** means a holder of a Share.

**VWAP** means volume weighted average price.

# Annexure A – Notice Of Nomination of Auditor

7 October 2016

The Directors  
TopBetta Holdings Limited  
22 Lambton Rd  
Broadmeadow NSW 2292

Dear Sirs

## **Nomination of Company Auditor**

Pursuant to section 328B(1) of the Corporations Act 2001 (Cth), I, Todd Buckingham, being a member of TopBetta Holdings Limited ACN 164 521 395 (**Company**):

- a) hereby nominate PKF (NS) Audit and Assurance Limited Partnership of 755 Hunter Street, Newcastle West, NSW, 2302 for appointment as auditor of the Company at the next annual general meeting of the Company to be held on or about 22 November 2016; and
- b) propose that the Directors of the Company be authorised to agree their remuneration.

Please distribute copies of this notice in accordance with section 328B(3) of the Corporations Act 2001 (Cth).

Yours sincerely



Todd Buckingham

# Annexure B – Terms and conditions of Options the subject of Resolution 5

The material terms and conditions of the Options the subject of Resolution 5 are as follows:

- (a) Subject to clause (p) of these terms, the exercise price of each Option is \$0.25 per Option (**Exercise Price**).
- (b) Subject to the satisfaction of any vesting conditions, the Options may be exercised any time up to the date that is 3 years after the date of issue (**Expiry Date**).
- (c) The Options will vest as follows:
  - (i) 1,500,000 Options to vest 12 months after completion of the Placement, being 24 August 2017; and
  - (ii) 1,500,000 Options to vest on the earlier of:
    - (A) 12 months after completion of the Placement, being 24 August 2017; or
    - (B) the volume weighted average trading price of the Company's shares being above \$0.50 for a period of at least one month.
- (d) Subject to clause (q) of these terms, each Option gives the Option holder the right to subscribe for one Share.
- (e) Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (f) The amount payable upon exercise of each Option is the Exercise Price.
- (g) Options will not be quoted on ASX and will not otherwise be transferable.
- (h) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion.
- (i) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number and class of options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised, (**Exercise Notice**).
- (j) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (k) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price (and subject to the Company obtaining any necessary prior approvals from Shareholders or regulatory bodies for the issue of the Shares), the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (l) All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.
- (m) The Company will apply for quotation of all Shares issued pursuant to the exercise of Options on ASX within 20 Business Days after the date of issue of those Shares.
- (n) If at any time the issued capital of the Company is reorganised, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (p) If, between the date of issue and the date of exercise of an Option, the Company makes one or more rights issues (being a pro rata issue of Shares in the capital of the Company that is not a bonus issue) in accordance with the ASX Listing Rules, the exercise price of Options on issue will be reduced in respect of each rights issue according to the following formula:

$$NE = OE - \frac{E [P - (S + D)]}{(N + 1)}$$

where:

NE is the new exercise price of the Option.

OE is the old exercise price of the Option.

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

P is volume weighted average market price per Share (as defined in the ASX Listing Rules) calculated over the five

trading days ending on the day before the ex-rights date or ex-entitlements date.

S is the subscription price for a Share under the pro rata issue.

D is the dividend due but not yet paid on the existing underlying Share (except those to be issued under the pro-rata issue)

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

- (q) If there is a bonus issue to shareholders of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (r) Options do not carry any dividend entitlement until they are exercised. Shares issued on exercise of Options rank equally with other issued Shares of the Company from their date of issue.
- (s) Other than otherwise provided in these terms, an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.