



Corum Group Limited ABN 25 000 091 305

## Notice of Annual General Meeting and Explanatory Memorandum

**Date:** 20 November 2019

**Time:** 10.30am

**Place:** Kangaroo Room  
Chartered Accountants Australia & New Zealand  
Level 9  
33 Erskine Street  
SYDNEY NSW 2000



# Chairman's Letter to Shareholders

18 October 2019

Dear Shareholder(s)

It is with pleasure that your company invites you to attend the forthcoming Shareholders' Annual General Meeting. Enclosed is your Notice for the Annual General Meeting of Corum Group Limited. The Meeting will be held on 20 November 2019 in the Kangaroo Room, Chartered Accountants Australia and New Zealand, Level 9, 33 Erskine Street, Sydney NSW 2000. The Meeting will commence at 10.30am.

The items of ordinary business include motions to receive and consider the Annual Report, the Remuneration Report and re-election of Gregor Aschoff as a Director. In addition to the ordinary business, there will be motions to consider increasing the placement capacity of the Company, the issue of new Shares and the appointment of a new Director.

You are encouraged to attend the Meeting in person. However, if you are unable to do so, then kindly complete the enclosed proxy form and return it to our share registry by mail or facsimile.

If any of the Directors are appointed as a proxy, they will vote in accordance with any instructions given to them on the proxy form. If, as the Meeting's Chairman, I am given any proxies with discretion as to how to vote, I will vote in favour of each of the items of business to be considered.

I sincerely hope you will be able to join us at the Meeting and take advantage of the opportunity to meet and speak with the Directors and management.

Yours sincerely



**Bill Paterson**

Chairman

**Notice is given** that the Annual General Meeting ("**AGM**") of Shareholders of Corum Group Limited ("**Corum**" or "**Company**") will be held in the Kangaroo Room, Chartered Accountants Australia and New Zealand, Level 9, 33 Erskine Street, Sydney NSW 2000 commencing at 10.30am on 20 November 2019.

The accompanying Explanatory Memorandum and proxy form provide additional information relating to the matters to be considered at the Meeting, and form part of this Notice. We refer Shareholders to the Glossary in the Explanatory Memorandum which contains definitions used in this Notice and the Explanatory Memorandum.

# Notice of Annual General Meeting

## Agenda

### 1. General Business Annual Report 2019

To receive and consider the Directors' Report, the Auditor's Report, and the Financial Report in respect of the year ended 30 June 2019.

The Company's Directors' Report, the Auditor's Report and the Financial Report, contained in the Report to Shareholders are placed before the Meeting giving Shareholders an opportunity to discuss those documents and to ask questions, though there is no requirement that Shareholders approve these reports.

The auditor will be attending the AGM and will be available to answer any questions relevant to the conduct of the audit and the preparation and content of the Auditor's Report.

### 2. Resolution 1 – Adopt the Remuneration Report

To consider and, if thought fit, to pass the following Resolution as a non-binding resolution:

*"That the Remuneration Report for the year ended 30 June 2019 be adopted."*

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

#### Voting exclusion statement – Resolution 1

The Company will disregard any votes cast on Resolution 1:

- by or on behalf of a member of the Company's Key Management Personnel ("KMP") named in the Remuneration Report or their Closely Related Parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the KMP at the date of the AGM or their Closely Related Parties.

However, the Company need not disregard votes cast on Resolution 1 if:

- they are cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form;
- they are cast by the person chairing the Meeting voting as proxy for a person who is entitled to vote, in accordance with their directions on the proxy form;
- it is an undirected proxy cast by the Chairman even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP and even if the Chairman has an interest in the outcome of that Resolution.

### 3. Resolution 2 – Re-election of Gregor Aschoff as a Director

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

*"That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Gregor Aschoff, a Director appointed on 31 October 2016, retires and, being eligible, is re-elected as a Director."*

### 4. Resolution 3 – 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 purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities totalling up to 10% of the Shares on issue at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum."*

#### Voting exclusion statement – Resolution 3

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- any person who is expected to participate in the issue of equity securities under this Resolution, or who will obtain a material benefit as a result if the Resolution is passed (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- their respective associates.

However, the Company need not disregard a vote if the vote 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
- the person chairing the Meeting voting as proxy for the person who is entitled to vote, in accordance with their directions on the proxy form.

### 5. Resolution 4 – Proposed issue of Shares to BMM Group Administration Pty Ltd

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

*"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 63,642,138 Shares (at a deemed issue price of 3.0 cents per Share) to BMM Group Administration Pty Ltd ACN 131 647 222 in two tranches of*  
1) 31,821,068 Shares; and  
2) 31,821,070 Shares,  
*in accordance with the terms and conditions of the Subscription Deed, a summary of which is set out in the Explanatory Memorandum."*

#### Voting exclusion statement – Resolution 4

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- any person who may participate in the proposed issue and any 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
- their respective associates.

However, the Company need not disregard a vote if the vote 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
- the person chairing the Meeting voting as proxy for the person who is entitled to vote, in accordance with their directions on the proxy form.

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## 6. Resolution 5 – Placement of Shares

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

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue and allotment of 146,400,000 Shares at an issue price of 2.5 cents in accordance with the terms and conditions of the Placement Agreements, a summary of which is set out in the Explanatory Memorandum.”*

### Voting exclusion statement – Resolution 5

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- a. any person who may participate in the proposed issue and any 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
- b. their respective associates.

However, the Company need not disregard a vote if the vote is cast by:

- a. a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b. the person chairing the Meeting voting as proxy for the person who is entitled to vote, in accordance with their directions on the proxy form.

## 7. Resolution 6 – Election of Nick England as a Director

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

*“That, subject to the passing of Resolution 5, Shareholders approve the appointment of Nick England as a Director of the Company effective on or before the day that is five Business Days after the Meeting in accordance with the Placement Agreement executed between the Company and Alchemy, details of which are set out in the Explanatory Memorandum”.*

By order of the Board



David Clarke  
Company Secretary Corum Group Limited

Dated: 18 October 2019

# Voting and Proxies

## Voting

The Company has determined, in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that Shareholders recorded on the Company's register at 7.00pm (Sydney time) on 18 November 2019 (“**Record Date**”), will be entitled to attend and vote at the Meeting. If you are not a registered Shareholder on the Record Date, you will not be entitled to attend and vote at the Meeting.

If you cannot attend the Meeting in person, we encourage you to sign and return the accompanying proxy form in accordance with the instructions set out below and those set out on the proxy form.

## Proxies

A Shareholder who is entitled to attend and vote at the Annual General Meeting may appoint up to two proxies to attend and vote on behalf of that Shareholder.

If a Shareholder appoints two proxies, the appointment of the proxies must specify the proportion or the number of that Shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the Shareholder's votes.

Where a Shareholder appoints more than one proxy, only the first named proxy is entitled to vote on a show of hands.

A proxy need not be a Shareholder.

A proxy may decide whether to vote on any Resolution, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on a Resolution, the proxy may vote on that Resolution only in accordance with that direction. If a proxy is not directed how to vote on a Resolution, the proxy may vote as he or she thinks fit. This applies even if the proxy is the Chairman, in which case the Chairman will vote in favour of each of the items of business.

## Appointing a member of KMP

A Shareholder wishing to appoint a member of the Key Management Personnel (“**KMP**”) or a Closely Related Party of any member of the KMP as proxy should note that the KMP or Closely Related Party will not be able to vote undirected proxies on Resolution 1. That is, the Shareholder must direct the KMP how to vote by marking the appropriate boxes on the proxy form for Resolution 1, otherwise the Shareholder's proxy vote will not be counted for the purposes of that Resolution.

# Voting and Proxies

## Appointing the Chairman

If the Shareholder appoints the Chairman of the Meeting as proxy, the Shareholder can direct the Chairman how to vote by marking the relevant boxes on the proxy form (i.e. 'for', 'against' or 'abstain').

If no direction is provided, the Chairman will cast the Shareholder's votes in favour of Resolution and those votes will be counted in calculating the required majority on a poll.

With respect to Resolution 1, if a Shareholder appoints the Chairman as the Shareholder's proxy and does not specify how the Chairman is to vote on the Resolution, the Chairman will vote the Shareholder's Shares as set out below, even though Resolution 1 (**Remuneration Report**) is connected directly or indirectly with the remuneration of a member of KMP, and even if the Chairman has an interest in the outcome of that Resolution.

The Chairman intends voting undirected proxies in favour of Resolution 1.

## Returning proxies and authorising documents

To be effective, the Company must receive the completed proxy form and, if the form is signed by the Shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 10.30am (Sydney time) on 18 November 2019.

Proxies may be only lodged with the Company's share registry:

- a. by mail or delivery to:  
Computershare Investor Services Pty Limited  
GPO Box 242  
MELBOURNE VIC 3001
- b. by facsimile:  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

Alternatively, you can appoint a proxy online and submit your voting instructions (if any) by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and following the instructions on the website. To use this online facility, you will need your Shareholder Reference Number ("SRN") or Holder Identification Number ("HIN"), postcode and the six digit PIN shown on your proxy form. If you lodge an online proxy appointment in accordance with the instructions, you will be taken to have signed or authorised the proxy form.

Custodians and nominees with access to Intermediary Online can appoint a proxy online and submit their voting instructions (if any) at [www.intermediaryonline.com](http://www.intermediaryonline.com).

## Directed Proxies

The Corporations Act sets out how a proxy must vote directed proxies. If a proxy form specifies the way a proxy is to vote on a resolution, then:

- a proxy need not vote on a show of hands, but if the proxy does vote, the proxy must vote as directed;
- if a proxy is appointed by two or more Shareholders who specify different ways to vote on a resolution, the proxy must not vote on a show of hands;
- if the proxy is the Chairman, the proxy must vote as directed on a poll;
- if the proxy is not the Chairman, the proxy need not vote on a poll, but if the proxy does vote, the proxy must vote as directed; and
- if the proxy is not the Chairman and does not attend the Annual General Meeting or does not vote on a Resolution, but the proxy form specifies how to vote and a poll is demanded, then the Chairman is taken to have been appointed as the proxy and must vote as directed.

## Power of Attorney

A Shareholder's attorney may sign the Shareholder's proxy form on behalf of the Shareholder. By signing the proxy form, the Shareholder's attorney confirms that the authority under which he or she executed the proxy form has not been revoked.

If the Shareholder's attorney signs the proxy form, then the attorney must, when it sends the proxy form to the Company, also send the authority (or a certified copy of the authority) under which the proxy form was signed. Each of the proxy form and authority must be received at least forty eight (48) hours before the Annual General Meeting.

## Bodies Corporate

Proxies given by corporate Shareholders must be executed in accordance with their constitutions, or signed by two directors, a director and the company secretary, or a duly authorised officer or attorney.

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at the Annual General Meeting. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise on behalf of the appointing body all of the powers that the appointing body could exercise at the Annual General Meeting or in voting on a Resolution.

# Explanatory Memorandum

## IMPORTANT NOTICE

This Explanatory Memorandum is dated 18 October 2019. This Explanatory Memorandum is an explanation of, and contains information about, the Resolutions to be considered at the Annual General Meeting, which are set out in the accompanying Notice.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the Resolutions. The Directors recommend that Shareholders read this Explanatory Memorandum in full before determining whether or not to support the Resolutions. This Explanatory Memorandum forms part of the accompanying Notice and should be read together with the Notice.

If you are in doubt about what to do in relation to the Resolutions contemplated in this Explanatory Memorandum, you should consult your financial or other professional advisor.

Capitalised terms used in this Explanatory Memorandum have the meaning given to them in the Glossary.

## Forward Looking Statements

Certain statements in this Explanatory Memorandum relate to the future. These statements reflect the views held by the Board as at the date of this Explanatory Memorandum.

While the Company believes that the expectations reflected in the forward looking statements are reasonable, neither the Company nor any other person gives any representation, assurance or guarantee that the occurrence of an event expressed or implied in any forward looking statements in this Explanatory Memorandum will actually occur.

## 1. Resolution 1 – Adopt the Remuneration Report

The Remuneration Report of the Company for the period ended 30 June 2019 is set out on pages 10 to 14 of the Annual Report. The Annual Report is available on the Company's website at: [www.corumgroup.com.au/investors](http://www.corumgroup.com.au/investors).

The Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company; and
- sets out the remuneration arrangements in place for Directors and other members of KMP.

Section 250R(2) of the Corporations Act requires the Company to put a resolution to the Annual General Meeting that the Remuneration Report be adopted. The outcome of the vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

At the Meeting, the Chairman must allow a reasonable opportunity for Shareholders to ask questions about and make comments on the Remuneration Report as well as the remuneration policies of the Company generally.

Shareholders should note that whilst the vote on this Resolution is advisory only, if more than 25% of the votes cast on the Resolution are against adopting the Remuneration Report, it will be considered a "first strike".

Under the 'two-strike' process, if at two consecutive annual general meetings at least 25% of the votes cast on this Resolution are against the adoption of the remuneration report, at the second of these annual general meetings the Company must put to the vote a Resolution that another general meeting be held within 90 days at which time all of the Directors who were Directors at the time of this vote, cease to be Directors and must stand for re-election.

**Board Recommendation on Resolution 1: Acknowledging that each Director has a personal interest in their own remuneration from the Company, as described in the Remuneration Report, the Directors unanimously RECOMMEND THE ADOPTION of the Remuneration Report.**

## 2. Resolution 2 – Re-election of Gregor Aschoff as a Director

Clause 13.2 of the Constitution of the Company requires one third of the Directors to retire by rotation at the AGM of the Company.

ASX Listing Rule 14.4 states that a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is longer.

Gregor Aschoff was first appointed as a Director on 20 March 2015 and was most recently re-elected at the Company's annual general meeting on 31 October 2016. In accordance with the Constitution and the ASX Listing Rules, being eligible for re-election, offers himself for re-election at the Meeting.

Gregor has a background in governance and performance management for a global technology company. He is experienced in Australia regarding many areas of technology relevant to Corum's business. He had a role in past management positions in relation to marketing and sales and had contact with major retail customers and suppliers.

Gregor is currently Executive Director for Data and Business Solutions and has given notice of his proposed resignation from that role effective prior to the Meeting. Consequently, at the Meeting Gregor is seeking re-election as a Non-executive Director.

**Board Recommendation on Resolution 2: The Directors recommend that Shareholders vote in FAVOUR of Resolution 2.**

# Explanatory Memorandum

## 3. Resolution 3 – Approval of 10% Placement Capacity

### 3.1. General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of equity securities equal to 10% of its issued capital at the time of the issue over a period up to 12 months after annual general meeting (**10% Placement Capacity**) without using that entity's existing 15% annual placement capacity under ASX Listing Rule 7.1.

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.

As the Company is not included in the S&P/ASX 300 Index and has a market capitalisation less than \$300,000,000 it is an Eligible Entity.

Any equity securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted equity securities on issue, being the Shares (ASX Code: COO).

If Shareholders approve the special resolution, the number of equity securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the following formula prescribed in ASX Listing Rule 7.1A.2:

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

In the formula above:

- 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 ASX 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 ASX Listing Rule 7.1 or 7.4; 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 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 ordinary securities under ASX Listing Rule 7.1 or 7.4.

As required by the Corporations Act, at least 75% of votes cast by Shareholders present (in person, or by proxy or representative) and eligible to vote at the Meeting must be in favour of the special resolution for it to be passed.

## 3.2. Technical information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this special resolution:

### (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 paragraph 3.2(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 ASX 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 ASX Listing Rule 7.1A ceases to be valid).

### (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.

The table on the next page shows the potential dilution of Shareholders calculated in accordance with the formula in ASX Listing Rule 7.1A.2, on the basis of the market price of Shares and the number of Shares on issue as at 11 October 2019.

The table assumes differing numbers of Shares on issue (i.e. variable "A" in the above formula) and issue prices for Shares over three scenarios, but in each scenario it is assumed that the Company issues the maximum number of Shares available under the 10% Placement Capacity. For example:

- Variable 'A' differs across each scenario. Scenario 1 assumes there is no change to the number of Shares on issue. Scenarios 2 and 3 then assume an increase of 50% and 100% (respectively) to the number of Shares on issue.
- Within each scenario, three different issue prices for the Shares are assumed. One of the issue prices is the closing price on 11 October 2019 (being the last practicable trading day prior to the date of this Notice). The other two issue prices then assume a 50% decrease to that closing Share price and a 50% increase to that price.

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Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	1.75 cents 50% decrease in Issue Price	3.5 cents Issue Price	5.25 cents 50% increase in Issue Price
256,167,592 (Current Variable 'A')	Shares issued – 10% voting dilution	25,616,759	25,616,759	25,616,759
	Funds raised	\$ 448,293	\$ 896,587	\$ 1,344,880
384,251,388 (50% increase in Variable 'A')	Shares issued – 10% voting dilution	38,425,139	38,425,139	38,425,139
	Funds raised	\$ 672,440	\$ 1,344,880	\$ 2,017,320
512,335,184 (100% increase in Variable 'A')	Shares issued – 10% voting dilution	51,233,518	51,233,518	51,233,518
	Funds raised	\$ 896,587	\$ 1,793,173	\$ 2,689,760

\*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 uses the following assumptions:

1. The number of Shares on issue is 256,167,592, which was the number of Shares the Company had on issue as at 11 October 2019.
2. The issue price set out above is the closing price of the Shares on the ASX on 11 October 2019.
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 ASX Listing Rule 7.2 or with approval under ASX 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 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 ASX 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, which may have an effect on the amount of funds raised by the issue of the Shares.

## (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 product development, business expansion, acquisitions and/or general working capital; or
- (ii) as non-cash consideration for the acquisition of new assets or investments and employee incentives. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

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

The Company 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 identity of the recipients of the equity securities to be issued under the 10% Placement Capacity will be determined on a case-by-case basis at the time of issue and in the Company's discretion. 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.



# Explanatory Memorandum

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).

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

The Company has not previously sought approval to issue equity securities pursuant to ASX Listing Rule 7.1A.

## **(g) Compliance with ASX 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 ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market, namely:
  - A. details of the dilution to the existing holders of ordinary securities caused by the issue;
  - B. where the equity securities are issued for cash consideration, a statement of the reasons why the eligible entity issued the equity securities as a placement under ASX Listing Rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing ordinary security holders would have been eligible to participate;
  - C. details of any underwriting arrangements, including any fees payable to the underwriter; and
  - D. any other fees or costs incurred in connection with the issue.

**Board recommendation on Resolution 3: The Directors believe that Resolution 3 is in the best interests of the Company and recommend that members vote in FAVOUR of Resolution 3.**

## **4. Resolution 4 – Proposed issue of Shares to BAMM Group Administration Pty Ltd**

### **4.1. General**

The Company has entered into agreements with BAMM Group Administration Pty Ltd ACN 131 647 222 (**BAMM**) for the co-development of a pharmacy software solution for multi-store management and in-store operations, incorporating elements and know-how of existing software developed independently by each party. This will comprise a new Corum

Clear Head Office Product which will be developed in two stages. On successful completion of each stage, subject to Shareholder approval, acceptance by the Company and transfer of all intellectual property to the Company, the Company has agreed to issue BAMM instalments of 31,821,068 Shares and 31,821,070 Shares (**Consideration Shares**). These issues are expected to take place in February 2020 and September 2020 with the timing subject to the product acceptance process.

The agreements with BAMM were entered into on 24 September 2019 and comprise a Framework Agreement, a Development Agreement and a Subscription Deed.

The Framework Agreement contains the basis on which the Company and BAMM will co-operate in the development and exploitation of the Corum Clear Head Office Product and associated point of sale software. It also includes an agreement to jointly identify and appoint an additional independent Director with expertise in IT, software development and marketing, after successful completion of the second stage.

The Development Agreement sets out the services to be provided by BAMM and the Company in the co-development of the Corum Clear Head Office Product; including the responsibilities, contribution and expectation of each party. It addresses the criteria for acceptance by the Company of the developed product and confirms the transfer of ownership of all intellectual property to the Company.

The Subscription Deed sets out the terms relevant to the subscription for and issue of the Consideration Shares. The summary of the Subscription Deed is set out in paragraph 4.2 below.

Resolution 4 seeks Shareholders' approval for the issue and allocation of the total of 63,642,138 Shares (at a deemed issue price of 3.0 cents per Share) to BAMM in two tranches. The Company is applying to ASX for a Waiver of ASX Listing Rule 7.3.2 to allow the Consideration Shares to be issued outside the period of 3 months from the date of this Meeting.

### **4.2. Summary of terms of the Subscription Deed**

The following is a summary of the material terms of the Subscription Deed (using defined terms in the Subscription Deed):

- 1) The Consideration Shares will be allocated to BAMM on the achievement of two milestones, in particular:
  - (a) the issue and allotment of 31,821,068 Shares (**Tranche 1 Consideration Shares**) is to be made upon acceptance by Corum and the assignment of the intellectual property rights in the relevant Corum Clear Head Office as a part of the first wave as set out in the Development Agreement (**Tranche 1 Milestone**, expected to be around February 2020); and
  - (b) the issue and allotment of 31,821,070 Shares (**Tranche 2 Consideration Shares**) is to be made upon acceptance by Corum and the assignment of the intellectual property rights in the relevant Corum Clear Head Office as a part of the second wave as set out in the Development Agreement (**Tranche 2 Milestone**, expected to be around September 2020).

# Explanatory Memorandum

- 2) Completion of the issue and allotment of Tranche 1 Consideration Shares is conditional on:
  - (a) issue of an intention statement to the ASX by the largest Shareholder of the Company that the Shareholder is in favour of the transactions contemplated by the Framework Agreement and the Subscription Deed and will vote in favour of any resolution put forward by the Company for consideration by the Shareholders to approve those transactions, including any resolution required to issue Tranche 1 and Tranche 2 Consideration Shares to BAMM; and
  - (b) satisfaction of Tranche 1 Milestones.
- 3) Completion of the issue and allotment of Tranche 2 Consideration Shares is conditional on:
  - (a) completion of issue and allotment of Tranche 1 Consideration Shares;
  - (b) satisfaction of Tranche 2 Milestone; and
  - (c) obtaining Shareholder approval for the purposes of ASX Listing Rule 7.1.
- 4) Completion of the relevant issue and allotment of Consideration Shares is to take place 5 days following satisfaction or waiver of the relevant Conditions Precedent.
- 5) Immediately after the Completion Date, the Company must apply to ASX for official quotation of the relevant Consideration Shares.
- 6) The Company must, before commencement of trading on ASX on the day of issue of the Consideration Shares, provide ASX with a notice in accordance with section 708A(6) of the Corporations Act (a cleansing statement);
- 7) If the Company undertakes a reorganisation of its Share capital during the term of the Subscription Deed, then the amount of the Tranche 1 Consideration Shares and Tranche 2 Consideration Shares must be adjusted;
- 8) BAMM has a right to terminate the Subscription Deed if the Company undertakes a return of capital to holders of its Share capital during the term of the Subscription Deed;
- 9) The Company must within 3 months from the date of the Subscription Deed:
  - (a) procure a general meeting of Shareholders is convened and held to approve the issue of the Consideration Shares in satisfaction of the Conditions Precedent; and
  - (b) apply to ASX for a waiver of ASX Listing Rule 7.3.2 and use its reasonable endeavours to obtain ASX waivers, in order to issue Shares later than 3 months after the date of approval by Shareholders.
- 10) If the approval of Shareholders is not achieved within 3 months after the achievement of the relevant Milestone, BAMM is entitled to claim damages against the Company for the value of the Consideration Shares that would otherwise have been received if the Shareholder approval had been issued;
- 11) If the Company proposes to issue new Shares, then it will invite BAMM to participate in the new issue of Shares on the substantially the same terms and conditions as those offered to other investors.

## 4.3. ASX Listing Rule 7.1

ASX 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, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 4 will be to allow the Company to issue the Consideration Shares pursuant to the Subscription Deed during the period of 3 months after the Meeting (or such later date as may be permitted by an ASX waiver of the ASX Listing Rules), without using the Company's 15% annual placement capacity.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Shares pursuant to the Subscription Deed:

- (a) the maximum number of Consideration Shares to be issued is 63,642,138;
- (b) the Consideration Shares must be issued no later than 3 months after the date of the Meeting, unless a later date is permitted by any ASX waiver obtained by the Company or modification of the ASX Listing Rules and, failing which, the Consideration Shares cannot be issued based on this Resolution 4;
- (c) the Consideration Shares will be issued for nil cash consideration in two tranches on the achievement of certain Milestones a summary of which is set out in paragraph 4.2 above. Accordingly, no funds will be raised from the issue;
- (d) the Consideration Shares will have a deemed issue price of 3.0 cents per share;
- (e) the Consideration Shares will be issued to BAMM, which is a sophisticated and professional investor and not a related party of the Company; and
- (f) the Consideration Shares will be issued on the terms and conditions set out in paragraphs 4.1 and 4.2 above.

**Board recommendation on Resolution 4: The Directors recommend that members vote in FAVOUR of Resolution 4.**

## 5. Resolution 5 – Placement of Shares

### 5.1. General

For the purpose of raising \$3,660,000, the Company has agreed to issue and allocate the total of 146,400,000 Shares in the Company at an issue price of 2.5 cents per Share (**Placement**) as follows:

- (a) such number of Shares which does not exceed 16% of the issued capital of the Company to be issued and allocated to directors and/or director-related investment entities of Alchemy Healthcare Pty Ltd ACN 601 078 442, an entity unrelated to the Company, all of whom qualify as sophisticated or professional investors for the purposes of section 708 of the Corporations Act (**Alchemy**);
- (b) such number of Shares as agreed to be issued and allocated to BAMM pursuant to its rights referred to in paragraph 4.2 (11) above;

# Explanatory Memorandum

- (c) the balance of the Shares to be issued and allocated to third parties, not currently Substantial Holders, who:
  - (i) are nominated or sourced by Alchemy;
  - (ii) are not associated entities of Alchemy, BAMB, or each other; and
  - (iii) qualify as sophisticated or professional investors for the purposes of section 708 of the Corporations Act (**Non-Associated Entities**);

No participant in the Placement, individually and with their associates, will hold 20% or more of the Shares following the issue.

## 5.2. Summary of terms of the Placement Agreements

For the purpose of the Placement, the Company has entered into three versions of a placement agreement with the investors from Alchemy (41% of Shares placed), the Non-Associated Entities (54.5% of Shares placed) and BAMB (4.5% of Shares placed) (collectively the '**Placement Agreements**').

The following is a summary of the material terms of the Placement Agreements:

- (a) the total number of Shares to be issued and allocated is 146,400,000.
- (b) Completion of the issue and allotment of the Shares pursuant to the Placement Agreements is conditional on:
  - (i) the approval of the Placement by Shareholders' resolution for the purpose of ASX Listing Rule 7.1;
  - (ii) execution of Placement Agreements for the purposes of raising not less than \$3,500,000 from Alchemy and/or Non-Associated Entities;
  - (iii) in the case of Alchemy:
    - a. a requirement to enter into a restriction agreement pursuant to which they agree to voluntarily escrow their Shares for a 12 month period from Completion, on terms consistent with Appendix 9A of the ASX Listing Rules;
    - b. the appointment of Nick England as a Director of the Company; and
    - c. an undertaking from Lujeta Pty Limited, the largest Shareholder of Corum, to vote 19.9% of the Shares in Corum in favour of Resolutions 5 and 6.
  - (iv) in the case of BAMB:
    - a. a requirement to enter into a restriction agreement pursuant to which it agrees to voluntarily escrow its Shares for a 12 month period from Completion, on terms consistent with Appendix 9A of the ASX Listing Rules.
- (c) if the Conditions Precedent are not satisfied within 5 Business Days of the Meeting, the relevant Placement Agreements automatically terminate;
- (d) the Completion under the Placement Agreements is to occur 10 Business Days after the Shareholders' meeting approving the Placement or such later date as the parties may agree provided that such date is not later than 3 months after the meeting;
- (e) the Company must not issue any more equity capital until either Completion has occurred or the relevant Placement Agreements have been terminated.

## 5.3. ASX Listing Rule 7.1

As indicated above, under ASX Listing Rule 7.1 a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 5 will be to allow the Company to issue the Shares pursuant to the Placement Agreements during the period of 3 months after the Meeting (or such later date as may be permitted by an ASX waiver of the ASX Listing Rules), without using the Company's 15% annual placement capacity.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Shares pursuant to the Placement Agreements:

- (a) the maximum number of Shares to be issued is 146,400,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and, failing which, they cannot be issued based on Resolution 5;
- (c) the Shares will be issued at an issue price of 2.5 cents per Share, up to a maximum aggregate value of \$3,660,000;
- (d) the Shares will be issued to:
  - (i) Directors of and director-related investment entities of Alchemy Healthcare Pty Ltd ACN 601 078 442;
  - (ii) third parties nominated or sourced by any of the above, who are not related parties of the Company and who qualify as sophisticated or professional investors for the purposes of section 708 of the Corporations Act; and
  - (iii) BAMB;
- (e) the terms of the Shares are set out in paragraphs 5.1 and 5.2 above;
- (f) the funds raised from the issue of Shares will be used by the Company to meet the development costs of the Corum Clear suite of pharmacy software platforms, to resource strategic initiatives and to fund general working capital of the Company.

**Board recommendation on Resolution 5: The Directors recommend that members vote in FAVOUR of Resolution 5.**

# Explanatory Memorandum

## 6. Resolution 6 – Election of Nick England as a Director

As indicated in paragraph 5.2(b)(iii)(B), the appointment of Nick England as a Director of the Company is a condition precedent to the Completion of the Placement under the Placement Agreement executed between the Company and Alchemy.

Clause 13.3 of the Constitution of the Company provides that the Company may elect a person as a Director at a general meeting of the Company. The approval of the Shareholders is therefore sought for the appointment of Nick England as a Director of the Company, which is to take effect on or before the day that is five Business Days after the Meeting in accordance with the Placement Agreement.

Nick England has over 35 years of experience and high level global relationships formed through his consulting and senior management roles in Australia, the UK and Europe. He held senior management roles with the global health and beauty company Alliance UniChem PLC (now Walgreens Boots Alliance) which operates 13,000 pharmacies and distributes across 11 countries. As Group Director for Alliance UniChem Nick was responsible for merger, acquisition and service agreement opportunities with key global network partners.

Previously, Nick was also CEO of Alliance UniChem Retail International with responsibility for 300 pharmacies across Europe.

Nick is experienced in Australia in many areas of technology relevant to Corum's business. He also has previous experience in managing marketing, sales and contracts with major retail customers and suppliers.

Nick was a Graduate of the Advanced Management Programme at Harvard Business School in 2003. He is currently a Principal of Sydney-based international retail pharmacy consultancy IQ Consulting.

**Board Recommendation on Resolution 6: The Directors recommend that Shareholders vote in FAVOUR of Resolution 6.**

## Recommendations of the Board in respect of putting the Resolutions

Specifically, and pursuant to the Corporations Act, Directors have approved the proposal to put the Resolutions set out in the Notice of Meeting and the provision of this Explanatory Memorandum.

# Glossary

In the Notice of Meeting and Explanatory Memorandum, unless the context otherwise requires:

**Alchemy** has the meaning referred to in paragraph 5.1.

**Annual General Meeting ("AGM") or Meeting** means the meeting convened by the Notice of Meeting.

**Annual Report** means the annual report of the Company for the year ended 30 June 2019.

**Auditor's Report** means the report of the Auditor contained in the Annual Report.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the Australian Securities Exchange.

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

**BAMM** means BAMM Group Administration Pty Ltd ACN 131 647 222.

**Board** means the current board of Directors of the Company.

**Business Day** means a day on which banks are open for business in Sydney, New South Wales, other than a Saturday, Sunday or public holiday in Sydney, New South Wales.

**Closely Related Party** is defined in the Corporations Act and includes a spouse, dependent and certain other close family members, as well as any companies controlled by KMP.

**Company** or **Corum** means Corum Group Limited (ABN 25 000 091 305).

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

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

**Corum Group** means the Company and its related bodies corporate.

**Director** means a director of the Company.

**Directors' Report** means the report of the Directors contained in the Annual Report.

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

**Financial Report** means the audited annual financial report for the Company in respect to the financial year ended 30 June 2019.

**KMP** (Key Management Personnel) means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

**Notice or Notice of Meeting ("NOM")** means this notice of annual general meeting including the Explanatory Memorandum.

**Record Date** means 7.00pm (Sydney time) on 18 November 2019 being the date on which a Shareholder must be recorded on the Company's register in order to be entitled to attend and vote at the Meeting.

**Remuneration Report** means the remuneration report set out in the Annual Report.

**Report to Shareholders** means the Annual Report of the Company for the year ended 30 June 2019.

**Resolution** means a resolution set out in the Notice of Meeting.

**S&P/ASX 300 Index** means the S&P/ASX 300 Index as published by Standard & Poors from time to time.

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

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

**Substantial Holding** has the same meaning as contained in the Corporations Act.



**Corum Group Limited**  
ABN 25 000 091 305



## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by 10:30am (AEDT) Monday 18 November 2019

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

### ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number:**  
**SRN/HIN:**  
**PIN:**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Corum Group Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Corum Group Limited to be held in the Kangaroo Room, Chartered Accountants Australia & New Zealand, Level 9, 33 Erskine Street Sydney NSW 2000 on Wednesday, 20 November 2019 at 10:30am (AEDT) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention in step 2) even though Item 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 1 by marking the appropriate box in step 2.

## Step 2 Items of Business

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

	For	Against	Abstain
1 Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Gregor Aschoff as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Proposed issue of Shares to BAMB Group Administration Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Election of Nick England as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address   
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

