



## **NOTICE OF 2018 ANNUAL GENERAL MEETING**

### **Including Explanatory Memorandum and Proxy Form**

**To be held on:**

Wednesday, 28 November 2018  
3:00pm (AEDT)  
(registration commencing 15 minutes earlier)

**At:**

Baker McKenzie  
Level 19, 181 William Street  
Melbourne VIC 3000

Vivid Technology Limited  
ACN 120 710 625  
Level 14, 500 Collins Street, Melbourne 3000 Australia

# **Notice of Annual General Meeting**

Notice is hereby given that the 2018 Annual General Meeting of the Shareholders of Vivid Technology Limited (**Company**) will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne VIC 3000 at 3:00pm (AEDT) on Wednesday, 28 November 2018.

## **Business**

The following business will be conducted:

### **Financial Statements and Reports**

To receive and consider the reports of the Directors and the Auditor and the Financial Statements for the year ended 30 June 2018 for the company and its controlled entities released to the ASX on 27 September 2018.

### **Resolution 1: Remuneration Report**

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

*"That the Remuneration Report forming part of the Directors Report for the year ended 30 June 2018 is adopted."*

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

#### **Voting Exclusion Statement (Resolution 1)**

A vote must not be cast (in any capacity) on Resolution 1 – Remuneration Report by or on behalf of a member of the Company's Key Management Personnel, details of whose remuneration are included in the Remuneration Report, and their closely related parties, whether as a shareholder or as a proxy.

However, the Company will not disregard a vote on this resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person is the chair of the meeting and the appointment of the chair as proxy:
  - I. does not specify the way the proxy is to vote on the resolution; and
  - II. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

### **Resolution 2: Election of Elizabeth Aris**

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

*"That Ms Aris, a Director who retires from office in accordance with Article 19.5 of the Company's Constitution, being eligible, be elected as a Director of the Company."*

### **Resolution 3: Approval of previous issue – Convertible Loan (Listing Rule 7.4)**

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

*"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders of the Company approve and ratify the previous issue of a convertible loan for a principal amount of \$1,500,000 to Evercharge Pty Ltd including the potential conversion and issue of up to 30,000,000 fully paid ordinary shares in the capital of the Company on the basis detailed in the Explanatory Memorandum accompanying this Notice of Meeting."*

### **Voting Exclusion Statement (Resolution 3)**

The Company will disregard any votes cast in favour of Resolution 3 by a person (and any associates of such a person) who participated in the issue.

However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 4: Approval of previous issue – Convertible Loan (Listing Rule 7.4)**

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

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders of the company approve and ratify the previous issue of a convertible loan for a principal amount of \$1,300,000 to various sophisticated investors including the potential conversion and issue of up to 26,000,000 fully paid ordinary shares in the capital of the Company on the basis set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

### **Voting Exclusion Statement (Resolution 4)**

The Company will disregard any votes cast in favour of Resolution 4 by a person (and any associates of such a person) who participated in the issue.

However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 5: Approval of 10% placement capacity (Listing Rule 7.1A)**

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

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, the issue of up to 10% of the issued capital of the Company calculated in accordance with the formula prescribed in Listing Rule 7.1A, and on the terms and conditions set out in the Explanatory Memorandum, be approved.”*

### **Voting Exclusion Statement (Resolution 5)**

The Company will disregard any votes cast in favour of this Special Resolution by a person who may participate in the proposed issue, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed.

However, the Company need not disregard a vote cast on this Special Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**BY ORDER OF THE BOARD.**

A handwritten signature in black ink, appearing to read "Chris Hayes". The signature is fluid and cursive, with the first name "Chris" written in a larger, more prominent script than the last name "Hayes".

Chris Hayes  
Company Secretary  
Dated 25 October 2018.

# Voting, proxies and company representatives

## 1. Voting Entitlements

Pursuant to regulation 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) the Directors have determined that, for the purpose of voting at the meeting, shares will be taken to be held by those shareholders recorded in the Company's Register of Shareholders as at 7.00pm (AEDT) on Monday, 26 November 2018. Shareholders are entitled to vote by attending the meeting in person, by proxy or by authorised representative.

## 2. Voting by Proxy

In accordance with section 249L of the Corporations Act, a shareholder entitled to attend and vote at the Annual General meeting is entitled to appoint a proxy who need not be a shareholder of the Company. A proxy can either be an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- (a) appoints an individual as its corporate representative to exercise its powers at meetings in accordance with section 250D of the Corporations Act; and
- (b) provides satisfactory evidence of the appointment of its corporate representative prior to the commencement of the meeting.

If satisfactory evidence of the appointment as corporate representative is not received before the meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

A shareholder who is entitled to cast two or more votes may appoint not more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints two proxies and the appointment does not specify the proportion or number of votes that each proxy may cast, each proxy may cast one half of the shareholders votes. If the shareholder appoints two proxies, neither may vote on a show of hands.

To vote by proxy, the completed enclosed Proxy Form must be lodged either:

- 1 via mail to Computershare Investor Services Pty Limited GPO Box 242, Melbourne VIC 3001;
- 2 by hand to Computershare Investor Services Pty Limited at Yarra Falls, 452 Johnston Street Abbotsford VIC 3067;
- 3 by fax to (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555; or
- 4 online at <http://www.intermediaryonline.com> (for intermediary online users online),

by 9.30am (AEDT) on Monday, 26 November 2018, being at least 48 hours before the holding of the Annual General Meeting.

## 3. Corporate Shareholders

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act in which case the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act. A "Certificate of Appointment of Company Representative" is available from the Company's share registry at Computershare Investor Services Pty Limited (Local: 1300 850 505; overseas: +61 (0)3 9415 4000) and must be lodged with the Company before the meeting or at the registration desk on the day of the meeting.

## Definitions:

**ASX** means ASX Limited.

**closely related parties** are defined in the Corporations Act to include the spouses, dependants, certain other close family members of the members of Key Management Personnel as well as any companies controlled by such a member.

**Company** means Vivid Technology Limited (ACN 120 710 625).

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

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

**Key Management Personnel** means those persons described as such in the Remuneration Report.

**Listing Rules** means the official listing rules of ASX as amended from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

# Explanatory Memorandum

## Introduction

This Explanatory Memorandum has been prepared for the shareholders of Vivid Technology Limited (**Company**) to provide information about the items of business to be considered at the Annual General Meeting of shareholders of the Company to be held at the Offices of Baker McKenzie, Level 19, 181 William Street Melbourne VIC 3000 on 28 November 2018 at 3:00pm (AEDT).

## Financial Statements and Reports

Section 317 of the Corporations Act requires the last year's financial report (which includes the financial statements and Directors' Declaration), the Directors' Report and the Auditor's Report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or the Company's Constitution for shareholders to approve the Financial Report, the Directors' Report or the Auditor's report. Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on these reports.

## Resolution 1: Remuneration Report

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act.

The Remuneration Report forms part of the Directors' Report for the financial year ended 30 June 2018. It sets out a range of prescribed matters relating to the remuneration of directors and other Key Management Personnel of the Company.

A copy of the Remuneration Report is set out in the full Annual Report of the Company and is also available from the Company's website at [www.vividtechnology.com.au](http://www.vividtechnology.com.au).

Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Under the Corporations Act, a listed entity is required to put to the vote a resolution that the Remuneration Report be adopted. Whilst the resolution must be put to a vote, the resolution is advisory only and does not bind the Directors or the Company. The Board will take the outcome of the vote into consideration when reviewing its remuneration practices and policies. Whilst the vote on this resolution is advisory only, the outcome of the vote will be considered for the purposes of the "two strikes rule", whereby if at least 25% of votes are cast against the resolution at two consecutive annual general meetings, the shareholders will be required to vote on a 'board spill resolution' at the second of those annual general meetings. If the board spill resolution is passed, the Company is required to hold a further meeting of shareholders within 90 days at which all directors (other than the managing director) in office at the time the Remuneration Report was approved by the board, must stand for re-election.

No strike was recorded at the Company's last AGM. On this basis, while the vote on the remuneration report at this AGM may potentially be counted towards the two strikes in the future, no board spill can occur this year.

## *Recommendation*

The Directors unanimously recommend that shareholders vote in favour of this resolution.

## Resolution 2: Election of Elizabeth Aris

In accordance with Article 19.5 of the Company's Constitution, Ms Elizabeth Aris retires and, being eligible, offers herself for election as a Director. This resolution seeks the appointment of Ms Aris as a Director.

Ms Aris was appointed to the board on 23 October 2018 as an additional non-executive director in accordance with Article 19.4 of the Company's Constitution. Ms. Aris is a senior business executive with experience in the US (NYC), APAC (Shanghai) and Australia in global Fortune 500's in Telecommunication, Technology and Retail Banking. She has worked with Telstra, Alcatel-Lucent (now Nokia), and Westpac and consulted to Microsoft and Sprint. She is also a Digital technology entrepreneur who has developed a new SaaS business from concept to capital raising and governance, technology build and all operations. She has recently returned to Australia after 5 years in the USA.

Ms. Aris has a track record of revenue growth and cost-out transformation programs at scale and has been a Chief Marketing and Strategy Officer known for her innovation of business models. She has worked as part of a small team of global telecommunication experts on a number of M&A projects and as advisors to the CEO of Sprint on the end to end turn around. The Board considers that Ms Aris is an independent director.

### *Recommendation*

The Directors (with Elizabeth Aris abstaining) recommend that shareholders vote in favour of this resolution.

## Resolution 3: Approval of previous issue – Convertible Loan (Listing Rule 7.4)

### *Background*

On 31 July 2018, the Company entered into a convertible loan agreement (being a convertible security allowing the lender, at its discretion, to convert all or part of the loan into Shares) with Evercharge Pty Ltd (**Lender**).

The key terms of the convertible loan are set out below:

1.	<b>Lender</b>	Evercharge Pty Ltd
2.	<b>Borrower</b>	Vivid Technology Limited
3.	<b>Guarantors</b>	Vivid Industrial Pty Ltd LED Distribution Network Pty Ltd Illum-a-Lite Pty Ltd and certain other subsidiaries of the Company
4.	<b>Purpose</b>	To fund the Company's working capital requirements, Lighting-as-a-Service products and to repay the Moneytech facility.
5.	<b>Commitment Amount</b>	The loan amount is \$1,500,000.
6.	<b>Drawdown Cap</b>	The Commitment Amount is capped at an amount equal to 75% of the sum of receivables plus relevant inventory
7.	<b>Conditions Precedent</b>	The conditions precedent to drawdown include: <ul style="list-style-type: none"><li>• completion of due diligence by the Lender; and</li><li>• release of existing security over the assets of the Company the repayment of the Moneytech facility.</li></ul>
8.	<b>Repayment Date</b>	31 July 2020
9.	<b>Conversion</b>	The Lender may convert the Loan into Shares (in whole or in part) at anytime prior to the Repayment Date.
10.	<b>Conversion Price</b>	The conversion price is the lesser of: (a) \$0.125; or



		(b) the greater of: (i) the volume weighted average price (VWAP) of Shares over a period of twenty (20) days prior to and including the conversion date less a discount of 15% and rounded to the nearest 1/10th of a cent; or (ii) the floor price of \$0.05
11.	<b>Facility Fee</b>	1 % per annum of the undrawn Commitment Amount.
12.	<b>Interest Rate</b>	10% per annum
13.	<b>Early Repayment</b>	The Company may make an early repayment prior to the Repayment Date as long as an amount equal to one months' interest has accrued on the amount repaid.
14.	<b>Security</b>	The Company and each Guarantor have entered into a general security deed on customary terms to grant a security interest in favour of the Lender over their undertakings and assets.
15.	<b>Events of default</b>	The convertible loan contains customary events of default including: default by the Company or a Guarantor; <ul style="list-style-type: none"> <li>• the Company or a Guarantor is subject to an insolvency event;</li> <li>• a change of control in relation to the Company or a Guarantor.</li> </ul> Upon an event of default, the Lender may (among other things) demand immediate repayment.

Listing Rule 7.1 restricts the number of equity securities that a listed company can issue or agree to issue without shareholder approval. Generally, a listed company cannot, in any 12 month period, issue a number of equity securities which is more than 15% of its fully paid ordinary shares on issue without shareholder approval, unless an exception applies.

Listing Rule 7.4 provides that, where holders of ordinary securities approve a previous issue of securities made without approval under Listing Rule 7.1, and provided that the previous issue of securities did not breach the 15% limit under Listing Rule 7.1, those securities shall be deemed to have been issued with shareholder approval for the purpose of Listing Rule 7.1.

Resolution 3 seeks shareholder approval of the previous issue of securities in the Company for the purposes of Listing Rule 7.4, in order to reinstate the Company's capacity under Listing Rule 7.1. An issue of shares on the conversion of convertible securities are exempted from Listing Rule 7.1 provided the Company complied with the Listing Rules when it issued the convertible securities (Listing Rule 7.2 Exemption 4). The effect of this is that any subsequent conversion of the convertible loan into shares will be exempted from Listing Rule 7.1.

Listing Rule 7.5 requires that the meeting documents concerning a proposed resolution to ratify an issue of securities in accordance with Listing Rule 7.4 must include the following information:

- a) The number of securities the entity issued:

The maximum number of fully paid ordinary shares that may be issued under the convertible loan (assuming the current maximum commitment amount of \$1,500,000 is fully drawn and converted into shares at the \$0.05 floor issue price) is 30,000,000 Shares.

- b) The issue price of the securities:

Refer to items 5 and 10 of the above table.

- c) The terms of the securities:

The key terms of the convertible loan are set out in the above table.

The shares to be issued on conversion will be fully-paid ordinary shares in the Company, which will rank equally with all other Shares currently on issue.

d) The names of the persons to whom the entity issued the securities:

Evercharge Pty Ltd

e) The intended use of the funds raised:

Refer to item 4 of the above table.

#### *Recommendation*

The Directors unanimously recommend that shareholders vote in favour of this resolution.

### **Resolution 4: Approval of previous issue – Convertible Loan (Listing Rule 7.4)**

#### *Background*

On 27 September 2018, the Company entered into a convertible loan agreement (being a convertible security allowing the lenders, at its discretion, to convert all or part of the loan into Shares) with various sophisticated investors (**Lenders**).

The key terms of the convertible loan are set out below:

<b>1.</b>	<b>Lenders</b>	Reindeer Investments Pty Limited Samada Street Nominees Pty Ltd Supernova Fund Pty Ltd Richard Ewan Mews & Wee Khoon Mews Richard Ewan Bromley Mews IC Underground Pty Ltd
<b>2.</b>	<b>Borrower</b>	Vivid Technology Limited
<b>3.</b>	<b>Purpose</b>	To fund the Company's working capital requirements.
<b>4.</b>	<b>Commitment Amount</b>	The loan amount is \$1,300,000.
<b>5.</b>	<b>Conditions Precedent</b>	There are no conditions precedent for drawdown of the loan facility.
<b>6.</b>	<b>Repayment Date</b>	24 months from the date of drawdown.
<b>7.</b>	<b>Conversion</b>	The Lenders may convert the Loan into Shares (in whole or in part) at anytime prior to the Repayment Date.
<b>8.</b>	<b>Conversion Price</b>	Conversion price is the lesser of: (a) \$0.125; or (b) the greater of: (i) the VWAP over a period of twenty (20) days prior to and including the conversion date less a discount of 15% and rounded to the nearest 1/10th of a cent; or (ii) the floor price of \$0.05
<b>9.</b>	<b>Interest Rate</b>	11.00% per annum.
<b>10.</b>	<b>Early Repayment</b>	The Company may make an early repayment prior to the Repayment Date as long as an amount equal to one months' interest has accrued on the amount repaid.
<b>11.</b>	<b>Security</b>	The loan is unsecured.

<b>12.</b>	<b>Events of default</b>	The loan contains customary events of default, which entitle the Lender to, among other things demand immediate repayment.
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Listing Rule 7.1 restricts the number of equity securities that a listed company can issue or agree to issue without shareholder approval. Generally, a listed company cannot, in any 12 month period, issue a number of equity securities which is more than 15% of its fully paid ordinary shares on issue without shareholder approval, unless an exception applies.

Listing Rule 7.4 provides that, where holders of ordinary securities approve a previous issue of securities made without approval under Listing Rule 7.1, and provided that the previous issue of securities did not breach the 15% limit under Listing Rule 7.1, those securities shall be deemed to have been issued with shareholder approval for the purpose of Listing Rule 7.1.

Resolution 4 seeks shareholder approval of the previous issue of securities in the Company for the purposes of Listing Rule 7.4, in order to reinstate the Company's capacity under Listing Rule 7.1. An issue of shares on the conversion of convertible securities are exempted from Listing Rule 7.1 provided the Company complied with the Listing Rules when it issued the convertible securities (Listing Rule 7.2 Exemption 4). The effect of this is that any subsequent conversion of the convertible loan into shares will be exempted from Listing Rule 7.1.

Listing Rule 7.5 requires that the meeting documents concerning a proposed resolution to ratify an issue of securities in accordance with Listing Rule 7.4 must include the following information:

- a) The number of securities the entity issued:

The maximum number of Shares that may be issued under the convertible loan (assuming the current maximum commitment amount of \$1,300,000 is fully drawn and converted into shares at the \$0.05 floor issue price) is 26,000,000 Shares.

- b) The issue price of the securities:

Refer to items 4 and 8 of the above table.

- c) The terms of the securities:

The key terms of the convertible loan are set out in the above table.

The shares to be issued on conversion will be fully-paid ordinary shares in the Company, which will rank equally with all other Shares currently on issue.

- d) The names of the persons to whom the entity issued the securities:

Refer to item 1 of the above table.

- e) The intended use of the funds raised:

Refer to item 3 of the above table.

#### *Recommendation*

The Directors unanimously recommend that shareholders vote in favour of this resolution.

### **Resolution 5: Approval of 10% placement capacity (7.1A)**

#### *Background*

Under Resolution 5, the Company is seeking shareholder approval to create an ability to issue up to an additional 10% of the issued share capital of the Company under Listing Rule 7.1A. Approval for the purposes of Listing Rule 7.1A was given by shareholders at last year's AGM.

Listing Rule 7.1A enables eligible entities, subject to shareholder approval by way of a special resolution, to issue up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement facility is in addition to the company's 15% placement capacity under Listing Rule 7.1

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

Under Resolution 5 the Company is now seeking shareholder approval by way of a special resolution, which requires approval of 75% of the votes cast by shareholders present and eligible to vote, to have the ability to issue securities under the 10% Placement Facility. The only securities that the 10% Placement Facility can cover are existing quoted securities, namely ordinary fully paid shares.

#### *Formula for calculating the 10% Placement Capacity*

The maximum number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the following formula prescribed in the Listing Rule 7.1A.2:

#### **(A x D) - E**

**A** has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity;

**D** is 10%; and

**E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

The Company may use the 10% Placement Facility to acquire more capital in the event that it determines to actively seek to acquire more capital.

The actual number of shares that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the shares in accordance with the formula in Listing Rule 7.1A.2.

#### *Minimum issue price*

In accordance with Listing Rule 7.1A, shares issued by the Company under a 10% Placement Facility can only be issued at a price that is not less than 75% of the VWAP (volume weighted average price) of the shares calculated over the 15 trading days on which trades in its shares were recorded immediately before:

- the date on which the issue price of the shares is agreed; or
- the issue date (if the shares are not issued within five trading days of the date on which the issue price is agreed).

#### *Placement period*

Shareholder approval under Listing Rule 7.1A is valid from the date of this Annual General Meeting until the earlier to occur of:

- 12 months after the date of the Annual General Meeting; and
- the date of approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), or such longer period if allowed by ASX.

Shares issued under Listing Rule 7.1A (if any) must be issued within this placement period. Shareholder approval under Listing Rule 7.1A does not lapse if the Company's market capitalisation subsequently exceeds \$300 million or if it is included in the S&P/ASX 300 Index at some time during that period provided that the Company meets those criteria on the date of the Annual General Meeting.

### *Dilution to existing shareholdings*

If this resolution is approved by shareholders and the Company issues Shares under the 10% Placement Facility there is a risk of economic and voting dilution to existing shareholders as a result. Further, as the market price of the Company's shares may be significantly lower on the issue date than on the date of Annual General Meeting approval, and because the Shares may be issued at a price that is at a discount to the market price on the issue date, there is a risk that the 10% Placement Facility may raise less funding than it would based on current market prices.

As required by Listing Rule 7.3A.2, the table below shows a number of hypothetical scenarios for a 10% Placement Facility where variable "A" in the formula in Listing Rule 7.1A.2 (representing the Company's share capital) has increased by either 50% or 100%, and the share price has decreased by 50% or increased by 100% from the approximate share price as at the date of this Notice of Meeting.

### *Dilution Table*

Share Capital (Variable 'A' in Listing Rule 7.1A.2)		Dilution		
		\$0.020 50% decrease in Issue Price	\$0.040 Issue Price	\$0.080 100% increase in Issue Price
475,718,474	Number of Shares	47,571,847	47,571,847	47,571,847
Shares	Funds raised	\$951,437	\$1,902,874	\$3,805,748
713,577,711	Number of Shares	71,357,771	71,357,771	71,357,771
Shares	Funds raised	\$1,427,155	\$2,854,311	\$5,708,622
951,436,948	Number of Shares	95,143,695	95,143,695	95,143,695
Shares	Funds raised	\$1,902,874	\$3,805,748	\$7,611,496

The dilution table has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

- (a) the Company issues the maximum number of shares available under the 10% Placement Facility;
- (b) any increase in Variable A (being the issued share capital at the time of issue) is due to an issue of shares which is an exception in Listing Rule 7.2, for example a pro-rata rights issue. However, a 15% placement under Listing Rule 7.1 does not increase variable "A" for the purposes of calculating the placement capacity under Listing Rule 7.1A;
- (c) the table shows only the effect of issues of shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- (d) the table does not show the dilution that may be caused to any particular shareholder by reason of placements under Listing Rule 7.1A, based on that shareholder's holding at the date of the Annual General Meeting. For instance, shareholders will have different outcomes depending on whether or not they participate in a pro-rata issue which has the effect of increasing variable "A"; and
- (e) the current share price is assumed to be \$0.04, being the share price on 17 October 2018 immediately prior to finalising this Notice of Meeting.

### *Purpose of the 10% Placement Facility*

The Company may seek to issue shares under the 10% Placement Facility for either:

- a cash issue price. In this case, the Company may use the funds for working capital or for other corporate purposes; or
- non-cash consideration, such as for the acquisition of new assets or investments, subject to any applicable ASX requirements.

In either case, the cash issue price or the value of the non-cash consideration must comply with the minimum issue price noted above.

#### *Allocation policy*

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement Facility. The identity of the allottees under the 10% Placement Facility will be determined on a case by case basis having regard to the factors including the following:

- the methods of raising funds that are available to the Company, including a rights issue or other issue in which existing shareholders can participate;
- the effect of the issue of the Shares on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting and may include existing substantial shareholders and/or new shareholders, but the allottees cannot include any directors, related parties or associates of a related party of the Company without a further specific shareholder approval.

#### *Voting exclusion*

A voting exclusion statement is included in the Notice of Meeting. At the date of the notice, the Company has not approached any particular existing shareholder or an identifiable class of existing shareholders to participate in the issue of any shares.

#### *Previous approval*

The Company obtained shareholder approval under Listing Rule 7.1A at last year's AGM. The total number of shares or other equity securities issued since then was 56,000,000 comprising 56,000,000 ordinary fully paid shares being 11.77% of the total number of equity securities on issue at that time. These securities were issued on:

<b><i>Date of issue:</i></b>	31 July 2018
<b><i>Number issued:</i></b>	The maximum number of Shares that may be issued under the convertible loan (assuming the current maximum commitment amount of \$1,500,000 is fully drawn and converted into shares at the \$0.05 floor issue price) is 30,000,000 Shares.
<b><i>Type of equity security:</i></b>	Convertible Loan
<b><i>Recipient of securities:</i></b>	Evercharge Pty Ltd
<b><i>Price:</i></b>	\$0.05 (floor issue price)
<b><i>Consideration received:</i></b>	\$1,500,000


**Date of issue:** 27 September 2018  
**Number issued:** The maximum number of Shares that may be issued under the convertible loan (assuming the current maximum commitment amount of \$1,300,000 is fully drawn and converted into shares at the \$0.05 floor issue price) is 26,000,000 Shares.  
**Type of equity security:** Convertible Loan  
**Recipient of securities:** Various sophisticated investors  
**Price:** \$0.05 (floor issue price)  
**Consideration received:** \$1,300,000

The Directors believe that this resolution will provide the Company with additional flexibility to raise capital quickly if advantageous terms are available and is in the best interests of the Company.

*Recommendation*

The Directors unanimously recommend that shareholders vote in favour of this resolution.

**Lodge your vote:**

 **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

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

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

 **For your vote to be effective it must be received by 3.00pm (AEDT) on Monday, 26 November 2018**

### 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

**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

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

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

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

- Review your securityholding
- Update your securityholding

**Your secure access information is:**



**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 Vivid Technology 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 Vivid Technology Limited to be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne VIC 3000 on Wednesday, 28 November 2018 at 3.00pm (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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 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 Resolution 1 by marking the appropriate box in step 2 below.

## 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
Resolution 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Elizabeth Aris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of previous issue - Convertible Loan (Listing Rule 7.4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of previous issue - Convertible Loan (Listing Rule 7.4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of 10% placement capacity (Listing Rule 7.1A)	<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.

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /