



Applabs Technologies Ltd
(ACN 139 977 772)
(to be renamed Search Party Group Ltd)

**NOTICE OF GENERAL MEETING AND EXPLANATORY
MEMORANDUM**

Friday 17 June 2016

10:00am (WST)

**The Offices of BDO, 38 Station Street
Subiaco WA 6008**

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant solicitor or other professional adviser without delay.

Should you wish to discuss any matter please contact the Company by telephone on + 61 8 9388 9968

Legal Adviser

NOVALEGAL
CORPORATE LAWYERS

Applabs Technologies Limited (ACN 139 977 772) (to be renamed Search Party Group Ltd)

NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of Shareholders of Applabs Technologies Ltd (ACN 139 977 772) (to be renamed Search Party Group Ltd) (**Company**) will be held at the offices of BDO, 38 Station Street, Subiaco, WA, 6008 on 17 June 2016 at 10:00am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 15 June 2016 at 10:00am (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 17.

AGENDA

1. Resolution 1 – Change to scale and nature of activities

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

“That, subject to each of Resolutions 2- 17 (inclusive) being passed, for the purposes of Listing Rule 11.1.2 and for all other purposes, the Company be authorised to make a significant change to the scale and nature of its activities on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this resolution by a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

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

2. Resolution 2 – Authority to issue Capital Raising Shares

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

*“That, subject to each of Resolutions 1 and 3-17 (inclusive) being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 37,049,969 Shares (**Capital Raising Shares**) each at an issue price of \$0.10 to raise \$3,704,996.90 (**Capital Raising**) on the terms and conditions set out in the Explanatory Memorandum.”*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

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

3. Resolution 3 – Authority to issue of Facilitator Securities

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

“That, subject to each of Resolutions 1, 2 and 4- 17 (inclusive) being passed, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Directors to:

- (a) *issue up to 10,000,000 Shares to the Facilitator (or its nominees); and*
- (b) *grant up to 30,000,000 Facilitator Options to the Facilitator (or its nominees) exercisable at \$0.15 each on or before the date which is 2 years from their date of issue,*

on the terms set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue of Facilitator Securities and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with 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.

4. Resolution 4 – Authority to grant Adviser Options

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

“That, subject to each of Resolutions 1-3 (inclusive) and 5- 17 (inclusive) being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to grant up to 2,000,000 Adviser Options to the Advisers (or their nominees) exercisable at \$0.25 each on or before 31 December 2016 on the terms and conditions, set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue of the Adviser Options and a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

5. Resolution 5 – Authority to grant Placement Options

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

“That, subject to each of Resolutions 1-4 (inclusive) and 6- 17 (inclusive) being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to grant up to 4,500,000 Placement Options exercisable at \$0.25 each on or before 31 December 2016 to the Placees (or their nominees) on the terms and conditions, set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue of the Placement Options and a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

6. Resolution 6 – Appointment of Benjamin Hutt as a Director

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

“That, subject to each of Resolutions 1-5 (inclusive) and 6- 17 (inclusive) being passed, in accordance with clause 13.3 of the Constitution, with effect from the date the Takeover Offer becomes Unconditional, Mr Benjamin Hutt be appointed as a Director.”

7. Resolution 7 – Appointment of Paul Bird as a Director

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

“That, subject to each of Resolutions 1-6 (inclusive) and 7- 17 (inclusive) being passed, in accordance with clause 13.3 of the Constitution, with effect from the date the Takeover Offer becomes Unconditional, Paul Bird be appointed as a Director.”

8. Resolution 8 – Appointment of Trevor Loewensohn as a Director

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

“That, subject to each of Resolutions 1-7 (inclusive) and 9- 17 (inclusive) being passed, in accordance with clause 13.3 of the Constitution, with effect from the date the Takeover Offer becomes Unconditional, Trevor Loewensohn be appointed as a Director.”

9. Resolution 9 – Change of Company Name

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

“That, subject to each of Resolutions 1-8 (inclusive) and 10- 17 (inclusive) being passed, with effect from the Completion, the name of the Company be changed to Search Party Group Ltd.”

10. Resolution 10 – Authority for Existing Directors to participate in the Capital Raising

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

“That, subject to each of Resolutions 1-9 (inclusive) and 11- 17 (inclusive) being passed, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise the Existing Directors to participate in the Capital Raising to the extent of up to 1,500,000 Shares each at an issue price of \$0.10, allocated as follows:

- (a) *up to 500,000 Shares to Patrick Glovac (and/or his nominees);*
 - (b) *up to 500,000 Shares to Rocco Tassone (and/or his nominees); and*
 - (c) *up to 500,000 Shares to Charles Thomas (and/or his nominees),*
- on the terms and conditions set out in the Explanatory Memorandum.”*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Existing Directors and their nominees and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

11. Resolution 11 – Ratification of Prior Issues

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

“That, subject to each of Resolutions 1-10 (inclusive) and 12- 17 (inclusive) being passed, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the following prior issues of the Company:

- (a) *2,000,000 Shares issued pursuant to ASX Listing Rule 7.1;*
- (b) *3,375,000 Shares issued pursuant to ASX Listing Rule 7.1; and*
- (c) *1,125,000 Shares issued pursuant to ASX Listing Rule 7.1,*

on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the issues and any associates of those persons. However, the Company need not disregard a vote if:

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

12. Resolution 12 – Adoption of Employee Share Option Plan

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

“That, subject to each of Resolutions 1-11 (inclusive), 13- 17 (inclusive) being passed, for the purpose of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Share Option Plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (iii) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (b) the proxy is the Chair; and
- (c) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

13. Resolution 13 – Adoption of Employee Performance Rights Plan

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

“That, subject to each of Resolutions 1-12 (inclusive) and 14-17 (inclusive) being passed, for the purpose of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Performance Rights Plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (iii) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (b) the proxy is the Chair; and
- (c) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

14. Resolution 14 – Authority to grant Performance Rights to Proposed Director – Benjamin Hutt

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

“That, subject to and conditional upon the passing of Resolutions 1-13 (inclusive) and 15-17 (inclusive), and for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant to Mr Benjamin Hutt (or his nominees) a total of 5,409,224 Performance Rights under the Performance Rights Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion:

The Company will disregard any votes cast on this Resolution by any director who is eligible to participate in the employee incentive scheme and their associates (or their nominees). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (iii) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (b) the proxy is the Chair; and
- (c) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

15. Resolution 15 – Authority to grant Performance Rights to Proposed Director – Paul Bird

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

“That, subject to and conditional upon the passing of Resolutions 1-14 (inclusive), 16 and 17, and for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant to Mr Paul Bird (or his nominees) a total of 400,000 Performance Rights under the Performance Rights Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion:

The Company will disregard any votes cast on this Resolution by any director who is eligible to participate in the employee incentive scheme and their associates (or their nominees). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (iii) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (b) the proxy is the Chair; and
- (c) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

16. Resolution 16– Authority to grant Performance Rights to Proposed Director – Trevor Loewensohn

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

“That, subject to and conditional upon the passing of Resolutions 1-15 (inclusive) and 17, and for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant to Mr Trevor Loewensohn (or his nominees) a total of 200,000 Performance Rights under the Performance Rights Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion:

The Company will disregard any votes cast on this Resolution by any director who is eligible to participate in the employee incentive scheme and their associates (or their nominees). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (iii) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (b) the proxy is the Chair; and
- (c) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

17. Resolution 17– Authority to grant Private Treaty Options

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

“That, subject to each of Resolutions 1-16 (inclusive) being passed and the Private Treaty Offer being accepted, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to grant up to 91,918 Private Treaty Options exercisable at \$1.08 each on or before 10 July 2022 to the TSP Optionholder (A Class) (or nominees) on the terms and conditions, set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue of the Private Treaty Options and a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed and any of their associates.


However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

10 May 2016

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'CT' followed by a long horizontal stroke that curves upwards at the end.

Charles Thomas

Director

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of BDO, 38 Station Street, Subiaco, WA, 6008 on 17 June 2016 at 10:00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

Each Resolution in the Notice is subject to and conditional upon the passing of all other Resolutions. Consequently, unless all Resolutions are passed, the proposed Acquisition of TSP will not proceed.

2. Action to be taken by Shareholders

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

2.1 Proxies

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

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

3. Proposed Takeover Offer – The Search Party Ltd

3.1 Background

ALA was incorporated as an agricultural investment business in October 2009 (known as AACL Holdings Limited at that time) and was admitted to the official list of the ASX in April 2010.

In October 2012, ALA sold its main operating business to Glencore and completed a backdoor listing in December 2013, acquiring Applabs Australia Pty Ltd and relisting as

Applabs Technologies Limited. Since relisting, ALA has been operating as an app developer and technology financier, through the production of apps for customers, as well as the ability to fund, develop and market other technologies.

A summary of Applabs' activities is set out below. Further information on ALA can be obtained from ALA's website www.applabs.com.au.

(a) **Division 1: App Development or “Fee for Service” Division - producing bespoke mobile apps for clients**

ALA's Fee for Service Division's team specialised in delivering high-quality, forward-thinking mobile apps across iPhone, iPad and Android devices.

The Fee for Service Division (**FFSD**) saw record contract and sales growth during the 2015 financial year, however it struggled to trade profitably and therefore major cost cutting initiatives were implemented. Unfortunately even with the re-structure of the division it became clear that the business would struggle to meet its ongoing duties under its current contracts, therefore the company announced the part sale of the Fee for Service Division in June 2015. The Company executed the part sale of the FFSD and received \$50,000 cash upfront and a 5% equity interest in the purchasing company (Dapper Apps Pty Ltd) in consideration for the acquisition of part of the FFSD assets. This allowed the company to continue to service some existing high margin contracts, significantly reduce operational and corporate overheads immediately whilst retaining a 5% interest in the division going forward as a shareholder. The division continues to trade and service several existing contracts with a review of its viability currently underway.

(b) **Division 2: Venture Capital Division - focused on sourcing and assisting technology companies globally**

The Venture Capital Division is where ALA invests funds, resources and provides managerial and strategic support to early stage technology assets and companies in exchange for an equity stake. As part of the Venture Capital Division, the Company has also retained equity stakes in several ASX listed companies.

(c) **Division 3: Internal Development Division - Developing internal technology projects**

ALA has leveraged from the expertise of the design and development team to create an Internal Product Division of the Company, which has several cutting edge apps in various stages of development. The most advanced Internal Product app is the Home Open Application.

(d) **Home Open**

Home Open is a highly mobile focused real estate portal designed to allow consumers to easily and efficiently find properties to buy or rent. Home Open allows consumers the unique ability to search for properties based on their current location and proximity to homes open for inspection in real-time. Through revolutionary iBeacon technology real estate agents are able to communicate directly with consumers through push notifications.

The Company is continuing with its strategic review of the IP, trademarks, source code and goodwill of the portal in an effort to extract maximum shareholder value. The Company believes that the portal still carries value and given the interest to date continues to advance discussions to license out or sell the technology behind the portal to third parties to develop independently.

In summary, as set out in ALA's most recent Half Year Report, ALA's current assets as at 31 December 2015 include:

Cash on hand*	\$2,299,045
Investments	
Dapper Apps 5% equity	\$25,000
The Search Party 1.95% equity	\$500,000
Other Listed Equities	\$357,751
Plant & Equipment	\$21,958
Intangible Assets	\$6,666
Other Assets	\$66,516
TOTAL	\$3,276,935

**See also the pro-forma balance sheet of the Merged Entity in Schedule 2 and its associated notes*

In light of difficult market conditions the Company has been evaluating high quality and value adding investment opportunities. As announced in January 2016, the Company is proposing to acquire 100% of The Search Party Ltd (ACN 149 006 913) (**TSP**).

As at 19 January 2016 (being the last trading day before the Announcement Date), ALA had 748 Shareholders and a market capitalisation of approximately \$7.71 million.

TSP is an unlisted public company which operates an online recruitment marketplace (**Marketplace**). TSP was founded in Sydney, with offices in London and Toronto. JobAdvisor, the Australian employer review site, is also owned by TSP.

- For employers Search Party's objective is to enable them to hire staff using the skills and experience of recruiters significantly faster and cheaper whilst maintaining or enhancing candidate quality.
- For recruiters Search Party's objective is to expand the recruiter's customer base and improve their profitability and efficiency using their existing database of candidates by focusing on the leads generated via the Marketplace.
- For job seekers, Search Party will help them be discovered for the right job, at the right time, at a company with the right cultural fit.

The Search Party vision is to be the new paradigm for recruitment. The mission is to be "the marketplace for employers, recruiters, and job seekers, that delivers outstanding value through innovation and insight, to ensure the right person gets to the right job every time".

Search Party's proprietary data science includes candidate deduplication, skills and industry mappings, insights on when a candidate is likely to be ready for a new role, and other proprietary algorithms.

For further information on TSP, refer to sections 3.4 and 3.5(b).

On 20 January 2016, Applabs announced its intention to acquire TSP (**Acquisition**), and the execution of a bid implementation agreement (**BIA**), setting out a proposal to acquire all of the outstanding fully paid ordinary shares in TSP by way of an off-market takeover offer (**Takeover Offer**). Under the Takeover Offer, accepting TSP shareholders will receive 198.1 ALA Shares for every TSP Share held.

As a result of the Takeover Offer, TSP will become a wholly owned subsidiary of the Company, and security holders in TSP will become security holders in the Company.

The consideration under the Takeover Offer is 198.1 ALA ordinary Shares for every 1 TSP ordinary share held (**Takeover Shares**). In respect of the other securities of TSP:

- (a) It is a condition of the Takeover Offer that TSP must procure cancellation or the exercise of all the TSP Options (other than the 464 TSP Options (A Class)) so

that they are converted into issued TSP Shares before the close of the Takeover Offer Period; and

- (b) ALA made a Private Treaty Offer on 23 March 2016 in respect of the 464 TSP Options (A Class), as set out in Annexure D of the Bidder's Statement.

As at 9 May 2016 ALA has received Takeover Acceptance Forms representing approximately 92.07% acceptance under the Takeover Offer.

Below is a table showing the Company's current capital structure and the capital structure on completion of the Capital Raising and issue of the Consideration Shares and other Securities contemplated by this Notice.

Ordinary Shares	Number
ALA Ordinary Shares currently on issue	50,561,754
ALA Ordinary Shares to be issued under the Takeover Offer	289,528,894
ALA Ordinary Shares to be issued to the Facilitator	10,000,000
ALA Ordinary Shares to be issued under the Prospectus Offer ¹	37,049,969
Total ALA Ordinary Shares on issue at completion of the Takeover Offer	387,140,617

Options	Number
ALA Options currently on issue	35,619,920
ALA Options to be issued pursuant to the Placement Offer and the Adviser Offer ³	6,500,000
ALA Options to be issued to the Facilitators ⁴	30,000,000
ALA Private Treaty Options to be issued ⁵	91,918
ALA ESOP Options to be issued to eligible TSP Employees ⁶	5,192,852
Total ALA Options on issue at completion of the Offer	77,404,690

Performance Rights ⁷	Number
Currently on issue	Nil
To be issued to Proposed Directors	6,009,224
To be issued to eligible TSP Employees	9,303,864
Total ALA Performance Rights on issue at completion of the Offer	15,313,088

Notes:

1. Assumes the full subscription of \$3,704,996.90 is raised under the Prospectus Offer.
2. Existing ALA Options: 35,619,920 listed options (ALAO) each exercisable at \$0.25 on or before 21 May 2016.
3. These ALA Options (issued pursuant to the Placement Offer and the Adviser Offer) are unlisted options each exercisable at \$0.25 on or before 31 December 2016.
4. These ALA Options (issued to the Facilitator or its nominees) are unlisted options each exercisable at \$0.15 on or before the date 2 years from completion of the Takeover Offer.

5. Subject to the TSP Optionholder (A Class) accepting the Private Treaty Offer. These ALA Options are exercisable at \$1.08 on or before 10 July 2022. In the event the Private Treaty Offer is not accepted, there will remain 464 TSP Options (A Class) on issue.
6. Subject to completion of the Takeover, ALA intends to offer 5,192,852 Options under its proposed ESOP (subject to shareholder approval and the offerees accepting the offers to be made by ALA under the ESOP).
7. Subject to completion of the Takeover, ALA intends to offer 9,303,864 Performance Rights under its proposed Performance Rights Plan (subject to shareholder approval and the offerees accepting the offers to be made by ALA under the Performance Rights Plan).

3.2 Bid Conditions

The Takeover Offer will be subject to a number of defeating conditions, including (among others):

- (a) All TSP Options (other than the 464 TSP Options (A Class)) being validly converted into issued TSP Ordinary Shares or otherwise cancelled as soon as possible and in any event before the end of the Offer Period;
- (b) Shareholders approving the Essential Resolutions;
- (c) the Company obtaining subscriptions for at least \$1,000 (to be satisfied by the offer under the Prospectus of \$3,704,996.90) pursuant to the Capital Raising;
- (d) the Company having a relevant interest in at least 90% of the TSP Ordinary Shares on issue at the end of the Offer Period;
- (e) the Company receiving written confirmation from ASX that ASX will re-admit the Company's securities to quotation, subject to the satisfaction of such terms and conditions (if any) as are prescribed by ASX or the Listing Rules; and

If the Bid Conditions are not satisfied or waived before the end of the offer period under each Takeover Bid, including if any of the Essential Resolutions are not passed, the Takeover Offer will not proceed.

The full Bid Conditions are set out in Schedule 3 below.

3.3 Capital Raising

The Company will seek to raise a minimum of \$3,704,996.90 (before costs) by way of the issue of Shares to the general public via a prospectus, at an issue price of \$0.10 per Share (a total of 37,049,969 Shares). Resolution 2 seeks Shareholder approval for the Capital Raising (refer to Section 5).

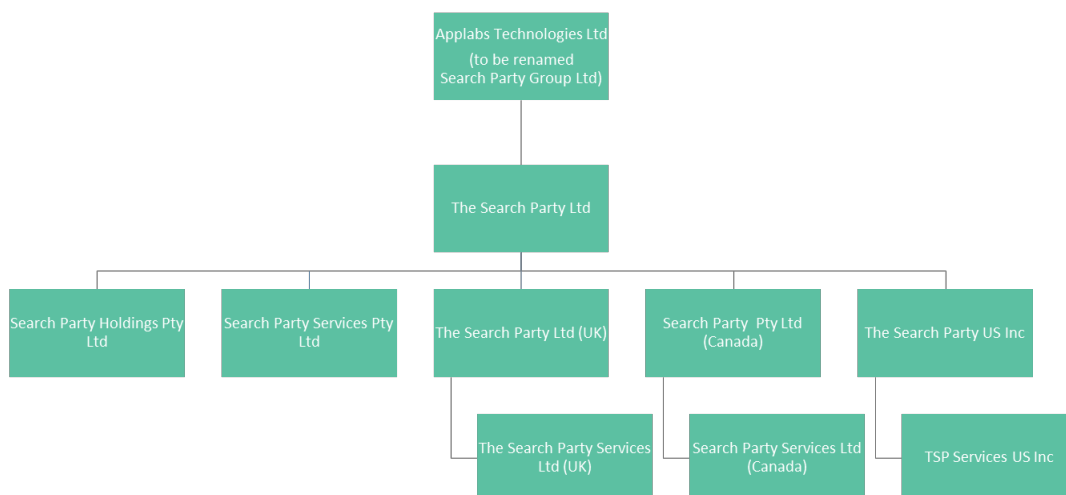
3.4 TSP Overview

TSP was incorporated as a proprietary limited company on 27 January 2011, and converted to an unlisted public company on 12 February 2016. TSP has the following subsidiaries:

- (a) Search Party Holdings Pty Limited (ACN 605 350 696) which is registered in Australia;
- (b) Search Party Services Pty Ltd (ACN 601 175 142) which is registered in Australia;
- (c) The Search Party Ltd (United Kingdom registered company) which 100% owns The Search Party Services (UK) Ltd (United Kingdom registered company); and
- (d) The Search Party Pty Ltd (Canadian company) which 100% owns Search Party Services Ltd (Canadian company).

The Search Party US Inc is 100% owned by The Search Party Ltd in Australia. The Search Party US Inc owns 100% of TSP Services US Inc. Neither US subsidiary currently has, or has ever had, any operations or a financial history.

If the Takeover Offer is successful and ALA acquires all TSP Securities on issue, the corporate structure of the Merged Entity will be as shown in the diagram below.



Note:

In addition to the above diagram, current subsidiaries of ALA include Applabs Australia Pty Ltd and Applabs Technologies LLC (a company incorporated in the USA).

3.5 TSP Industry and Company Overview

(a) Recruitment Industry Overview

Overview

The recruitment industry is large and complex. In 2014, the recruitment industry globally transacted more than €300Bn in revenue but only ~USD\$9Bn (~3%) of that was transacted online. Most of this online revenue is revenue derived from job boards and networking sites (online sites where employers post job advertisements). Many companies use recruiters, but this is mostly happening offline and at significant cost, with placements costing on average, approximately 20% of salary per candidate placed. Recruiters are only involved in approximately 20% of the permanent placements occurring in Search Party's key markets, the majority being placed through job boards.

When the first professional recruiters appeared in the 1950s, the primary source of candidates for a new position was job advertisements in the newspaper. This remained largely unchanged until the 1990s and advent of the internet. Job ads first moved online (as literally a version of themselves, just in digital format) and later evolved into job boards, or sites dedicated to job ads (e.g. Seek, Monster).

The next major change was in 2002 with the arrival of LinkedIn. Enabling job seekers to put up their own unverified profiles online meant that the value of a CV held by a recruiter diminished. Employers could for the first time, look for people using their LinkedIn profiles, giving them access to millions of online potential

employees and the ability to contact them to try to persuade them to apply for a job. Job boards also grew in popularity. Other professional social networks came and went, but LinkedIn became the primary professional network, and began generating significant revenue from recruiters and employers looking to hire someone.

In a separate stream of evolution where public review sites evolved in various industries (e.g. TripAdvisor for travel), companies such as Glassdoor started publishing company information and reviews. Job seekers became more able to research not only what it's like to work somewhere, but what reasonable pay should be and what benefits they can expect as their career advances.

Meanwhile, traditional recruitment agencies remained largely unchanged in terms of their scope and operating model, largely outbound sales driven businesses – they were slow to change and new operating models were not available.

As more employers embraced self-service, lower cost methods of hiring, such as job boards, recruiters have found it increasingly competitive to secure roles to fill and there has been downward pressure on fees and margins.

Fast forward to early 2010's and recruitment became an industry which received focus from a technological perspective. After the disruption of a few traditional industries like personal transport (Uber) and travel (Airbnb), recruitment underwent a significant technology evolution. Several well known companies generated significant revenue online, including LinkedIn (2002), Monster (1999), Seek (1997), Indeed (2004) (which are presently all established businesses with 10-20 years operations). Other more recently established examples include: Hired (2012) which lets employers bid for curated candidates, 1Page (2011) which is seeking to leverage public data and curate talent pools and businesses such as UpWork (prev. Elance & Odesk) (2015) and Freelancer (2009), which allow for the hiring of project-focused contractors easily.

Recruitment technology competitive landscape

There are many companies seeking to use technology to participate in or disrupt the recruitment industry. The major types of technology companies that operate in the recruitment space with some relevance to the Search Party business are set out below. As an online marketplace, Search Party incorporates many of the features of each of these separate businesses into a single platform.

- **Social platforms** – LinkedIn is the professional social network of choice globally. It allows job seekers to put up a digital version of their unverified CV and for their peers to endorse them for skills. It generates substantial revenue from both employers and recruiters, who pay to search its online data, advertise open roles and contact candidates through its platform.
- **Job boards** – Still the most common way to hire, job boards range from free listings to paid premium spots. The biggest players in this space are Monster and Indeed, as well as Seek in Australia. These generate revenue from both employers and recruiters, from paid database search and primarily advertising.
- **Two sided recruitment marketplaces** –Existing marketplaces fall into two categories, and generate revenue from employers:
 1. Creating a connection between recruiters and employers where the recruiter bids for the opportunity to work on a role for the employer. The original incarnation of this model was Bounty Jobs in the USA, more recently Hiring Hub in the UK
 2. Others focus on the connection between employers and job seekers directly (e.g. Hired, 1Page)

- **ATS** – Many larger employers pay to use applicant tracking systems (**ATS**) to organise their incoming applications as well as referrals (e.g. Taleo, PageUp).
- **Recruiter CRM** – On the recruiter side, the primary competition comes from specialist recruiter customer relationship management (**CRM**) systems like Bullhorn and JobAdder. Zoho, although not specialist, is also a popular choice.

(b) **Search Party Business Overview**

Company History

A brief history of Search Party since incorporation in January 2011 is set out below.

FEB 2011	<ul style="list-style-type: none"> • The Search Party (then Tempurer Pty Ltd “Tempurer”) specialist Recruiter CRM product was founded and the team began developing the recruitment CRM and Payroll platform. • Key founders in the business were Jamie Carlisle, Paul Bird, Damien Andreasen and Stuart Gatenby. Ben Hutt joined the team in October 2011, leaving Macquarie in June 2012 to become COO/CFO.
MAR 2012	<ul style="list-style-type: none"> • Seed capital raising completed.
FEB 2013	<ul style="list-style-type: none"> • Tempurer Board discussed initial proposal to create the Tempurer Marketplace and work began.
FEB – NOV 2013	<ul style="list-style-type: none"> • Key product development for the Marketplace: Candidate anonymisation and initial deduplication of candidates (data science), Marketplace – price and service competition • Tempurer rebranded to The Search Party to align more with the new identity as a marketplace, not just a recruiter tool.
NOV – DEC 2013	<ul style="list-style-type: none"> • Alpha launch of Search Party Marketplace in Australia with more than 30 agencies representing more than 1 million CVs engaged for launch. • Several large corporate employers also signed up and engaged including 1 of the “Big 4” accounting firms.
JAN 2014	<ul style="list-style-type: none"> • Search Party made its first recruitment transaction in Australia which involved a 9 day end to end recruitment process and UK team hired to prep for July 2014 launch. • 15+ agencies (4 million candidate CVs) engaged and signed as launch partners. Search Party UK business was incorporated as Search Party Marketplace Ltd then subsequently launched as Talent Party.
MAY 2014	<ul style="list-style-type: none"> • Search Party Marketplace alpha release was launched in the UK.
JUL 2014	<ul style="list-style-type: none"> • Ben Hutt appointed as CEO.
SEP 2014	<ul style="list-style-type: none"> • Ben Hutt appointed as Managing Director. • Joshua Rogers, marketplace expert and founding investor in Freelancer invests in the company and joins the Board to support Ben in building and growing the business. • Beta release in Australia and UK showed the business model would ultimately work, and provided basis for expanding product teams and growing customer and marketing activities. • Province of Ontario (Canada) provided support and introductions to

facilitate launch in Canada.

EARLY 2015	<ul style="list-style-type: none">• Focused on increasing growth and continued refinement of the product to improving ease of use and conversion.• Hired key people including country head for Canada and Chief Marketing & Product Officer Magda Walczak and CFO Jason Shepherd.
JUL 2015	<ul style="list-style-type: none">• Launched in Canada as strategic beachhead for North America.• Rebranded as Search Party in UK.• Released new employer interface (out of “Beta”) with full marketplace functionality, data science driven search and ability to hire through the Platform.
JAN 2016	<ul style="list-style-type: none">• Takeover by Applabs announced, and Search Party completes capital raising.
JULY 2016	<ul style="list-style-type: none">• Planned relisting on ASX as Search Party Group Ltd (SP1) (indicative only).

(c) **Search Party Group Operations**

Introduction to the Search Party Marketplace

Search Party is a recruitment marketplace that uses sophisticated technology and proprietary data science (see Section 3.5(f) below) to improve the recruitment process for all three stakeholders, employers, candidates and recruiters.

- For employers, Search Party’s objective is to enable them to hire staff using the skills and experience of recruiters significantly faster and cheaper whilst maintaining or enhancing candidate quality.
- For recruiters, Search Party’s objective is to expand their customer base and improve their profitability and efficiency using their existing database of candidates by focusing on the leads generated via the Marketplace.
- For job seekers, Search Party helps them be discovered for the right job, at the right time, at a company with the right cultural fit.

The Search Party vision is to be the new paradigm for recruitment. The mission is to be “the marketplace for employers, recruiters, and job seekers, that delivers outstanding value through innovation and insight, to ensure the right person gets to the right job every time”.

Search Party’s proprietary data science includes candidate deduplication, skills and industry mappings, insights on when a candidate is likely to be ready for a new role, and other proprietary algorithms. For further information, refer to section 3.5(f) below.

The Search Party board has observed that the creation of online marketplaces within an industry creates growth in the respective industries (e.g. via Uber many more people travel by vehicle than previously, with AirBNB many more people stay in someone else’s house). Search Party expects to grow the recruitment industry’s overall revenue by allowing it to expand into new customer segments, including into small and medium sized enterprises (**SMEs**) who currently seldom engage with recruiters, or larger companies that have their own internal recruitment teams rather than use external recruiters.

There is no cost to join the Marketplace for recruiters, employers or candidates.

In simple terms the business operates as follows:

- Recruiters join the Marketplace for free and advertise their candidate data using Search Party technology to maintain individual privacy. Search Party already has more than 970 individual recruiters (represented by approximately 588 recruitment agencies) and more than 15 million candidate CVs provided by recruiters.
- Employers search and create a shortlist of potential employees for a role using Search Party data science and smart search. Search Party has more than 4300 employers.
- Recruiters connected to the chosen candidates accept or negotiate a fee proposed by the employer then screen the chosen candidates (and others like them) for capability and interest before proposing them for interview. Employers interview and hire candidates as usual then pay the recruiter the agreed fee.
- Search Party's revenue model is simple – it earns 20% of the fee the employer pays to the recruiter



Figure 1. How Search Party Marketplace works.

Importance of Recruiters to Search Party

A key differentiator of Search Party's business is the value it places on recruiters.

Search Party embraced recruiters from its inception because Search Party's directors and management believe recruiters are skilled in sourcing candidates, interviewing, qualifying experience and CV data, screening for fit and capability and for getting a prospect excited about a role and processing efficiently the formalities of a change in employment.

Search Party's directors believe that there is significant value in this role, and if the cost of providing the service could be reduced and access and efficiency improved, there would be a significantly enlarged market opportunity for the established recruitment industry. The challenge for recruiters in evolving and growing their business (especially for smaller recruiters) is to contain business development costs sufficiently to allow them to transact profitably at a low enough fee that they are accessible to SMEs who do a large proportion of the employment. Recruiters must also compete against internal recruiters/HR teams at larger companies who have worked to internalise the recruitment function in recent years.

Search Party's platform is solving both of these problems. Every time employers request candidates on Search Party (refer to figure 1 above), this equates to a

free (and warm) lead for a recruiter. Search Party's proposition is that free inbound leads mean that recruiters can afford to take lower fees because they're not spending significant time pitching for roles to employers, Search Party provides them. Further, Search Party's Marketplace functionality allows recruiters to see relevant candidates within their databases suitable to the role or similar to the candidate shortlisted by the recruiter. Employers therefore get access to valuable recruiter skills and recruiters increase their operating margins. Search Party is confident that this makes recruiter businesses not only more viable and able to compete against new entrants, but also more profitable (even at reduced fees) enabling recruiters to take market share from the dominant Job Boards.

The recruitment sector has very strict legislation on the ownership and usage of personal information. The Search Party has adopted in each Search Party jurisdiction a very technical, high quality solution to ensure that recruiters, the owners of the personal data, have tools to support their anonymisation of candidate data.

Search Party performs strict privacy regulation and legal review to ensure the processes and systems in place abide by these individual requirements.

Search Party operates within the constraints of privacy legislation, summarised as follows:

- all candidate data owned and controlled by the recruitment agency or agencies who have relationship with the candidate;
- Search Party provides tools which agencies use to choose how much info to show or hide on candidates (i.e. anonymise them) by showing/hiding/obfuscating key pieces of info such as job titles, employers, educational institutions, courses, dates;
- "Personal information" such as name, sex, DOB, next of kin etc is automatically removed from the data before the anonymised profile is published to the Marketplace;
- only registered site users can see / search data, so everyone is governed by Terms & Conditions;
- only employers can search, therefore recruiters can't search each other's data; and
- recruiters always seek permission from the candidate, during the pre-screening call, before putting them forward for a role.

Search Party has worked with experienced privacy lawyers in Australia, UK, Canada and USA in establishing the protocols for each jurisdiction to date.

Operating scope and geography

Search Party was founded and is head quartered in Australia. Engineering, data science and product teams are based in Australia. Overseas operations in the UK and Canada are essentially sales and marketing operations, focused solely on engaging customers and growing Search Party's market opportunity in these jurisdictions. However, the platform is borderless, and international expansion relatively straightforward and inexpensive as it requires no change to the underlying technology.

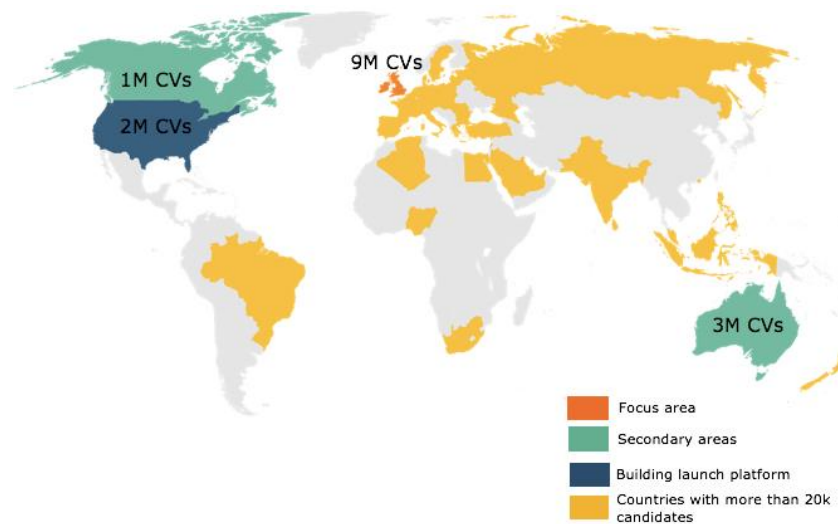


Figure 2. CVs committed to Search Party by country.

Since Search Party beta release in October 2014, over 970 individual recruiters (represented by approximately 588 recruitment agencies) globally have signed up for Search Party Marketplace. Together, they've uploaded over 15 million candidate CVs.

	UK	Australia	Canada	Other	Total
Launch date	2014	2014	2015	n/a	
Employer Companies	1796	984	441	263	3484
Employer Users	2237	1511	480	417	4645
Recruitment Agencies	286	142	94	66	588
Recruiter Users	461	319	153	106	1039

Figure 3. Search Party customers since October 2014 by country as at 31 March 2016. Excludes 308 Recruitment companies & 365 Employer companies from alpha marketplace (pre-Oct 2014 when the beta marketplace was released).

Target customers

Search Party's Marketplace is designed to service three constituents in the hiring process: employers, recruiters and job seekers represented by these recruiters.

Currently, Search Party's Marketplace benefits two of these three constituents, being employers and recruiters. Search Party's job seeker specific applications are currently in development and are anticipated to be released later in 2016.

Employers

Search Party's initial target customer employer is SMEs looking to fill mid-level professional roles. However, any business can potentially benefit from a lower cost and quicker alternative to traditional recruitment channels, so over time the Search Party directors believe in addition to the initial target market of SMEs, large corporates and other substantial employers will adopt the Search Party as the platform which provides access to recruitment services at an affordable price without compromising candidate quality. For larger employers, the delivery of faster and less expensive recruitment may induce these employers to use the platform rather than their existing use of recruiters (panels, recruitment process outsourcing (**RPOs**)) or their own internal teams. The platform may be used to

augment an existing internal team or even be used as a tool to manage and communicate with a panel of recruiters.

Currently, the Search Party's most common roles are in the IT and Media, Sales and Marketing, Accountancy and Finance and Healthcare sectors. Across the company's operational locations, the average candidate salary targeted is AUD\$80,000.

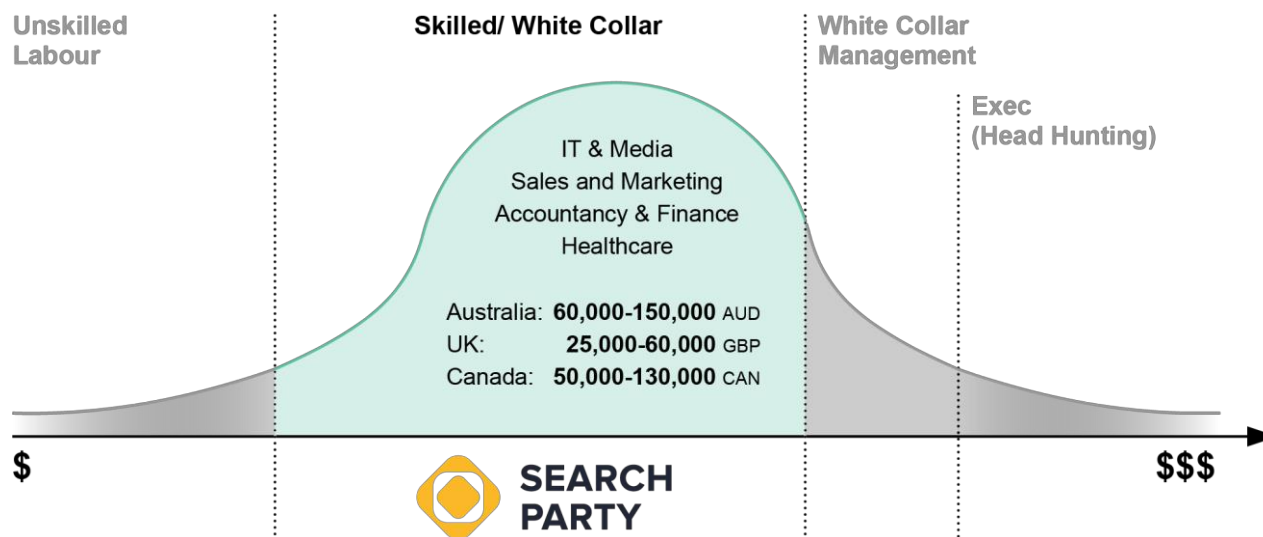


Figure 4. Search Party's targeted sweet spot in the employment market.

Recruiters

Recruiters are a key and valuable customer for whom Search Party offers a secondary revenue stream which can be leveraged in parallel to their existing full-service operations. Specialist recruiters are enabled to build relationships with new employer customers and have potential to significantly improve their efficiency, revenues and profitability.

Job seekers

When the Search Party Job Seeker Platform is released later in 2016, it will provide job seekers at any level in their career, from any location, and from any industry with a platform to engage with a recruiter (and/or strengthen an existing relationship with a trusted recruiter), and leverage tools to help job seekers drive the next step in their career.

Revenue model

The relaunch of the TSP Marketplace commenced in July 2015 and the focus of the business since then has been on its development with emphasis on securing employers and recruiters for the Marketplace. It has incurred significant cost in building the Marketplace and in marketing to employers and recruiters in Australia, UK and Canada. At this stage, and in this context, TSP is generating modest and as yet not material revenue. The next phase of the TSP business will focus on further growth of the market place constituents and improving the market place efficiency and in particular the effectiveness of the Platform in improving conversion of roles to completed placements (as further described under the heading of "Sales Funnel and efficiency" below). For further information, please refer to TSP's consolidated statement of Profit and Loss in Schedule 2.

The revenue model is simple: Search Party earns 20% of the recruitment fee charged by a recruiter

**Search Party revenue per placement is therefore:
(Final base salary) x (Fee agreed by employer and recruiter*) x 20%**

*also referred to as Gross Payment Volume

In the past 12 months, on average, Search Party's median net revenue per permanent placement has been \$1,200 and ranged between **\$384 - \$2,887** depending on the mix of candidate salary and the agreed recruitment fee (on average, 8-10% of candidate salary). These factors vary in each case.

On average, Search Party is targeting net revenue of \$1,300 per placement (equivalent to Gross Payment Volume per placement of \$6,500).

As explained earlier, the Search Party came out of beta testing in August 2015 and the focus of the business at this stage is on building the volume of employers, recruiters and CV's. This is progressing well as shown in Figure 3.

The Search Party Marketplace is generating monthly revenue, which whilst materially in line with Search Party's expectations is still modest given the focus and early stage of development of the relaunched business. Up until 31 December 2015, Search Party Marketplace had generated a total of approximately \$521k of Gross Payment Volume through the platform and \$108k of net Marketplace revenue (i.e. after payments to recruiters) as shown in the table below.

The purpose of the Takeover Bid and related capital raising is to provide Search Party with access to capital to accelerate the rollout of the Search Party Marketplace. As outlined below, this involves significantly increased focus over approximately the next 12 months and beyond on marketing, product development and sales initiatives with the aim of achieving significant increases in placement volumes and as a result revenues which are expected to become material from about Q1 2017.

	Consolidated			
	31-Dec	30-Jun	30-Jun	Total
	2015	2015	2014	
	\$	\$	\$	
Sales revenue				
Gross Marketplace revenue	357,083	117,674	46,180	520,937
Cost of Marketplace sales	-280,103	-92,904	-39,855	-412,862
Net Marketplace revenue	76,980	24,770	6,325	108,075
CRM revenue	25,146	94,087	180,589	282,874
Net revenue from continuing operations	102,126	118,857	186,914	390,949
Other income				
Interest	2,228	34,050	18,668	54,946
R&D & EMDG Grant, PRT Rebate*	21,690	1,208,021	1,010,866	2,257,525
	23,918	1,242,071	1,029,534	2,312,471
Total	126,044	1,360,928	1,216,448	2,703,420

* Note that no amount has been accrued in the half year to December 2015 for the 2016 financial year.

Search Party's focus is on growing the volume of customers and the effectiveness of the Platform. Search Party's management will continually monitor and assess the results of these strategies, together with market awareness, and

deploy its resources accordingly to achieve the best outcome for the Search Party.

R&D and EMDG Grants

TSP has participated in the Australian Government's Research and Development (**R&D**) and Export Market Development Grant (**EMDG**) programs. The Board intends to continue all eligible participation in the R&D and EMDG programs on behalf of the Merged Entity following completion of the Acquisition.

All funds received from these programs are recorded as other income in the TSP accounts and any available claims are lodged after completion of the income tax returns for the relevant period.

Sales Funnel and efficiency

Search Party's short to medium term strategy and focus is on two things:

1. growing the number of employers and recruiters using the platform; and
2. enhancing the effectiveness of the platform to improve conversion of roles to placement.

The Search Party conversion funnel (below) demonstrates the stages of converting an employer customer sign up to that employer making a placement via the platform (**Funnel**).

Search Party's objective is to fill the top of the Funnel by increasing the number of new employers who sign up, converting the sign up into a job, then improving the efficiency of the Funnel at every step up until the job becomes a placement, through a combination of marketing initiatives and platform improvement. The benefits of being an online business is that the Funnel is traceable online, which means the Search Party leverages data analytics through studying the behaviour of "cohorts" of vacancies and users through the platform, and user research to determine opportunities to improve product effectiveness and the engagement of recruiters and employers overtime to increase the Funnel's conversion on an ongoing basis.



Figure 5. Search Party sales Funnel.

Quarterly performance metrics of TSP

The following section describes the quarterly performance of the business in several important measures since the fourth quarter of 2014, namely:

- growth in customers - employer and recruiter signups;
- growth in the volume of activity – number of roles where a fee has been agreed between an employer and one or more recruiters and the amount of fees offered by employers and accepted by one or more recruiters in relation to a role; and
- growth in final offers made and accepted.

Growth in Customer Base

The employer signup graph below shows:

- record number of employer signups in Q1 2016;
- 39% compound quarterly growth rate since Q4 2014; and
- Q1 2016 performance was 4.5 times (or 348% growth in) Q1 2015.

Graph: Quarterly Employer Signup

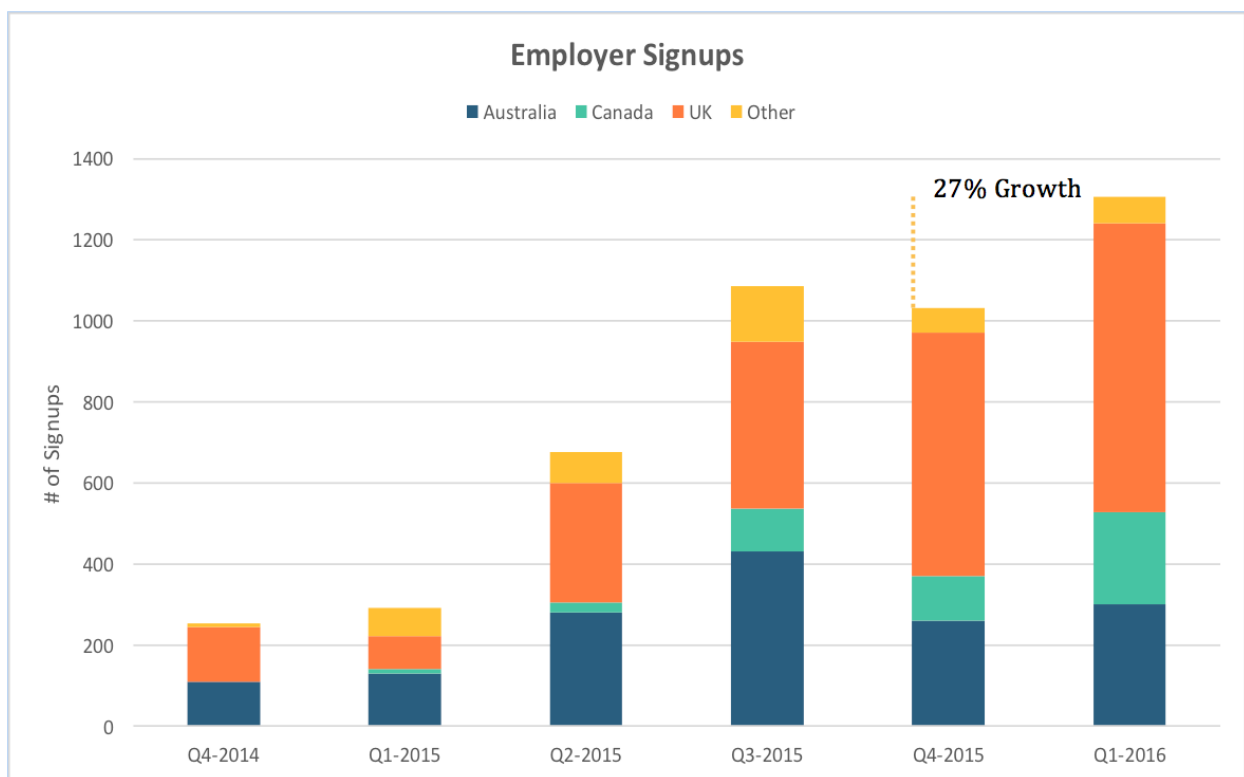


Figure 6. Quarterly Employer Signup.

The focus with respect to engaging new recruiters has been on activating and engaging with quality, niche agencies relevant to the sectors showing the most activity. Outside of this active focus, growth occurs mostly organically and through word of mouth in the recruitment industry.

The recruiter growth graph below shows:

- a record number of recruiters joined in Q1 2016;
- 33% compound quarterly growth rate since Q4 2014; and
- Q1 2016 performance was 5.3 times (or 427% growth in) Q1 2015.



Figure 7. Recruiter Company Signups.

Volume of activity

Growth in new roles or vacancies comes from the repeat business of returning customers or as a result of TSP's digital marketing activities generating new employer customers with a hiring need. TSP Directors monitor both the number and value of roles shown on the TSP Platform and the extent to which roles which have been created by employers are actually being worked on by recruiters.

The graph below shows the number of roles where fees have been agreed between recruiters and employers, and specifically:

- Q1 2016 is up 20% on Q4 2015;
- a 44% compound quarterly growth rate since Q4 2014; and
- Q1 2016 performance is 3.8 times (or 281% growth on) Q1 2015.

Graph: Roles with fees agreed between Recruiter and Employer

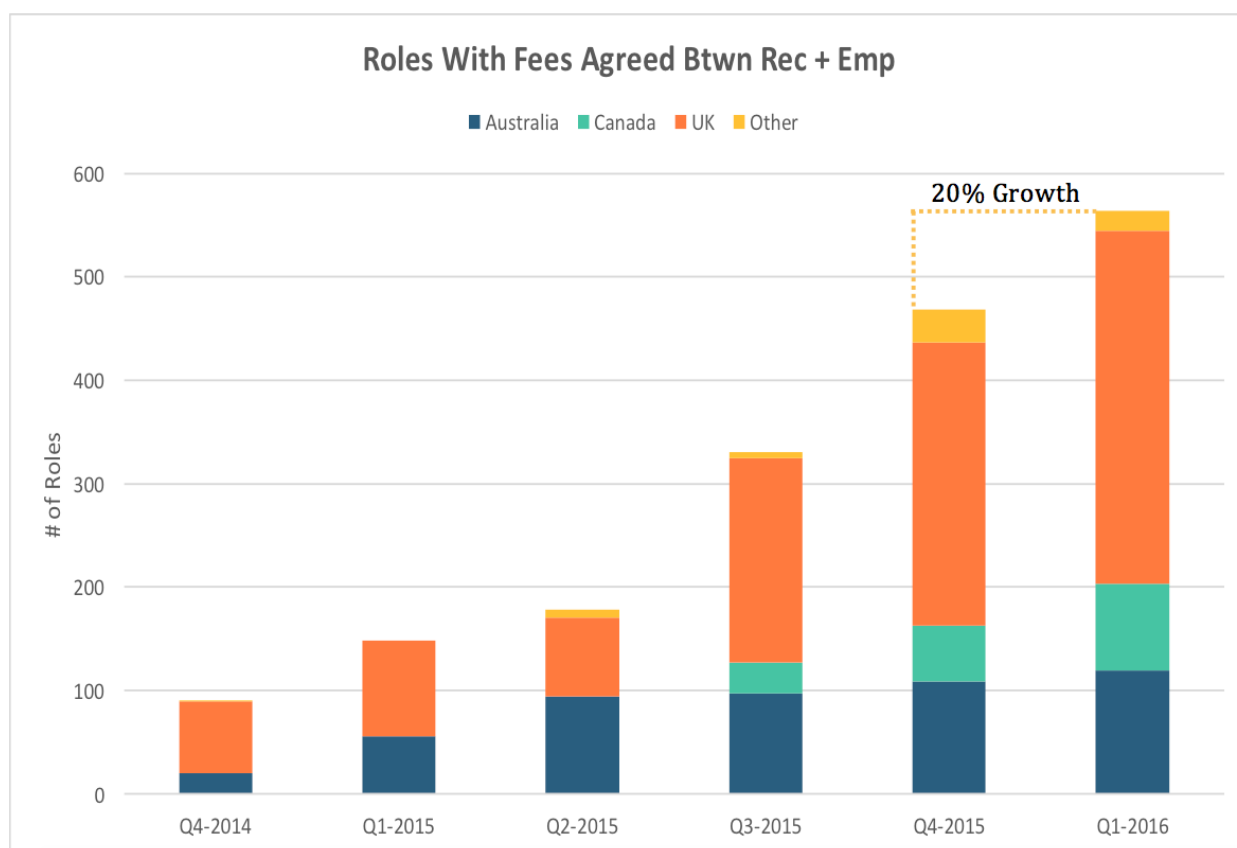


Figure 8. Roles with fees agreed between Recruiter and Employer.

Liquidity in the marketplace

The TSP Directors consider the volume of commercial activity in the marketplace as “Liquidity”. Liquidity measures the value of roles that have made it to the stage where an employer has created a role, searched candidates and made an offer to one or more recruiters to place a role and where at least one recruiter has accepted the offer and begins working on the role.

Liquidity in the marketplace is the aggregate value of fees that have been offered by an employer and accepted by at least one recruiter.

The graph below shows:

- Substantial growth in the value of vacancies proposed by employers and accepted by one or more recruiter. The value of unique roles with a fee agreed was up 38% on Q4 2015 to \$2.1m; and
- This demonstrates increasing level of engagement of new and existing customers, and significant liquidity in the marketplace and commercial opportunity for our recruitment partners.

Graph: Total unique fees accepted

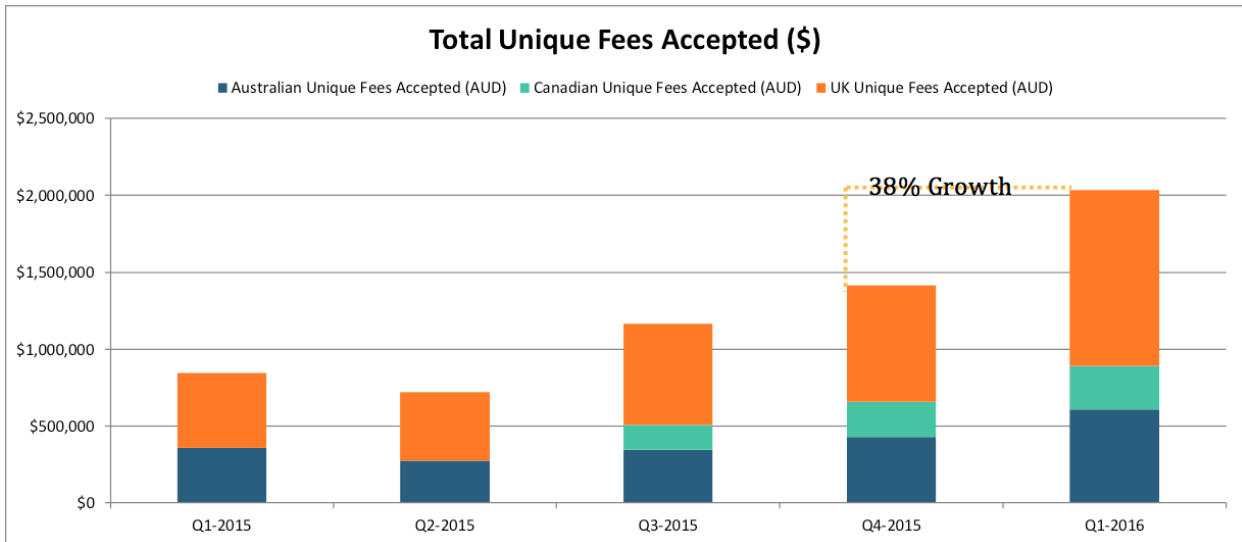


Figure 9. Total Unique Fees Accepted.

Job offers and placements

As with the recruitment market generally, not all offers of roles are accepted by the candidate. The following graphs show both offers made and placements accepted.

The Job Offers graph shows:

- 21% growth in job offers to candidates from Q4 2015;
- 56% Compound Monthly Growth Rate (since Q4 2014); and
- Q1 2016 performance is 4.3 times (or 332% growth on) Q1 2015.

Graph: Job offers

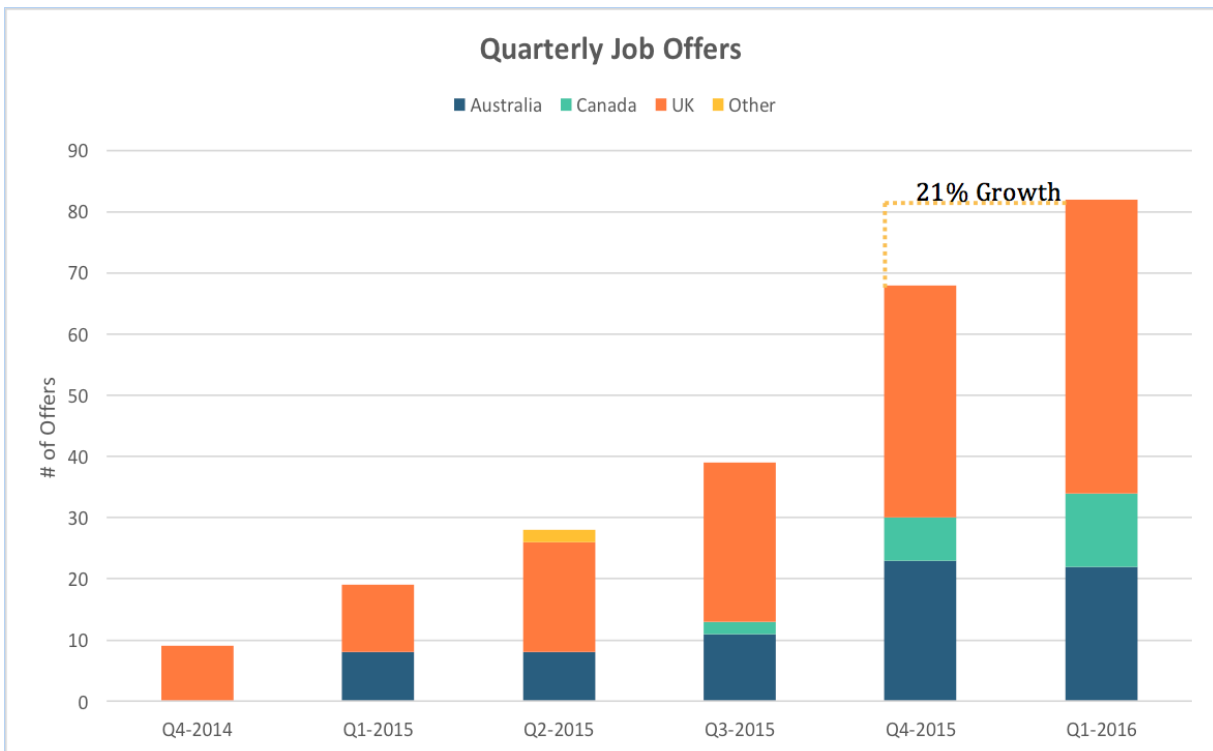


Figure 10. Quarterly Job Offers.

The placements graph below shows:

- 16% growth in placements from Q4 2015;
- 52% compound quarterly growth rate (since Q4 2014); and
- Q1 2016 performance is 4.6 times (or 356% growth on) Q1 2015.

Graph: Placements

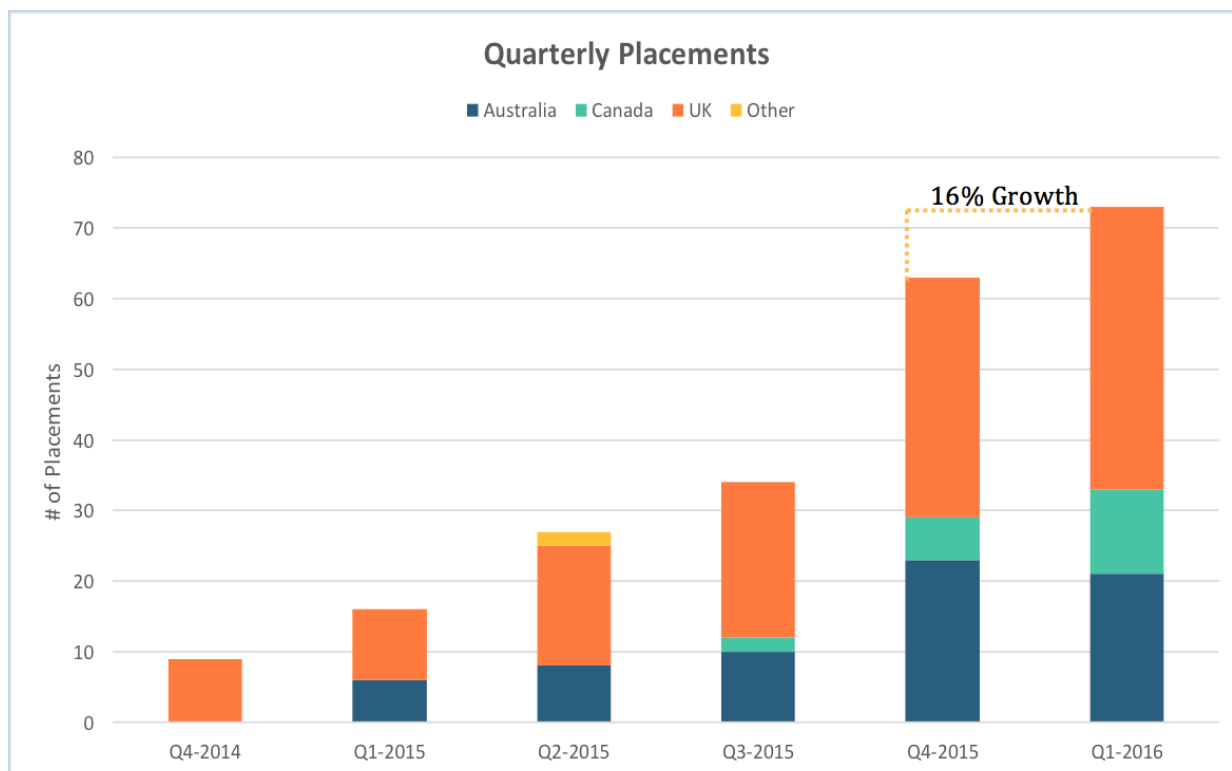


Figure 11. Quarterly Placements.

Servicing agreements

On entry to new markets Search Party may offer new recruiters a service whereby a dedicated recruiter concierge supports new recruiters by responding to leads and screening candidates on their behalf. This service has been offered only where a recruiter wishes to participate in the Marketplace, but does not have sufficient resources to staff it appropriately in the short-term. This service was operated for 6 months in Australia (ceased September 2014 as no longer required), and still operates in the UK (servicing two agencies only). The service has not been required due to a high degree of agency engagement in Canada and significant improvements to the recruiter interface since Search Party's beta launch in October 2014. These servicing teams constitute an immaterial variable cost to Search Party, and are serviced under specific corporate entities with appropriate licenses and controls to operate as recruiters on behalf of recruiters.

(d) Search Party Marketplace Features

Search Party has leveraged R&D, and engineering and data science capabilities to build a range of features that provide a compelling value offering for its two initial key stakeholders: employers and recruiters.

Search Party for Employers

Search Party management have observed that employers of all sizes have a similar objective when they have a recruitment need – finding the best people as quickly as possible at the most efficient cost (including the opportunity cost of time spent searching). There are several contributing factors:

- Low quality (and too many) applicants if using job boards;
- Limited number of candidates when using recruiters;
- No relationship with or high cost of recruiters;
- Lack of ability to tap into the large passive pool of candidates;
- Lack of internal skills to properly screen applicants;
- False or misleading information on applications; and
- Low brand awareness, making it hard to attract high quality candidates.

Search Party gives employers access to millions of recruiter-represented candidates. By driving engagement between recruiter and employer it provides to the employer both the valuable skills and resources of a recruiter, and the insights enabled by a significant pool of candidate data and data science / machine learning algorithms.

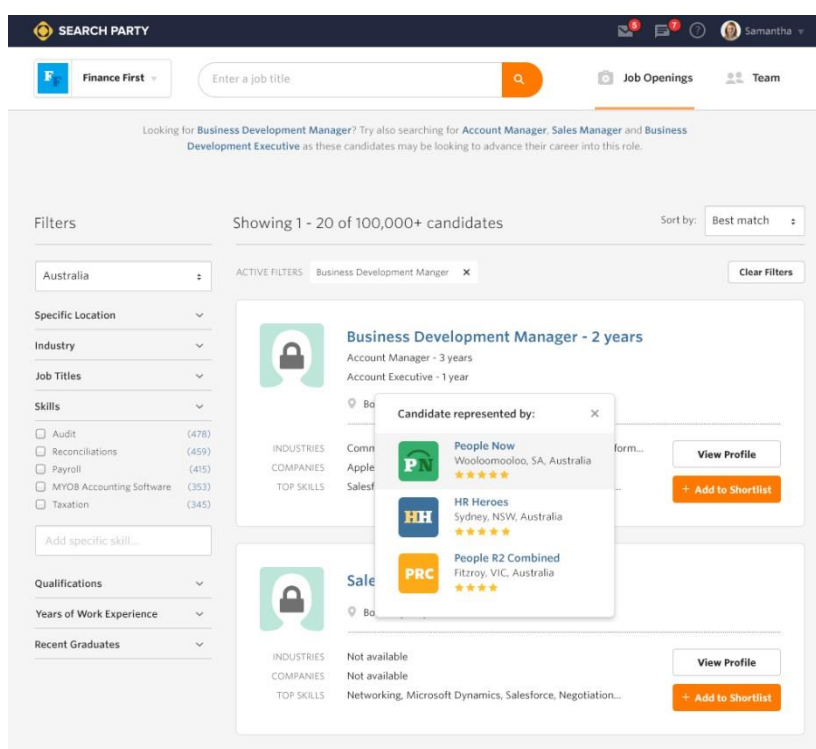


Figure 12. Illustrative employer search results page live at 7 March 2016.

The Search Party's directors believe that the package of products and services offered by Search Party offers the right balance between giving employers the power and tools to hire effectively but with the support of professional recruiter services at less than the traditional cost. As Search Party isn't a full service model like traditional recruiter relationships, and because employers are engaged with multiple recruiters for each role, employers are able to negotiate lower fees (average 8-10% compared to industry 20%+) and recruiters are happy to accept them because Search Party provides the lead and tools to make it easy to identify the right candidates for a role.

Some of the features available to employers include the ability to:

- Search through millions of recruiter represented candidates by previous roles, skills, education and other relevant filters;
- Negotiate recruiter fees per recruiter (possible to have a range per role);
- Agree terms and guarantees that suit the employer;
- Hire full time employees as well as consultants, contractors and part time staff;
- View recommended “more like this” candidates when the employer has identified a suitable candidate and wishes to find similar candidates;
- Pay only once the new hire accepts the offer;
- Create unlimited shortlists for unlimited number of jobs;
- Set up preferred recruiter panels where employers want to limit the recruiters they work with; and
- Benefit from integrations with other useful recruitment technologies.

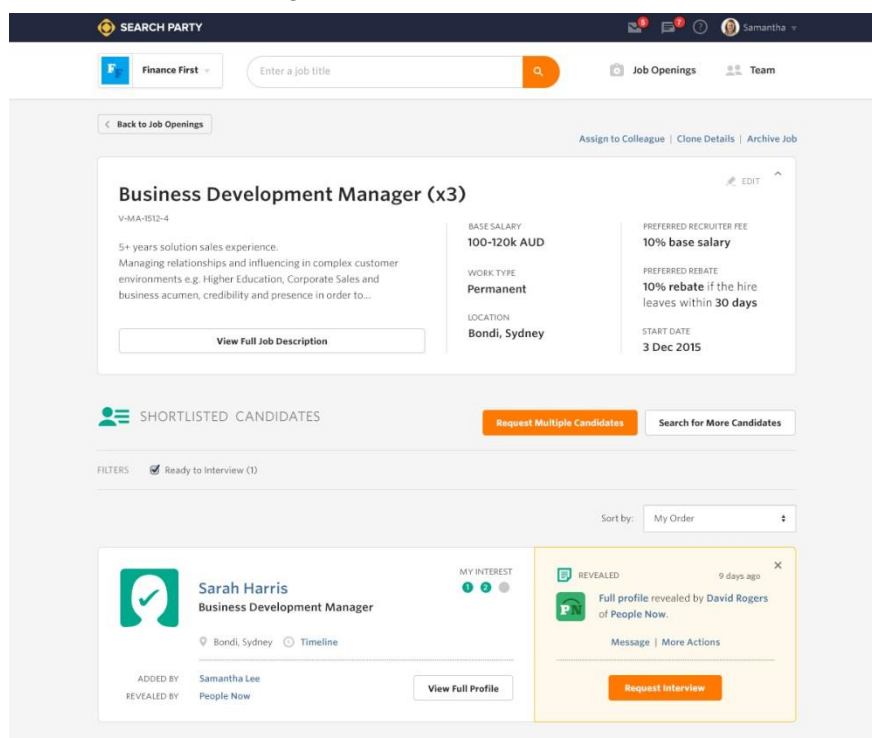


Figure 13. Direct screenshot (dummy data) of employer shortlist panel live at 7 March 2016.

Search Party for Recruiters

For recruiters, Search Party provides a means to activate more candidates in their database and drive efficiencies in how they service roles. This makes it easier to service the higher volume, lower cost, less specialised segment of the recruitment market, in parallel to their existing high fee high service roles, which in turn increases their profitability.

Search Party is a lead generation tool that helps recruiters grow their business. Instead of pitching existing customers or cold calling to generate roles, recruiters receive inbound leads from Search Party when employers request candidates with whom they already have a relationship.

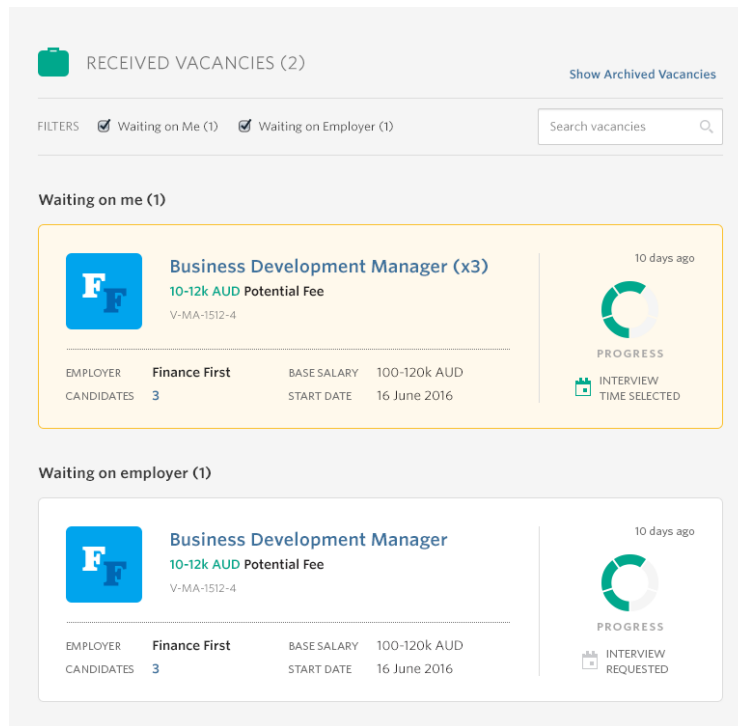


Figure 14. Direct screenshot (dummy data) of recruiter received incoming vacancy live at 7 March 2016.

In the simplest scenario, the recruiter is able to present the requested candidate to an employer and that person gets hired. In most cases, given the recruiter's candidate pool is passive (not actively seeking work), the recruiter will suggest other qualified, interested candidates. Either way, the Search Party model increases recruiter profitability because the return that recruiters earn on the time spent working Search Party roles is very high, which means that they are able to accept lower fees than they would on their normal business development efforts.

Key features currently available to recruiters are:

- Recruitment CRM which currently includes job posting, applicant tracking, invoicing, email marketing, timesheets & task management;
- Inbound leads from employers based on their candidates;
- Deduplication and anonymisation of candidates and publishing anonymous profiles to the Marketplace;
- Recommender algorithms and tools such as "ready to move" which highlights candidates which may be ready for a new role therefore good to spend time with; and
- Other features in the planning phases include best of breed integrations such as fee tracking tools, background checking and lost-fee identification and capture.

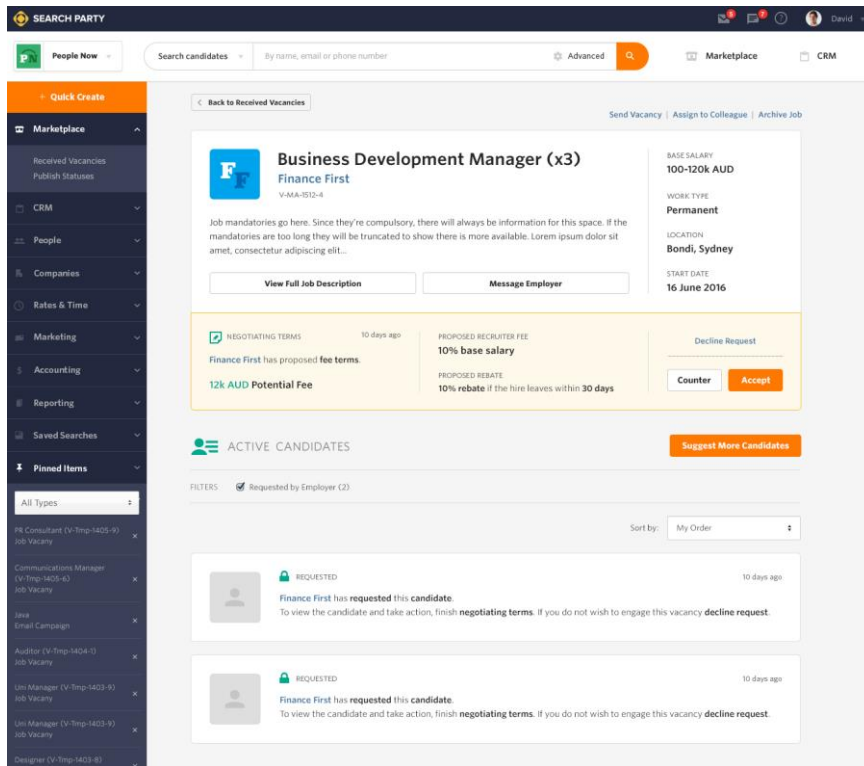


Figure 15. Direct screenshot (dummy data) of Search Party Recruiter vacancy detail view live at 7 March 2016.

Search Party for Job Seekers

The Job Seeker Platform interface (to be launched later in 2016) will enhance the job seeker's relationship with recruiters to help job seekers cultivate their professional brand, and curate their participation in the job market.

Job seekers will be able to:

- Update their CVs with all recruiters they work with (there is often more than 1 recruiter who has an individual's CV);
- Understand their career path options, see new opportunities and set and maximise salary expectations;
- Acknowledge when they are actively looking for roles;
- Connect to recruiters and give them tools to verify their education, skills and company culture preferences; and
- Enable them to have a voice about the places they have worked at using JobAdvisor.

JobAdvisor

Search Party acquired JobAdvisor in September 2015. JobAdvisor is an employer review website that helps businesses showcase their brand as a place to work in an open and transparent way. The JobAdvisor acquisition was a strategic step in supporting the growth and effectiveness of Search Party's ecosystem. JobAdvisor collects feedback in the form of employee reviews to create 'social proof', which employers can leverage to improve their ability to recruit. It allows employers to set expectations upfront, resulting in stronger employee engagement and retention. Companies of all sizes use JobAdvisor, including household corporate names.

JobAdvisor's model addresses a fundamental issue in recruitment - many employers struggle with growing their brand to attract good candidates. For some it's a lack of resources or skill, but for many others (ie SMEs) it's a general lack of

awareness of what companies do and what it's like to work in them. JobAdvisor lets any size business create an attractive, informative online home for their brand as an employer. Their JobAdvisor profiles become a tool that employers can point to when wanting to recruit new people. For Search Party, this aids conversion as recruiters are able to use these profiles when approaching candidates with new opportunities.

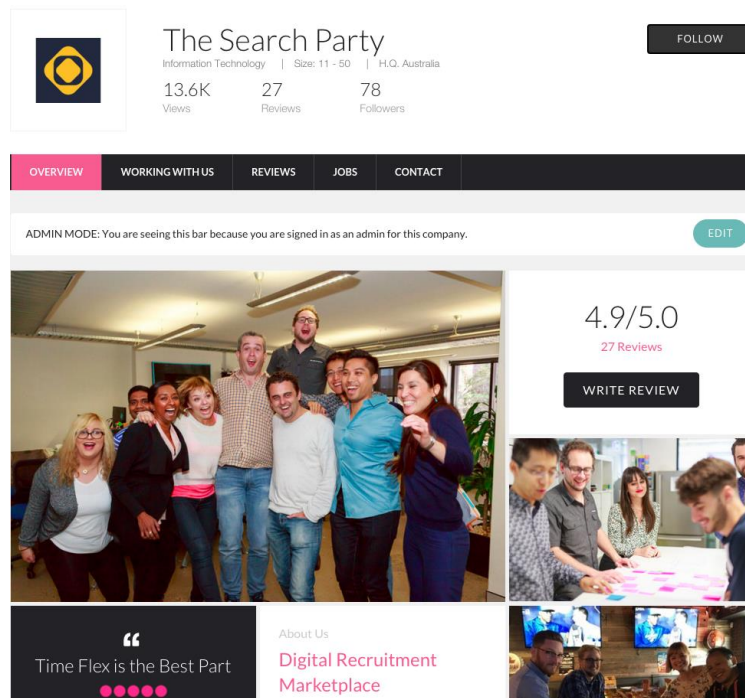


Figure 16. Employer JobAdvisor profile at 7 March 2016.

(e) **Growth and Customer Acquisition Strategies**

Search Party's key objectives regarding growth are:

- **Growth Strategy:** to maximise the volume of recruiter and employer customers, whilst improving the efficiency of the sales Funnel (see Figure 5 in Section 3.5(c) above).
- **Customer Acquisition Strategy:** to focus on repeatable and scalable demand generation, balanced by brand awareness campaigns.

Growing Search Party Employer base

In the past, Google Adwords and other Pay Per Click (**PPC**) sources (such as LinkedIn and Facebook) have been used by Search Party very successfully to generate an increasing stream of signups. Search Party will continue to use these tactics in 2016. Search Party understands how to scale this channel and has the ability to turn it up or down as needed. With increasing placements data, Search Party also has a strong understanding of high value, low volume roles, vs low value, high volume roles. In early to mid 2016 Search Party will prioritise optimising for those high value roles. Over the next few months, this means the employer cost of acquisition of customer may increase (whilst remaining scalable), but the lead quality will increase, thereby contributing positively to the bottom line.

With important infrastructure initiatives recently completed, Search Party will increase its investment in search engine optimisation. This is both in terms of optimising the website "shop front" as well as launching product initiatives that

will have a strong contribution to organic leads (e.g. making all blog and support content public). Both organic and paid efforts are supported by content marketing, which helps throughout the Funnel, from awareness all the way through conversion. Search Party also employs several remarketing tactics such as automated lead nurturing to ensure that qualified visits never go to waste. Search Party will continue to experiment with traditional tactics such as targeted trade show sponsorships and cold calling. Both have yielded positive results in the past and while these traditional tactics are not as scalable as digital efforts, they continue to be part of Search Party's short term initiatives.

Growing Search Party Recruiter base

Whilst Search Party's primary acquisition of recruiters has been driven by word-of-mouth, Search Party has engaged in a variety of demand generation and brand awareness activities in the past 12 months. In existing markets, Search Party has targeted industry verticals and geographies that overlap with employers' demands. Acquisition activities in Search Party's current markets include:

- PPC combined with keyword specific landing pages to encourage recruiters to sign up or schedule a demo;
- Public Relations and speaking engagements which build Search Party's profile as a thought leader;
- Content marketing through blog and social channels targeted specifically at recruiters; and
- Retargeting on Google and social media to bring back unconverted visitors.

For new markets, Search Party has a tested acquisition strategy to support a launch in these new markets:

- Research and hand-pick small, quality, niche agencies with the aim of having 5 agencies in each of the verticals Search Party wants to launch in the new market (e.g. IT, Finance, Sales, Marketing).
- Engage each target with a customized welcome gift (such as Australian-themed gift baskets), inviting them to a conversation. The key message of the communication is "Produce higher margins for your recruitment business when you leverage your candidates and relationships with the Search Party recruitment Marketplace." Traditional sales effort will be implemented following the initial target engagement.

Search Party is also pursuing strategic partnerships to support launch in new markets, such as its recent partnership with HIRABL, a provider of recruitment software focused on supporting recruiters, in the US. Alliance with such a provider gives Search Party access to 120+ engaged recruitment businesses, and provides potential access for HIRABL to Search Party's recruiter customers.

Additional priorities to grow business

The following priorities can potentially position Search Party as a leader in modern recruitment and are the focus of the next six months.

Product development with focus on User Experience ("UX") and user conversion through the Funnel

With primary users currently being SME's and recruiters, it's paramount that Search Party provides them with an easy to use interface that addresses their needs and removes the necessity for any human assistance. Accordingly, Search Party's first priority is to invest heavily in product improvements, customer enablement through sales and marketing, working towards, unassisted user journeys.

Job seeker activation

One of Search Party's biggest assets is its database of over 15 million CVs. Currently, it relies on recruiters to keep their data up to date, which, is time-consuming. Activation of even a portion of those individuals, can ensure Search Party data remains fresh so that it can leverage its data science and machine learning capabilities to improve the quality of experience for all three parties involved (job seekers, recruiters and employers). This also has the potential to expose Search Party to a large number of partnership and integration opportunities.

Increase product stickiness with platform play and strategic partnerships

Strategic integrations and providing a platform for easy plugins will increase Search Party product stickiness and enable cross-sell opportunities. This will be done by integrating other providers' tools into Search Party's user interface as options for Search Party's customers to use. Typically this will involve a trailing commission or revenue share arrangement with partners, and will be dependent on similar integration and co-marketing by them to their customers. For employers, it can make Search Party their one stop shop for hiring. For recruiters, it means giving them access to the business tools they need so that Search Party can become their daily business tool. For job seekers, it means helping their personal brand as an employee, but in an environment that goes beyond current social network solutions.

Cultural fit matching

Search Party is already proficient at identifying candidates by skills or experience, and are working on the next step - matching companies and candidates on company culture. JobAdvisor data, where employees "rate" and provide feedback on organisations their work within, enables Search Party to understand what the culture of a business is like, and why makes people like/dislike it. Soon Search Party will be able to match individuals with companies not just based on their capability to do the job, but also on their likelihood of fitting in.

Expansion of JobAdvisor

JobAdvisor serves as an entry strategy into new markets as well as a lead generation platform in existing ones. Search Party intends to launch JobAdvisor in the UK in the first half of 2016. Search Party will do this by seeding JobAdvisor with company data, enabling rapid customer acquisition and engagement.

On completion of these priorities, Search Party's board intends to consider further international expansion, subject to meeting business objectives around growth and effectiveness in existing market, progress with strategic partnerships, and availability of appropriate capital.

Search Party has multiple avenues to growing its business involving;

- growth in customers employers, recruiters and their candidate CV's; and,
- improving efficiency in growing placements and revenue.

As an early stage business there are many risks to achieving this growth which are set out in detail in Schedule 1 and can be summarised into the following broad categories:

- technology;
- customer uptake;
- competition;
- financial;

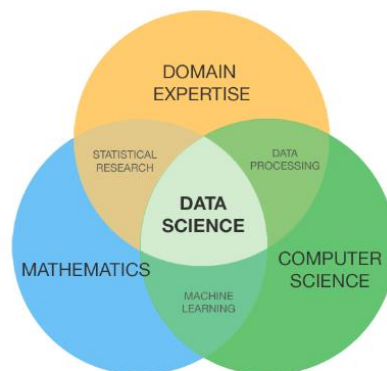
- listed and investment market;
- regulatory; and
- general business risk.

Prospective investors are encouraged to read in detail the risks section of this document and make sure they understand these risks and the possibility that they may slow or even prevent growth expected.

(f) **Data Science**

Data science is a relatively new discipline within companies and has different meanings across companies and industries. At Search Party data science encompasses all aspects of using the data more efficiently, particularly making predictions from data.

From inception, Search Party has invested heavily in research and development and best of breed data science capabilities. A dedicated data science team has been in place since 2013 when Search Party first began dealing with deduplication (resolving multiple CVs from a single candidate) and anonymisation (providing tools to allow recruiters to determine how much information to display for their candidates). Search Party has received more than \$3.5m in R&D grants from Austrade to support these initiatives and will continue its investment in further R&D and continue its data science enhancement to maximise its competitive advantage and business success.



Source: Palmer, Shelly, *Data Science for the C-Suite*. New York: Digital Living Press, 2015. Print.

Data science approach at Search Party

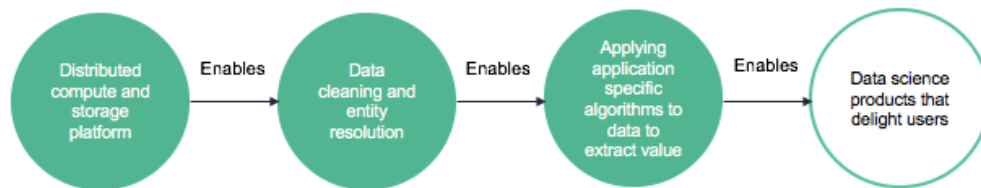
Search Party approach to data science involves several layers from technology to data product:

- The base requirement is a platform that enables scalable computation and data storage. Production quality machine learning algorithms have different requirements to those in academia and the right platform is essential to achieve robustness and performance.
- The next requirement is to clean the various data sources – the approach differs depending on the type of data and includes deduplication of multiple CVs (as any candidate may have more than one CV on file from more than 1 recruiter), linking records between different data sets and entity resolution (the recognition that an employer name may be represented a number of different ways across different CVs) via natural language processing.

- Once the data is clean, application specific algorithms can be applied to extract business value. For example, applying an algorithm to millions of candidate employment to gain an understanding of likely career progressions.

The results from application specific algorithms are then used to power various data products on the platform that delight users. For example a tool that allows people to interactively explore career paths.

Data science approach at TSP



Data science applications

This section sets out some of the aspects of Search Party Marketplace where data science and machine learning is core. These areas form the basis for many of the technical barriers to entry for other innovators, and support Search Party scalability.

Candidate Deduplication

Search Party is able to deduplicate ~15 million CVs in roughly 24 hours using a custom multi-stage clustering algorithm written in Spark running on a Hadoop cluster (this is an open-source processing engine, running on a special type of computational cluster of servers designed specifically for analysing huge amounts of unstructured data). This algorithm avoids applying ~64 trillion comparisons by collecting likely matches into canopies and then performing more sophisticated correlation clustering on each canopy. This approach also allows Search Party to scale near-linearly by adding hardware to match data volume increases.

Career Paths

By aggregating millions of candidate work history records Search Party is able to form a graph that describes likely career progressions including common skills and education that are associated with the transition. Uses of this data include suggestions for alternative search titles to Marketplace users, a visual career path tool and also input signals into Search Party Marketplace search algorithm.

Expected Candidate Behaviour

For many common job titles Search Party computed the distribution of the length of time spent in each role. From this data it can estimate several things, including an indicator of how ready a candidate might be to move jobs. Another use is to identify stale candidate records that are outliers. These indicators are displayed to employers and recruiters to provide an insight into where a candidate sits compared to the population. They are also used as an input to Search Party Marketplace search.

Candidate Recommender

Current Marketplace search results are produced using Solr, an advanced open source search engine. Search Party has (in early beta) a custom built recommendation engine that allows results to be fine-tuned using machine

learning ranking methods based on many signals including a training set of historical user interactions. The recommender gives Search Party the potential to learn better from data what candidate results have the most engagement and are most likely to produce a placement given a particular search context.

Salary Extraction from Vacancies Using NLP

Leveraging a dataset of public vacancy descriptions Search Party has trained a deep learning model using natural language processing techniques (**NLP**) that is able to reliably extract salary ranges from raw text. It has applied this model to millions of vacancies to produce salary distribution information for several thousand job titles.

Industry Mapping

Search Party has also trained another deep learning model using public vacancy descriptions to map arbitrary length job description text to a fixed set of industries with given probabilities. This model has been applied to Search Party candidate data to produce a mapping from job title to top 3 industries which is then displayed on the platform.

Company Name Entity Resolution

Using an unsupervised word embedding approach Search Party has a beta solution to resolving any user entered company text string to a known company. This makes providing immediately meaningful results to users easier, with much less specific input required from them. A similar approach can be used to resolve many other entities, for example universities, job titles and skills. This allows Search Party to take a very simple input from a user and attach it to a much broader context (i.e. company, industry, job-family).

3.6 Board Changes

Subject to the Takeover Offer becoming Unconditional, it is intended that the Board of the Company will be comprised of Benjamin Hutt, Paul Bird, Trevor Loewensohn and Charles Thomas (an existing Director of Applabs) (**Proposed Directors**). The engagement of Directors Rocco Tassone and Patrick Glovac will be terminated by the Company following the Takeover Offer becoming Unconditional. Shareholder approval for the appointment of the Proposed Directors is being sought pursuant to Resolutions 6 to 8. Refer to Section 3.7 below for more information on the qualifications of the Proposed Directors. Benjamin Hutt, Paul Bird and Trevor Loewensohn are all directors of TSP and TSP Shareholders.

Simone Lander has been consulting to Search Party providing Company Secretary assistance to Benjamin Hutt. Simone will accept the role of Company Secretary of Search Party formally in March 2016. Simone will be appointed joint Company Secretary upon completion of the Takeover. Following completion, it is proposed that Simone will assume full Company Secretary responsibilities for the merged group after an appropriate handover from Applabs' current Company Secretary, Anna Mackintosh.

3.7 Management of TSP

The following is a description of the Proposed Directors, together with other key management personnel of TSP (who will become the key management personnel of the Company following completion of the Takeover Offer) are as follows:

- (a) **Trevor Loewensohn** (B Comm, CA, FSIA)
Non-Executive Chairman

Trevor is the Founder and Managing Director of Alceon Group Pty Limited (Alceon), a specialist advisory, investment and capital solutions partnership with offices in Sydney, Melbourne, Brisbane and Perth. Trevor has over 30 years of investment banking experience, mostly for leading global investment banks including Vice Chairman at UBS, after moving from Head of Investment Banking and Joint CEO at JP Morgan. He has advised many leading global and Australian companies on mergers and acquisitions, disposals, capital raisings and corporate and financial strategy.

Prior to founding Alceon, Trevor was the Global Head of Capital Markets at Babcock & Brown, where he established a global capital raising and advisory capability. Following the impact of the Global Financial Crisis, he led Babcock & Brown's asset sale programme, successfully completing the sale of more than 20 major funds, companies and assets.

Trevor is a Director of numerous companies and investment entities within the Alceon Group.

Former listed entity directorships in the last 3 years were RHG Limited from 28 October 2011 until when it was taken over in January 2014 and Crowe Horwath Limited from 18 June 2013 until when it was taken over in December 2014.

(b) **Ben Hutt** (MBA, BSc Hons Psyc)

CEO and Managing Director

Ben Hutt has over 15 years experience in management consulting with top-tier firms such as PwC Consulting. Prior to Search Party, Ben worked in a range of roles in his five years at Macquarie Group, the last two of which were spent building an international team focused on delivering improved cost efficiency across the group. Ben is a perennial business problem solver, a serial entrepreneur and an expert in managing and executing complex projects that improve productivity.

Ben was involved with Search Party nearly from the start and formally joined as Chief Financial & Operations Officer in June 2012. He was responsible for early business development and fundraising efforts. He was also instrumental in the company's inception of the Marketplace concept as well as Search Party's expansion overseas. He became the CEO and Managing Director of The Search Party Ltd and all its subsidiaries in July 2014. Ben raised over \$14.7M in investments throughout his tenure at Search Party.

Ben is a father of three, an accomplished pianist, an ambassador for Opportunity International and an avid supporter of The Hunger Project. He's a surf lifesaver and a marathon swimmer, having swum the English Channel solo in 2014.

(c) **Paul Bird** (B.Ec, LLB, Dip.L.Prac)

Non-Executive Director

Paul is a co-founder of The Search Party and is also the founder and current CEO of EP2 Payments and a co-founder and director of Homestar Finance. Prior to choosing the path of an entrepreneur, he worked in senior strategic roles at PBL Media and Diageo. Paul holds Bachelors degrees in Economics and Law from the University of Sydney

Paul is a father of four young children and therefore doesn't have time for many other interests anymore, however when he was younger he was a keen sailor having competed in the Sydney to Hobart in 1992.

(d) **Charles Thomas** (BCom)

Non-Executive Director

Mr Thomas holds a Bachelor of Commerce from UWA majoring in Corporate Finance. Mr Thomas is an Executive Director of GTT Ventures Pty Ltd a boutique corporate advisory firm based in Australia. Mr Thomas is also Chairman of ASX listed Sovereign Gold Company Limited (ASX:SOC), Non-Executive Director of ASX listed xTV Networks Ltd (ASX:XTV) and Non-Executive Director of ASX listed AVZ Minerals Limited (ASX:AVZ).

Mr Thomas worked as an Investment Adviser from 2009-2014 for Bell Potter Securities Ltd focussing on High Net worth clients & Corporate Advisory. Prior to this Mr Thomas worked for State One Stockbroking for a period of 3 years, advising and funding numerous ASX listed companies.

(e) **Magda Walczak** (MBA, BArts Political Science, English)

Chief Marketing Officer

Magda is an ROI-focused marketer with over 15 years global experience in tech marketing in both B2C and B2B businesses. Magda's honed her skills at startups of various stages where she delivered data-driven marketing strategies, website optimisation and customer conversion through the Funnel. Her previous employers include Atlassian, Base CRM, Google and PayPal.

Magda joined Search Party in February 2015 after having previously advised the business on its marketing strategy during its post beta launch. In her role as CMO, Magda leads an integrated product and marketing effort, as she leverages her track record of growing teams and delivering products to the their target market. A practical marketer, Magda always strives to strike a balance between predictable, sustainable demand generation and brand awareness.

(f) **Jason Shepherd** (BCom, Grad Dip App Fin, FFINSIA, MAICD)

Chief Financial Officer

Jason has in excess of 23 years' experience working with large and small/startup Australian and international corporates in house or as adviser/financier. Jason draws on his skills in accounting/finance, M&A, corporate and project finance, structured finance and capital markets at different times to deal with the multiple needs of the business. Jason joined Search Party in May of 2015 having initially consulted to the business on its April 2015 capital raise. Jason immediately saw the value upside in the business and became an investor at the time he accepted the role of CFO.

Preceding this initial contact with the business, Jason had been consulting for 12 months effectively in the capacity as COO/CFO for Republic Gold and ultimately executed the reverse takeover of Big Un Limited by Republic Gold (a transaction similar in structure to this one). Jason had consulted to several businesses before this time in Australia, Singapore and Africa subsequent to leaving ANZ Institutional Bank. At ANZ, he held the role of Director, Capital Solutions working across various products and jurisdictions to originate and execute multiple transactions. Jason has also previously consulted to Wizard in its initial capital raisings/acquisitions working both in house and earlier as corporate adviser to Wizard when at banks Societe Generale and SG Hambros.

(g) **Dylan Hogg** (BCom, GradCert (CompSci), MCPD)

Head of Data Science

Dylan has over 15 years' experience in software engineering, data engineering and data science across a range of platforms and technologies. He joined Search Party in 2012 and has led the data science team since 2013. Prior to Search Party he had worked on many large scale complex production systems including the backend classified services platform at Fairfax that powered MyCareer.com.au, Domain.com.au and Drive.com.au.

He holds a Bachelor of Commerce from the University of Auckland and has completed postgraduate studies in machine learning at the University of New South Wales. Dylan is passionate about building novel applications using machine learning, AI and big data that deliver business value and offer services that have not been possible to date.

(h) **Dr Jan Luts** (PhD, MSc, BSc)

Senior Data Scientist

Jan received a Master of Information Sciences from Universiteit Hasselt, Belgium in 2003 and Master degrees in Bioinformatics and Statistics from Katholieke Universiteit Leuven, Belgium in 2004 and 2005, respectively. After obtaining his PhD at the Department of Electrical Engineering of Katholieke Universiteit Leuven in 2010, he was a postdoctoral researcher for two years.

In 2012 he moved to Australia where he worked as a postdoctoral researcher at the University of Technology Sydney. Following this he joined Search Party as a Senior Data Scientist where he applies his knowledge to develop machine learning algorithms that solve complex data problems with a particular focus on natural language processing. In 2015 he relocated back to Belgium where he continues to work as part of the international Data Science team at Search Party.

(i) **Simone Lander**

Company Secretary

Simone studied a B Ec and has in excess of 20 years' company secretarial and compliance experience having worked in the investment banking, private equity, stockbroking, property and mining industries. Simone joined the Search Party in March 2015 in a consulting capacity.

Prior to joining the Search Party, Simone was a partner in the private equity firm Taemas Group where under a management contract she was seconded as the Head of Corporate Services and Company Secretary for the StoneBridge Group. Immediately prior to that Simone held the role of Company Secretary for all of the listed and unlisted Funds of Babcock and Brown's Corporate Finance division. Simone has also previously held Company Secretarial positions for the Investa Property Group, Mirvac Group and Emperor Mines Limited, each ASX listed entities.

3.8 Proposed Services Agreements

In the event the Takeover is successful, ALA intends to continue to conduct the TSP business in the ordinary course. ALA will, however, consider centralising the office to the Sydney location, whilst keeping a smaller office in Perth, WA.

The Company has entered into the following services agreements, to be effective from completion of the Takeover Offer and ALA's readmission to ASX, as follows

(a) **Benjamin Hutt** (Chief Executive Officer and Managing Director)

Benjamin Hutt will receive an annual salary of \$253,440, and be entitled to be reimbursed for all reasonable expenses incurred in the performance of his duties. Subject to ALA obtaining any necessary shareholder and regulatory approvals he will be entitled to receive performance rights that ALA may issue in the future to

its executive and non-executive staff (on terms required by the ALA). Termination (without cause) under the agreement will be by way of three months' notice by either party, and the agreement will contain customary provisions regarding confidentiality, and ALA ownership of intellectual property. The terms of Mr Hutt's executive service agreement otherwise contain terms which are standard for an agreement of this nature.

(b) Non-Executive Service Agreements

Mr Trevor Loewensohn (Non-Executive Chairman) and Mr Paul Bird (Non-Executive Director) will enter into non-executive service agreements with the Company. They will receive annual directors' fees of \$20,000 and \$40,000 respectively, and be entitled to receive performance rights that ALA may issue in the future to its executive and non-executive staff (on terms required by the ALA). Termination under their agreements will be by way of three months' notice by either party, and the agreement will contain customary provisions regarding confidentiality, and Company ownership of intellectual property. The terms of the non-executive service agreements otherwise contain terms which are standard for agreements of this nature.

(c) Additionally, Simone Lander will be appointed as joint Company Secretary at standard commercial rates.

3.9 Use of Funds

Following completion of the Takeover Offer and the Offers, the Company intends to apply the funds raised under the Public Offer together with existing cash as follows:

Source of funds	\$
Pro forma cash position for the Merged Entity as at 31 March 2016 (based on the unaudited pro forma balance sheet as at 31 December 2015 less working capital spent during the period from 1 January 2016 to 31 March 2016 and subsequent events – see Schedule 2)	\$4,511,323
Funds raised under the Public Offer	\$3,704,997
Total funds available	\$8,216,320
Use of funds	\$
Sales team and selling expenses	\$1,046,567
Product engineering and data science	\$2,143,818
Marketing and product design	\$1,842,393
Overheads and working capital	\$2,014,500
Costs of the Acquisition and Offers (not yet paid)	\$1,169,042
Total	\$8,216,320

The above table is a statement of current intentions as at the date of this Notice. Shareholders should note that, as with any budget, the quantum or allocation of funds set out in the above table may change, or the application of the funds may be delayed or accelerated depending on a number of factors, including, the risk factors noted in Schedule 1, the outcome of operational activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

The use of further equity or debt funding will be considered by the Board where it is appropriate, for example, due to unforeseen circumstances that are materially adverse, to accelerate or expand sales and marketing efforts, accelerate product development, respond to market or economic events or capitalise on growth or other opportunities. The nature and terms of any further equity or debt funding may have dilutionary or other restrictive consequences.

3.10 Terms of the Takeover Offer

The Company and TSP have entered into a bid implementation agreement dated 20 January 2016 setting out a proposal by which the Company would acquire all of the outstanding fully paid ordinary shares in TSP via an off-market takeover offer (**Bid Implementation Agreement** or **BIA**).

The key terms of the Bid Implementation Agreement are:

- (a) The Company agrees to make the Takeover Offer, subject to the Bid Conditions. The agreed consideration is a maximum of 198.1 Shares for each TSP Share (with fractional entitlements to be rounded down to the nearest whole number).
- (b) The directors of TSP have advised TSP that they will:
 - (i) unanimously recommend that TSP Shareholders accept the Takeover Offer in the absence of a Superior Proposal;

- (ii) procure conversion of all TSP Options (other than the 464 TSP Options (A Class)) into issued TSP Ordinary Shares or otherwise cancelled as soon as possible and in any event before the end of the Takeover Offer Period.
 - (iii) accept or procure the acceptance of the Takeover Offer in respect of any TSP Shares they or their associates own or control.
- (c) TSP must use its best endeavours to procure that there is no TSP Material Adverse Change or Prescribed Occurrence within its control from the execution date of the BIA until the last day of the Takeover Offer Period.
- (d) In the absence of a Superior Proposal for TSP, TSP will procure that its board of directors will participate in efforts reasonably required by the Company to promote the merits of the Takeover Offer including meeting with key shareholders, analysts, management, customers and press but only to the extent that those directors consider that they may do so without breaching any of their statutory or fiduciary duties.
- (e) Each party agrees to use all reasonable endeavours to satisfy the Bid Conditions as soon as practicable after the date of the BIA provided that TSP is not required to comply with this obligation if it would require TSP to take any action which in the reasonable opinion of the TSP Board would constitute a breach of the duties of the TSP directors.
- (f) The BIA provides for TSP to, during the period from the execution date of the BIA until the last day of the Takeover Offer Period, conduct, and procure that its subsidiaries conduct, their respective businesses in the ordinary course of business and not take any action which causes a breach of any of the agreed bid terms.
- (g) As soon as is reasonably practicable after the Company has received acceptances for 90% of TSP Shares on issue, the Company will take all actions necessary:
 - (i) for the Proposed Directors to be appointed to the Board with effect from the date of the Takeover Offer becoming Unconditional; and
 - (ii) the termination of the engagement of Mr Rocco Tassone and Mr Patrick Glovac from their roles as Directors including the payment of the executive and non-executive entitlements.
- (h) The Company has agreed that it will only waive the Essential Bid Conditions with the prior written consent of TSP (such consent not to be unreasonably withheld or delayed).
- (i) The BIA may be terminated in the following circumstances:
 - (i) By either the Company or TSP if:
 - (A) the TSP Board changes its recommendation in relation to either of the Takeover Offer as a result of the TSP Board determining that it has received a Superior Proposal;
 - (B) the other party is in material breach of the BIA and to the extent that the breach can be rectified, the breach has not been rectified within 5 Business Days of receiving notice;
 - (C) a representation or warranty given by the other party is or becomes untrue in any material respect and the breach of the representation or warranty is of such a kind that, had it been

disclosed to the first party before entry into the BIA, could reasonably have been expected to have resulted in the first party either not entering into the BIA or entering into it on materially different terms;

- (D) any Court or regulatory authority has issued an order, decree or ruling or taken any other action that permanently restrains or prohibits either of the Takeover Offer; or
 - (E) TSP has received a Superior Proposal and pursuant to the Superior Proposal the proponent becomes entitled to or increases its entitlement to more than 50% of the voting power in TSP;
 - (F) the Company withdraws either Takeover Offer or either Takeover Offer lapses for any reason, including non-satisfaction of a Bid Condition;
 - (G) if TSP has not prior to the end of the Takeover Offer lawfully effected the cancellation or exercise of all the TSP Options and issued all necessary TSP Shares in respect of such TSP Options; and
- (ii) By TSP if before the end of the Takeover Offer Period an Applabs Material Adverse Change occurs.
- (j) If the BIA is terminated, the parties will have no further obligations to each other under the BIA (except in relation to specified general provisions) and neither party will have any liability or obligation to the other party for any damages or loss of any kind.
 - (k) The BIA otherwise contains representations and warranties that are customary for an agreement of this nature.

A full copy of the Bid Implementation Agreement was released to ASX on 20 January 2016.

3.11 Key Agreements of TSP

(a) TSP Terms and Conditions

General overview

Search Party has implemented a set of terms and conditions (**Terms and Conditions**) which apply to users' access to the services offered by The Search Party platform available through the website www.thesearchparty.com (**Platform**). The services provided may be one or both of the recruitment CRM and the recruitment Marketplace.

General obligations

Users must create an account as a candidate, recruiter, recruitment company, employer or employing line manager (i.e. employer's personnel managing candidates on its behalf). Some eligibility conditions apply before a user can create an account. Users must keep their password and login name confidential and are responsible for activities done through their account.

Registered recruitment companies may pay implementation fees and/or service fees (if the Recruitment CRM service is used and a complex data migration undertaken) and Marketplace fees (if the Marketplace Service is used and placements made). Employers must pay any recruitment commissions agreed to on the placement of candidates and any other service fees if applicable (eg if the Search Party enters into an agreement with a large corporate that includes a minimum spend). Candidates can use the Platform without any charge. Service fees and rates may be amended at any time by notification on the Platform. A user's access to the Platform may be terminated or suspended due to late payment of Service Fees.

Employers, recruiters and recruitment companies must comply (and are responsible for ensuring compliance) with all obligations under privacy or data protection laws in relation to candidate data. Recruiters and recruitment companies who provide candidate data represent that they have either obtained the consent of the candidate or that the candidate data is sufficiently de-identified and the accuracy of such candidate data is verified and maintained.

Except for payment of commissions by employers to recruitment companies, employers, recruiters and recruitment companies must not require users to pay any charge to respond to any job posting (including in making a job application). Recruiters or recruitment companies must also not ask users to pay to them any charge to post a job posting on the user's behalf.

The Search Party (or approved data migration partners) may assist recruitment companies to set up and migrate content to the Platform at a charge. Recruitment companies generally retain ownership of all content migrated or posted onto the Platform provided that all candidate profiles migrated must remain available on the Marketplace Service for at least 6 months (except where a candidate has requested its removal). In addition, any candidate profile migrated to the Marketplace Service by a recruiter company shall remain on the Marketplace Service to be assessed and used by the candidate despite any termination or suspension of access by the recruitment company to the Platform.

With respect to the Recruitment CRM services, a recruitment company's contracts may specify a fixed term of contract, which are terminable on not less than 30 days' written notice and paying a cancellation charge for the balance of the contract term by way of liquidated damages.

Recruiter Tools

With respect to recruitment CRM functionality, the employer or employing line managers are responsible for verifying and authorising timesheets for a candidate using the Recruiter Tools. The recruitment company or recruiter is responsible for ensuring that the candidate provides all information necessary to verify that candidate's timesheets and, in respect of employment of candidates recruited by the recruitment company, for verifying and authorising invoices generated by the Platform.

Marketplace Service

Users must comply with the following process to deal with candidates and candidate data using the Marketplace Service: (a) if a candidate is identified for an employer's job posting through a candidate profile on the Platform, the recruiter must only provide further candidate data to the employer if it has obtained express consent from the candidate; (b) if an employer is notified of a candidate, the employer must only contact the candidate, disclose the identity of

the candidate to a third party, use a candidate profile (or any other candidate data) to fill an actual job vacancy.

All recruitment commissions must be processed through the Marketplace Service. Invoices to employers for recruitment commissions are due the latter of starting date or 14 days after placement date. The Search Party may deduct the Marketplace fees from all recruitment commissions. The Search Party may also retain certain amounts from the recruitment commission until any applicable guarantee periods for a respective candidate's employment have passed. If a candidate's employment terminates for any reason prior to the expiration of any guarantee period, The Search Party will rebate to employers all of the recruitment commission (if the employee does not turn up for the job on the first day) and, otherwise, an agreed rebatable portion of the recruitment commission (after deduction of Marketplace fees) will be provided by way of credit note to be used on the Marketplace platform for the next hire. The Search Party will pay the balance of any recruitment commissions to recruitment companies only once The Search Party has collected the recruitment commission for that candidate's employment.

Recruitment commissions are not payable to a recruitment company in respect of a candidate: (a) who had previously been introduced to the employer for that job or a substantially similar role in the last 6 months or (b) with whom the employer had independently made contact in the previous one month for that job or a substantially similar role and had not been rejected for that job or role.

Introduced employer incentive plan

Subject to certain conditions, a commission equal to 5% of the recruitment commission is payable to a recruitment company that introduces a new employer client to the Platform and: (a) that employer client creates an account (in their capacity as an employer) within 7 days and (b) within the next 12 months a candidate is employed by that employer through another recruitment company (unrelated to the first recruitment company).

Candidates

Candidates may only use materials from the Platform for personal, non-commercial use.

It is the candidate's responsibility to evaluate each job posting. The Search Party does not verify or test the currency or validity of any authorisation or consent obtained by a recruiter or recruitment company who creates an account or posts information on a candidate's behalf.

There are no guarantees as to continued availability of any particular job posted on the Platform.

Posting Conditions

It is the user's responsibility to check for errors in all materials posted by them on the Platform. Search Party may delete or correct a user's account profile or candidate profile if details are entered into an incorrect field.

Users agree not to use the Platform to send unsolicited commercial correspondence to Platform users. Users must not insert links to external websites within the details of job posting without express written approval. The Search Party may review any job postings on the Platform and remove any job posting that does not comply with the Terms and Conditions, any applicable laws or if it relates to certain excluded job categories.

Users must ensure that any job posting posted to the Platform are posted to the appropriate job category. Users must comply with all applicable laws relating to anti-discrimination and equal opportunity unless an exemption has been granted. In such cases, the exemption number must be included in the job posting posted by the user.

Users represent that all posted materials posted by them do not breach any applicable laws, do not infringe any intellectual property rights and will be free of harmful code (such as computer viruses).

General liability provisions

The Search Party will use reasonable endeavours to publish job postings promptly and to ensure that Platform disruptions are remedied as soon as commercially practicable and to avoid introducing errors in posted materials. However, the Platform is offered on the basis that there are no guarantees that the Platform will be uninterrupted, error-free or defect-free. The Search Party is generally not liable for losses suffered by users using the Platform except in circumstances where such liability cannot be lawfully excluded. The Search Party's liability under any statutory warranties or guarantees is also generally excluded to the extent permitted by law.

Users indemnify The Search Party against loss suffered in connection with the user's breach of any obligations or warranty under the Terms and Conditions, contravention of any applicable laws or any wilful misconduct or negligent act or omission by the user. Users also indemnify The Search Party against loss suffered in connection with a claim by a third party that its handling of candidate data, or the collection, use, disclosure or storage of candidate data provided by the user, contravenes applicable laws (including privacy or data protection legislation).

The Search Party may terminate user's access to the Platform if the user breaches any provision under the Terms and Conditions or otherwise, at Search Party's discretion.

(b) TSP ESOP Optionholder Loan Agreements

TSP has entered into loan agreements with a number of its TSP Optionholders who were issued TSP Options under TSP's existing employee share option plan. The purpose of the loans is to fund the exercise of the TSP Options, so that the underlying TSP Share can be acquired by the Company pursuant to the Takeover Offer. The key terms of the loan agreements are as follows:

- (i) Each loan agreement formalises a limited recourse loan between TSP and the individual TSP Optionholder for the advance of the monies necessary to exercise all of their TSP Options into TSP Shares.
- (ii) Pursuant to the loan agreements, a total of approximately \$2.45m has been loaned to the TSP Optionholders.
- (iii) The term of the loan agreement is the earlier of:
 - A. 7 years from the date of advance of the loan monies;
 - B. 30 calendar days following the last day of the period in which the underlying TSP Shares trade at a 30 day VWAP of no less than \$1.00 per share;
 - C. the date the loan is repaid by the TSP Optionholder; or
 - D. the date the TSP Optionholder ceases to be the legal owner of the underlying TSP Shares.

- (iv) Interest accrues on the amount of the loan at the rate determined by the TSP Board at the commencement of each financial year. All interest accrued on the loan must be paid by the TSP Optionholder to TSP by the last day of each financial year.
- (v) The TSP Optionholder must make annual repayments of the loan amount by 30 June each year that are at least the minimum yearly repayments as defined in section 109E(5) of the Income Tax Assessment Act (1936).
- (vi) The TSP Optionholder must only apply the loan monies towards exercise of the TSP Options.
- (vii) The TSP Optionholder must repay all loan monies and interest in full to TSP on the earlier of 14 days following the termination of the Optionholder's employment with TSP and the last day of the term.
- (viii) The TSP Optionholder grants security for repayment of the loan to TSP by mortgaging all title and interest that the TSP Optionholder has in the underlying TSP Shares.

3.12 Effect of the Takeover Offer on the Company

See Section 3.1 for a table showing the Company's current capital structure and the capital structure on completion of the Capital Raising and issue of the Consideration Shares and other Securities contemplated by this Notice.

3.13 Financial Information

- (a) Pro-forma Balance Sheet

A pro-forma balance sheet of the Company on completion of the Takeover Offer and the Capital Raising is set out in Schedule 2.

- (b) Profit and Loss

The consolidated statements of profit and loss of TSP and ALA are also set out in Schedule 2.

The financial information set out in Schedule 2 is based on the audit-reviewed accounts of the Company as at 31 December 2015 and the audited accounts of TSP as at 31 December 2015.

3.14 Advantages of the Takeover Offer

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Essential Resolutions:

- (a) The Company will be exposed to a growth industry, and Shareholders can share in the future prospects of the TSP business.
- (b) The Company's ability to raise funds and attract expertise will be improved.
- (c) The Takeover Offer and Capital Raising will result in a larger market capitalisation and enhanced Shareholder base and may encourage new investors in the Company because the Company is pursuing a new strategic direction. This improvement in the attractiveness of an investment in the Company may lead to an increased liquidity of Shares and greater trading depth than currently experienced by Shareholders.
- (d) Shareholders may be exposed to further debt and equity opportunities that it did not have prior to the Takeover Offer.

- (e) The appointment of the Proposed Directors will add experience and skill to the Board to assist with the growth of the Company. If the Offer is successful, the board of directors of the Merged Entity will comprise current TSP directors Benjamin Hutt, Paul Bird and Trevor Loewensohn and ALA director Charles Thomas. Together, these directors have significant expertise and skills in technology ventures and public company management, to oversee the further development of TSP's employment Marketplace.

3.15 Disadvantages of the Takeover Offer

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Essential Resolutions:

- (a) The TSP business has a different risk and reward profile to that historically attributed to the Company. The new risk profile may not suit all Shareholders.
- (b) The Company will be exposed to the risks associated with TSP and its business (refer to Schedule 1 for further information and a summary of these risks).
- (c) Should the Takeover Offer be completed, the Company's Shareholders will have their voting power reduced. As such, the ability of the existing Shareholders to influence decisions, including the composition of the Board or the acquisition or disposal of assets will be reduced accordingly.

3.16 Timetable

An indicative timetable for the completion of the Takeover Offer and re-compliance with Chapters 1 and 2 of the Listing Rules is in the table below.

Event	Date
Execution of Bid Implementation Agreement	18 January 2016
Announcement of Takeover Offer	20 January 2016
Date of Bidder's Statement and lodgement with ASIC	16 March 2016
Record Date	5:00pm (EST) 16 March 2016
Date of Takeover Offer	17 March 2016
Notice of Meeting sent to ALA Shareholders (indicative)	19 May 2016
Prospectus lodged with ASIC (indicative)	19 May 2016
Date of ALA Shareholder Meeting	17 June 2016
Prospectus Offer closes (indicative)	20 June 2016
Date for giving notice of status of conditions	22 June 2016
Takeover Offer Closes	5:00pm (EST) 30 June 2016
Anticipated date for re-instatement to trading on ASX (indicative)	7 July 2016

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offers early without notice.

3.17 Risk Factors

The Company has undertaken a due diligence process (including commercial, financial, legal, technical and other risks) prior to the date of this Notice. While this process is

undertaken to identify any material risks specific to TSP and its business, it should be noted that the usual risks associated with companies with a small market capitalisation undertaking business in the technology sector are expected to remain after the completion of due diligence.

Shareholders and investors should also be aware that the Takeover Offer is conditional on a number of events (refer to Section 3.10 above). Accordingly there is a risk that the Takeover Offer may not be completed.

Investing in a company involves risks of various kinds, some of which are within the realms of influence of the Company and some, arising from external factors, which may be beyond the control of the Company. A summary of the risks associated with the Takeover Offer and ongoing operation of the TSP business are outlined in Schedule 1.

Shareholders are encouraged to read the risks in Schedule 1 in full and seek their own legal, financial or other professional advice if they have any queries.

3.18 Current Business

Following completion of the Takeover Offer and reinstatement to quotation of the Company's Shares on ASX, the Company's primary focus will be to develop the business of TSP in line with its business model and strategy as outlined above.

Subject to successful completion of the Takeover, it is the current intention of ALA's Directors to divest all remaining assets in ALA within the next 12 months. No agreements or arrangements have been entered into regarding this, however ALA will keep the market updated accordingly.

4. Resolution 1 – Change to scale and nature of activities

4.1 Background

Resolution 1 seeks approval from Shareholders under Listing Rule 11.1.12 for the significant change to the scale and nature of the activities of the Company as a result of the Takeover Offer.

Resolution 1 is an ordinary resolution and is subject to the passing of all other Resolutions.

4.2 Listing Rule 11.1 Requirements

Chapter 11 of the Listing Rules requires Shareholders to approve any significant change in the nature or scale of a company's activities. The Takeover Offer of TSP and the Company will have the effect of increasing the scale and changing the nature of the Company's activities.

Resolution 1 seeks Shareholder approval to allow the Company to complete the Takeover Offer thereby increasing the scale and nature of its activities. The Company has historically operated as a mineral exploration company. Therefore the proposed Takeover Offer will change the scale and nature of the Company's activities. Accordingly the Company must:

- (a) under Listing Rule 11.1.1, notify ASX of the proposed change;
- (b) under Listing Rule 11.1.2, obtain shareholder approval to undertake the change; and
- (c) under Listing Rule 11.1.3, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the Company was applying for admission to the official list of ASX, if required by ASX. The ASX has confirmed that the Company will need to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules. The

Company proposes to undertake the Capital Raising pursuant to Resolution 2 to meet the requirements of re-compliance.

See Section 3 of this Explanatory Memorandum for further information on the Takeover Offer and the likely effect that the Takeover Offer will have on the Company.

A voting exclusion statement is included in the notice.

5. Resolution 2 – Authority to issue Capital Raising Shares

5.1 General

As set out above, the ASX has confirmed that the Company will need to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules. The Company proposes to undertake the Capital Raising pursuant to Resolution 2 to meet the requirements of re-compliance. To do so, the Company will issue a prospectus (**Prospectus**), under which the Capital Raising will be conducted via an offer to the public (**Public Offer**).

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Shares under the Public Offer, being the offer of 37,049,969 Shares at an issue price of \$0.10 each, to raise a total of \$3,704,997 (before costs) (**Capital Raising Shares**).

The funds raised from the Capital Raising will be used in the manner and for the purposes set out in section 3.9.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Approval under Listing Rule 7.1 is not required for the Shares to be issued to TSP Shareholders as consideration under the Takeover Offer, as Listing Rule 7.2, Exception 5 provide an exception for securities issued under a takeover bid made under the Corporations Act.

However, the Company is required to obtain approval under Listing Rule 7.1 for the issue of the Capital Raising Shares.

The Capital Raising Shares will be subject to any ASX imposed escrow terms.

Resolution 2 is an ordinary resolution and is subject to the passing of all other Resolutions.

5.2 Specific information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of securities the Company may issue under the Capital Raising is 39,049,969 Shares.
- (b) The Capital Raising Shares will be issued on the earlier of the completion date of the Acquisition or 30 September 2016. The Company has applied to ASX for a waiver of Listing Rule 7.3.2 to permit it to issue the Capital Raising Shares on this date, being more than 3 month following the Meeting. There is no guarantee that ASX will grant the waiver. However, if ASX grants the waiver, the Company will advise the market accordingly. It is intended that the Capital Raising Shares will be issued on completion of the Capital Raising which will be on or about the date of completion of the Takeover Offer.
- (c) The Capital Raising Shares will be issued at an issue price of \$0.10 per Share.

- (d) The Capital Raising Shares will be issued to the general public which will exclude related parties of the Company (other than as provided for under Resolution 10, under which the Company is seeking approval to issue Shares to related parties).
- (e) The Capital Raising Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (f) The funds raised from the issue of the Capital Raising Shares will be used in the manner and for the purposes set out in the use of funds table in Section 3.9.
- (g) The issue of the Capital Raising Shares may occur progressively subject to Section 5.2(b).
- (h) A voting exclusion statement is included in the Notice.

6. Resolution 3 – Authority to issue Facilitator Securities

6.1 General

Resolution 3 seeks Shareholder approval pursuant to section 208 of the Corporations Act and Listing Rule 10.11 for the issue of up to 10,000,000 Shares (**Facilitator Shares**) and 30,000,000 unlisted Options (**Facilitator Options**) (together, **Facilitator Securities**) to GTT Ventures Pty Ltd (or its nominees), who have provided facilitation services to the Company for the purpose of the Takeover Offer (**Facilitator**).

The Facilitator has provided facilitation services to the Company in relation to the Takeover Offer, as set out in the Bid Implementation Agreement. Under the Bid Implementation Agreement, the Company has agreed (subject to Shareholder approval) to issue the Facilitator Securities to the Facilitator (or its nominees) as consideration for providing these services.

The Facilitator Options are exercisable at \$0.15 each within 2 years of their date of issue.

The Facilitator Securities will be subject to any ASX imposed escrow terms.

Resolution 3 is an ordinary resolution and is subject to the passing of all other Resolutions.

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The issue of the Facilitator Securities constitutes giving a financial benefit and GTT Ventures Pty Ltd is a related party of the Company as each of the Existing Directors is also a director of GTT Ventures Pty Ltd.

It is the view of the Company that the exceptions set out in Sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Facilitator Securities to the Facilitator (or its nominees).

As the Directors have a material personal interest in the issue of the Facilitator Securities that are the subject of Resolution 3, the Company seeks approval under section 195 of the Corporations Act so that the Shareholders may pass a resolution to deal with this matter.

6.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Facilitator Securities involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

6.4 Technical Information required by Corporations Act and ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to Resolution 3:

- (a) The Facilitator Securities will be issued to GTT Ventures Pty Ltd (or its nominees).
- (b) The maximum number of Facilitator Securities the Company may issue to the Facilitator (or its nominees) is 10,000,000 Shares and 30,000,000 Facilitator Options.
- (c) The Facilitator Securities will be issued on the earlier of the completion date of the Acquisition or 30 September 2016. The Company has applied to ASX for a waiver of Listing Rule 10.13.3 to permit it to issue the Facilitator Securities on this date, being more than 1 month following the Meeting. There is no guarantee that ASX will grant the waiver. However, if ASX grants the waiver, the Company will advise the market accordingly. It is intended that the Facilitator Securities will be issued on completion of the Capital Raising which will be on or about the date of completion of the Takeover Offer.
- (d) The Facilitator Securities will be issued for nil cash consideration as they will be issued in consideration for the facilitation services to the Company in relation to the Takeover Offer.
- (e) A voting exclusion statement is included in the Notice.
- (f) The Facilitator Securities are comprised of:
 - (i) 10,000,000 fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company; and
 - (ii) 30,000,000 unlisted Facilitator Options will each be exercisable at \$0.10 on or before the date which is 2 years from their date of issue, and will otherwise have the terms and conditions set out in Schedule 4.
- (g) The value of the Facilitator Shares is \$1,100,000, based on 10,000,000 Facilitator Shares being issued and the closing price of the Company's Shares on 10 May 2016, being \$0.11.
- (h) A summary of the valuation of the Facilitator Options is as follows:

- (i) a value of \$0.035 has been attributed to each Facilitator Option; and
- (ii) a total value of \$1,050,000 has been attributed to the Facilitator Options.

The valuation of the Facilitator Options has been conducted using a Black Scholes option pricing valuation methodology. Full details of the valuation of the Facilitator Options and methodology is set out in Schedule 6.

- (i) Other than the Facilitator Securities to be issued under Resolution 3, the Facilitator does not hold any Shares or Options in ALA.
- (j) Other relevant interests of GTT include:

- (i) Prospectus Lead Manager Mandate

The Company intends to enter into a mandate with GTT for the provision of lead manager and broking services in respect of the Public Offer on arms length commercial terms (**Lead Manager Mandate**). It is proposed that the following fees will be payable under the Lead Manager Mandate:

- (A) a cash fee of approximately \$75,000 plus GST payable to GTT for its services; and
- (B) a brokerage fee of 6% of the amount placed under the Public Offer (of which it is envisaged that 1% will be payable to GTT and 5% will be payable to third party brokers involved in placing amounts under the Public Offer).

The terms of the Lead Manager Mandate, when agreed, will be summarised in the Prospectus.

- (ii) Corporate Advisory Mandate

TSP has entered into a 12 month corporate advisory mandate with GTT for the provision of corporate advisory services commencing on and from the date of ALA's readmission to the official list of ASX following the Takeover (**Advisory Mandate**). Fees payable under the Advisory Mandate include a monthly retainer of \$10,000 plus GST, disbursements and expenses.

- (k) If the Facilitator Securities under Resolution 3 are issued (and the Facilitator Options exercised), a total of 40,000,000 Shares would be issued. This will increase the number of Shares on issue from 377 million to 417 million (assuming all securities described in this Notice are issued, no other Options are exercised, and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 9.59% as a result of the issue of the Facilitator Securities.
- (l) The trading history of the Company's shares on ASX over the past 12 months is set out below:

	Price	Date
Highest	0.23	9 December 2015
Lowest	0.08	29 October 2015
Last	0.11	10 May 2016

- (m) The Board considers the issue of Facilitator Securities under Resolution 3 reasonable in the circumstances for the following reasons:

- (i) the issue of the Facilitator Securities is a reasonable and appropriate method to provide cost effective fees for facilitation services as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of fees were given to the Facilitator; and
 - (ii) it is not expected that there are any significant opportunity costs to the Company foregone by the Company in issuing the Facilitator Securities upon the terms proposed.
- (n) The primary purpose of the issue of the Facilitator Securities is to provide consideration for the facilitation services provided to the Company in relation to the Takeover Offer.
 - (o) The Board declines to make a recommendation to Shareholders in relation to Resolution 3 due to each of their material personal interests in the outcome of the Resolution on the basis that their related entity (GTT Ventures Pty Ltd) or its nominees will be issued Facilitator Securities in the Company should Resolution 3 be passed.
 - (p) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3.
 - (q) Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Facilitator Securities under Resolution 3 as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Facilitator Securities under Resolution 3 will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

7. Resolution 4 – Authority to grant Adviser Options

7.1 General

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 2,000,000 unlisted Options (**Adviser Options**) to Artic Tern Holdings Pty Ltd and Tribeca Nominees Pty Ltd (or their nominee) (**Advisers**).

Artic Tern Holdings Pty Ltd and Tribeca Nominees Pty Ltd have provided corporate advisory services to the Company in relation to general matters under a corporate advisory mandate (**Corporate Advisory Mandate**). Under the mandate, the Company has agreed (subject to Shareholder approval) to grant 2,000,000 unlisted Adviser Options to Artic Tern Holdings Pty Ltd and Tribeca Nominees Pty Ltd (or its nominees) as part of its fee for providing these services. The Adviser Options are exercisable at \$0.25 each on or before 31 December 2016.

A summary of Listing Rule 7.1 is provided in section 5.1.

The Advisor Options will be subject to any ASX imposed escrow terms.

Resolution 4 is an ordinary resolution and is subject to the passing of all other Resolutions.

7.2 Specific information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of Adviser Options the Company may issue to Artic Tern Holdings Pty Ltd and Tribeca Nominees Pty Ltd (and/or its nominees) is 2,000,000, divided equally between the two parties.

- (b) The Company will issue the Adviser Options on the earlier of the completion date of the Acquisition or 30 September 2016. The Company has applied to ASX for a waiver of Listing Rule 7.3.2 to permit it to issue the Adviser Options on this date, which may be more than 3 months following the Meeting. There is no guarantee that ASX will grant the waiver. However, if ASX grants the waiver, the Company will advise the market accordingly. It is intended that the Adviser Options will be issued on completion of the Prospectus Capital Raising which will be on or about the date of completion of the Takeover Offer.
- (c) The Adviser Options will be issued for nil cash consideration as they will be issued in consideration for services in relation to the Corporate Advisory Mandate.
- (d) The Adviser Options will be issued to Artic Tern Holdings Pty Ltd and Tribeca Nominees Pty Ltd (or its nominees) who are unrelated parties of the Company.
- (e) The Adviser Options will be unlisted Options which are exercisable at \$0.25 on or before 31 December 2016, and will otherwise have the terms and conditions set out in Schedule 5.
- (f) No funds will be raised from the issue of the Adviser Options as they will be issued in consideration for Advisory services in relation to the Corporate Advisory Mandate.
- (g) It is expected that the Adviser Options will be issued on one date.
- (h) A voting exclusion statement is included in the Notice.

8. Resolution 5 – Authority to grant Placement Options

8.1 General

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 4,500,000 unlisted Options (**Placement Options**) to the recipients of the Company's placement conducted on 2 and 4 February 2016 (**Placees**).

The placement was to sophisticated and professional investors and long term shareholders of Applabs Technologies Ltd. Funds raised from the Placement were for general working capital.

The Placement Options are exercisable at \$0.25 each on or before 31 December 2016.

A summary of Listing Rule 7.1 is provided in section 5.1.

The Placement Options will be subject to any ASX imposed escrow terms.

Resolution 5 is an ordinary resolution and is subject to the passing of all other Resolutions.

8.2 Specific information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of Placement Options the Company may issue to the Placees is 4,500,000.
- (b) The Company will issue the Placement Options on the earlier of the completion date of the Acquisition or 30 September 2016. The Company has applied to ASX for a waiver of Listing Rule 7.3.2 to permit it to issue the Placement Options on this date, which may be more than 3 months following the Meeting. There is no guarantee that ASX will grant the waiver. However, if ASX grants the waiver, the Company will advise the market accordingly. It is intended that the Placement

Options will be issued on completion of the Prospectus Capital Raising which will be on or about the date of completion of the Takeover Offer.

- (c) The Placement Options will be issued for nil cash consideration as they will be issued as free-attaching options to the 4,500,000 Shares issued under the Company's placement of 2 and 4 February 2016.
- (d) The Placement Options will be issued to institutional and sophisticated investors who were the recipients of the Company's placement of 2 and 4 February 2016 (or their nominees) who are unrelated parties of the Company.
- (e) The Placement Options will be unlisted Options which are exercisable at \$0.25 on or before 31 December 2016, and will otherwise have the terms and conditions set out in Schedule 5.
- (f) No funds will be raised from the issue of the Placement Options as they will be issued as free-attaching options to the 4,500,000 Shares issued under the Company's placement of 2 and 4 February 2016.
- (g) It is expected that the Placement Options will be issued on one date.
- (h) A voting exclusion statement is included in the Notice.

9. Resolutions 6 to 8 – Appointment of Directors

In connection with the Takeover Offer, Benjamin Hutt, Paul Bird and Trevor Loewensohn are proposed to be appointed as Directors (**Proposed Directors**).

Clause 13.3 of the Constitution provides that the Company in general meeting may by ordinary resolution appoint any person as a Director.

Each of the Proposed Directors, having consented to act, seek approval to be appointed as Directors with effect from the date the Takeover Offer becomes Unconditional.

The Bid Implementation Agreement provides that Existing Directors Rocco Tassone and Patrick Glovac will resign with effect from the date that the Takeover Offer becomes Unconditional. Current director, Charles Thomas, will remain on the board of the Company following completion of the Takeover Offer.

Details of the Proposed Directors' backgrounds and qualifications are set out in Section 3.7 above.

Resolutions 6-8 are ordinary resolutions and are subject to the passing of all other Resolutions.

10. Resolution 9 – Change of Company Name

As part of the Takeover Offer, the Directors have determined to change the name of the Company to "Search Party Group Limited". Resolution 9 seeks Shareholder approval for the change of name in accordance with section 157 of the Corporations Act.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company following the Takeover Offer.

Resolution 9 is a special resolution and is subject to the passing of all other Resolutions.

The change of name of the Company will take effect from when ASIC alters the details of the Company's registration.

11. Resolution 10 – Authority for Related Parties to Participate in the Capital Raising

11.1 Background

It is proposed that the following parties and/or their nominees will participate in the Capital Raising (**Participants**). Further details of the Capital Raising are set out in Section 3.3. The Company is seeking Shareholder approval to subscribe for up to 1,500,000 Shares (the **RP Capital Raising Shares**).

Name ¹	Nature of Related Party	Number of RP Capital Raising Shares
Patrick Glovac	Existing Director of Applabs	500,000
Rocco Tassone	Existing Director of Applabs	500,000
Charles Thomas	Existing Director of Applabs	500,000
TOTAL		1,500,000

1. Or their nominee(s).

The Participants have offered to participate in the Capital Raising to assist the Company to raise sufficient funds to meet the Company's proposed use of funds in the table in Section 3.9.

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. The Participants are related parties of the Company by virtue of the relationships set out in the table above. Accordingly, approval is required under Listing Rule 10.11 for the issue of the RP Capital Raising Shares to the Participants.

The Company considers that the Participants' participation in the Capital Raising is on arm's length terms because they are participating in the Capital Raising on the same terms as the general public. Accordingly, the Company has decided that it is not necessary to seek Shareholder approval for the issue of the RP Capital Raising Shares to the Participants pursuant to Chapter 2E of the Corporations Act.

Resolution 10 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the RP Capital Raising Shares to the Participants. If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

Furthermore, Shareholder approval of the issue of the RP Capital Raising Shares means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 10 is an ordinary resolution and is subject to the passing of all other Resolutions.

11.2 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13 and section 219 of the Corporations Act, information regarding the issue of the RP Capital Raising Shares is provided as follows:

- (a) The maximum number of Shares to be issued to the Participants (and/or their nominees) is up to 1,500,000 Shares, as allocated in the table in section 11.1 above.
- (b) The RP Capital Raising Shares will be issued on the earlier of the completion date of the Acquisition or 30 September 2016. The Company has applied to ASX for a waiver of Listing Rule 10.13.3 to permit it to issue the RP Capital Raising Shares on this date, being more than 1 month following the Meeting. There is no

guarantee that ASX will grant the waiver. However, if ASX grants the waiver, the Company will advise the market accordingly. It is intended that the RP Capital Raising Shares will be issued on completion of the Capital Raising which will be on or about the date of completion of the Takeover Offer.

- (c) The nature of the Participants' related party relationships to the Company is set out the table in section 11.1 above.
- (d) The RP Capital Raising Shares will be issued at an issue price of \$0.10 each.
- (e) The RP Capital Raising Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (f) The funds raised from the issue of the RP Capital Raising Shares will be aggregated with and used for the same purpose as the funds raised from the Capital Raising. See Section 3.9 for further details.
- (g) A voting exclusion statement is included in the Notice.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the RP Capital Raising Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the RP Capital Raising Shares to the Participants (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

12. Resolutions 11 – Ratification of Prior Issue

12.1 General

On the Company issued the following Securities on the following dates:

- (a) 2,000,000 Shares were issued to corporate advisers on 20 January 2016 in consideration for corporate advisory services (**Corporate Advisory Shares**); and
- (b) the following Shares (**Placement Shares**)
 - (i) 3,375,000 Shares were issued at an issue price of \$0.10 per Share to raise \$375,000 on 2 February 2016; and
 - (ii) 1,125,000 Shares were issued at an issue price of \$0.10 per Share to raise \$112,500 on 4 February 2016.

Resolution 11 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares outlined above (**Ratification**).

A summary of Listing Rule 7.1 is provided in section 5.1.

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

Resolution 11 is an ordinary resolution and is subject to the passing of all other Resolutions.

12.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 6,500,000 Shares were issued;
- (b) the issue price for the Corporate Advisory Shares was nil as the Shares were issued in consideration for services to the Company
- (c) the issue price for the Placement Shares was \$0.10 per Share;
- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Corporate Advisory Shares were issued to corporate advisers of the Company who are unrelated parties of the Company;
- (f) no funds were raised from the issue of the Corporate Advisory Shares;
- (g) the Placement Shares were issued to sophisticated and professional investors, none of whom are unrelated parties of the Company; and
- (h) the funds raised from the Placement Shares were used for general working capital of the Company.

13. Resolution 12 – Approval of Employee Share Option Plan

Resolution 12 seeks Shareholder approval for the adoption of the employee incentive scheme titled Employee Share Option Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 12 is passed, the Company will be able to issue Options under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period (subject to any capacity previously used under the Employee Performance Rights Plan pursuant to Resolution 13 below).

Shareholders should note that no Options have previously been issued under the Plan. However, subject to completion of the Takeover, ALA intends to offer 5,192,852 Options under the proposed ESOP to eligible employees (subject to shareholder approval of this Resolution, and the offerees accepting the offers to be made by ALA under the ESOP).

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 7. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 12 is an ordinary resolution and is subject to the passing of all other Resolutions.

14. Resolution 13 – Approval of Employee Performance Rights Plan

Resolution 12 seeks Shareholder approval for the adoption of the employee incentive scheme titled Employee Performance Rights Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 13 is passed, the Company will be able to issue Performance rights under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period (subject to any capacity previously used under the Employee Share Option Plan pursuant to Resolution 12).

Shareholders should note that no Performance Rights have previously been issued under the Plan. However, subject to completion of the Takeover, ALA intends to offer 9,303,864 Performance Rights under its proposed Performance Rights Plan to eligible employees (subject to shareholder approval of this Resolution, and the offerees accepting the offers to be made by ALA under the Performance Rights Plan). In addition to this, ALA intends to offer a further 6,009,224 Performance Rights to the Proposed Directors pursuant to Resolutions 14, 15 and 16, as described in section 15 below.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Performance Rights under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Performance Rights under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 8. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 13 is an ordinary resolution and is subject to the passing of all other Resolutions.

15. Resolutions 14, 15 and 16 – Authority to grant Performance Rights to Proposed Directors

15.1 General

The Company has agreed, subject to obtaining Shareholder approval and completion of the Takeover, to grant Performance Rights to Benjamin Hutt, Paul Bird and Trevor Loewensohn (**Participants**), on the terms and conditions set out in Schedule 9, and otherwise on the terms and conditions set out below.

Name ¹	Nature of Related Party	Number of Performance Rights	Value of Performance Rights
Benjamin Hutt	Proposed Director of Applabs	5,409,224	\$313,734.98
Paul Bird	Proposed Director of Applabs	400,000	\$23,200.01
Trevor Loewensohn	Proposed Director of Applabs	200,000	\$11,599.99
TOTAL		6,009,224	\$348,534.98

1. Or their nominee(s).

15.2 Chapter 2E and ASX Listing Rule 10.14

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of Performance Rights pursuant to the Performance Rights Plan constitutes giving a financial benefit and the Participants are related parties of the Company by virtue of their proposed directorships of the Company, following the Takeover (pursuant to section 228(6) of the Corporations Act).

In addition, ASX Listing Rule 10.14 also requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Furthermore, the proposed grant of Performance Rights to the Participants requires the Company to obtain Shareholder approval pursuant to ASX Listing Rule 10.14 because it will result in the Company issuing securities to related parties of the Company under an employee incentive scheme. Accordingly, Shareholder approval is sought under both Chapter 2E of the Corporations Act and under ASX Listing Rule 10.14 (in accordance with the provisions of Listing Rule 10.15).

15.3 Technical information required by Chapter 2E and ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of the Performance Rights to the Participants:

- (a) The Performance Rights Plan is subject to approval under Resolution 13 and as such, the grant of the Performance Rights under Resolutions 14, 15 and 16 are subject to the passing of Resolution 13.
- (b) The related parties who are entitled to participate include Proposed Directors Benjamin Hutt, Paul Bird and Trevor Loewensohn. Pursuant to the terms of the Performance Rights Plan, the Board may also, from time to time, at its absolute discretion, declare that any other executive Director or employee of the Company is eligible to receive Performance Rights under the Performance Rights Plan.
- (c) The maximum number of Performance Rights (being the nature of the financial benefit being provided) to be granted to the Participants is 6,009,224, in the allocations set out in section 15.1.
- (d) Details of the Performance Rights Plan is set out in Schedule 8.
- (e) The Performance Rights will be granted for nil cash consideration, accordingly no funds will be raised.
- (f) The Company is adopting its first Performance Rights Plan pursuant to Resolution 13 of this Notice and has therefore not issued any Performance Rights previously. If Resolutions 13, 14, 15 and 16 are passed, the Company will issue 6,009,224 Performance Rights.
- (g) The terms and conditions of the Performance Rights are set out in Schedule 9.
- (h) The total valuation attributed to the grant of Performance Rights to the Related Parties is \$348,534.98, comprised of the values for each Proposed Director as set out in section 15.1 above. The valuation of the Performance Rights has been conducted using a barrier option pricing model. Full details of the value of the Performance Rights and the pricing methodology is set out in Schedule 10.
- (i) Details of any Performance Rights issued under the Performance Rights Plan will be published in each annual report of the Company relating to the period in which the Performance Rights are issued. The Company will ensure that Shareholder approval has first been obtained under Listing Rule 10.14 (including obtaining separate approval for those additional persons who may become entitled to participate under the Performance Rights Plan after the resolution was approved and who were not named in the notice of meeting).
- (j) All of the Company's Directors and employees are entitled to participate under the Performance Rights Plan.
- (k) No loans will be issued in relation to the acquisition of Performance Rights.
- (l) The Company will not issue the Performance Rights to the Participants later than that date which is twelve (12) months following the Meeting.
- (m) None of the Participants hold an interest in any ALA Shares or Options.
- (n) The Company has not paid any amounts to the Participants in the previous two years. However, subject to Shareholder approval and the Takeover becoming

Unconditional, the Participants will be appointed as Directors of the Company and will receive directors' fees as set out in section 3.8 above.

- (o) If the Performance Rights issued to the Participants meet their vesting conditions and performance milestones (as set out in Schedule 9), a total of 6,009,224 Shares would be issued. This will increase the number of Shares on issue (at the date of this Notice) from 377 million to 383 million (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by 1.56%;
- (p) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out in section 6.4(l) above.
- (q) The primary purpose of the grant of the Performance Rights to the Participants is to provide a performance linked incentive component in the remuneration package for the Participants to motivate and reward performance of the Company's Proposed Directors in achieving specified vesting conditions within a specified period;
- (r) The Existing Directors recommend that Shareholders vote in favour of Resolutions 14, 15 and 16 for the following reasons:
 - (i) the grant of Performance Rights to the Participants will align their interests with those of Shareholders;
 - (ii) the grant of Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Participants; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights upon the terms proposed;
- (s) in forming their recommendations, each Director considered the experience of each Participant, the current market price of Shares, the current market practices when determining the number of Shares to be granted as well as the exercise price of the Shares; and
- (t) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 14, 15 and 16.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Performance Rights to the Participants as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Performance Rights to the Related Party will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

15.4 No Other Material Information

There is no other material information known to the Company's Directors which may reasonably be expected to affect Shareholders' decision making as to whether or not to vote in favour of Resolutions 14, 15 and 16 other than what is set out in this document and has been previously disclosed to Shareholders.

16. Resolution 17 – Authority to grant Private Treaty Options

16.1 General

Resolution 17 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 91,918 unlisted Options (**Private Treaty Options**) to the holder of TSP Options (A Class) (**TSP Optionholder (A Class)**) pursuant to the Company's private treaty offer made on 23 March 2016 (**Private Treaty Offer**), should the Private Treaty Offer be accepted.

Pursuant to the Private Treaty Offer, the Company has made an offer of Private Treaty Options to the TSP Optionholder (A Class) in consideration for the cancellation of the 464 TSP Options (A Class) held by the TSP Optionholder (A Class), based on 198.1 Private Treaty Options for each TSP Option (A Class).

The Private Treaty Offer is subject to and conditional upon the Takeover Offer becoming Unconditional.

The Private Treaty Options are exercisable at \$1.08 each on or before 10 July 2022.

A summary of Listing Rule 7.1 is provided in section 5.1.

The Private Treaty Options will be subject to any ASX imposed escrow terms.

Resolution 17 is an ordinary resolution and is subject to:

- (a) the passing of all other Resolutions;
- (b) the Takeover Offer becoming Unconditional; and
- (c) the TSP Optionholder (A Class) accepting the Private Treaty Offer.

16.2 Specific information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of Private Treaty Options the Company may issue to the TSP Optionholder (A Class) is 91,918.
- (b) The Company will issue the Private Treaty Options on the earlier of the completion date of the Acquisition or 30 September 2016. The Company has applied to ASX for a waiver of Listing Rule 7.3.2 to permit it to issue the Private Treaty Options on this date, which may be more than 3 months following the Meeting. There is no guarantee that ASX will grant the waiver. However, if ASX grants the waiver, the Company will advise the market accordingly. It is intended that the Private Treaty Options will be issued on completion of the Prospectus Capital Raising which will be on or about the date of completion of the Takeover Offer.
- (c) The Private Treaty Options will be issued for nil cash consideration as they will be issued pursuant to the Private Treaty Offer in consideration for the cancellation of the TSP Options (A Class).
- (d) The Private Treaty Options will be issued to the TSP Optionholder (A Class), or nominees, who is an unrelated party of the Company.
- (e) The Private Treaty Options will be unlisted Options which are exercisable at \$1.08 on or before 10 July 2022, and will otherwise have the terms and conditions set out in Schedule 11.

- (f) No funds will be raised from the issue of the Private Treaty Options as they will be issued as in consideration for the cancellation of the TSP Options (A Class) pursuant to the terms of the Private Treaty Offer.
- (g) It is expected that the Private Treaty Options will be issued on one date.
- (h) A voting exclusion statement is included in the Notice.

17. Definitions

In this Notice, Explanatory Memorandum and Proxy Form:

\$ means Australian Dollars.

Acquisition means the acquisition by the Company of all of the issued capital of TSP, pursuant to the Takeover Offer to be made to TSP Shareholders under the BIA.

Advisers has the meaning set out in section 7.1.

Adviser Offer means the offer under the Prospectus of 2,000,000 Adviser Options to the Advisers.

Adviser Options means 2,000,000 unlisted Options to be issued on the terms and conditions set out in Schedule 5.

ALA Option means an option to acquire an ALA Ordinary Share.

ALA Ordinary Share means a fully paid ordinary share in the capital of ALA.

ALA Securities means securities on issue in the capital of ALA.

ALA Securityholder means a holder of ALA Securities.

ALA Share means an ALA Ordinary Share.

ALA Shareholder or **Shareholder** means a holder of ALA Shares.

Announcement Date means 20 January 2016, being the date execution of the Bid Implementation Agreement and the proposed acquisition of TSP by Applabs was announced on ASX.

Applabs Material Adverse Change has the meaning given in the Bidder's Statement.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

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

ATS means the applicant tracking system used by employers to manage the application and selection process for candidates.

Bid Conditions means the Conditions as that term is defined in the Bidder's Statement.

Bid Implementation Agreement or **BIA** means the bid implementation agreement between ALA and TSP as announced on 20 January 2016 and varied by deed of variation on 16 March 2016, pursuant to which the Company and TSP agreed to various matters regarding the making of and the implementation of the Takeover Bid.

Bid Period has the meaning given to that term in the Corporations Act.

Bidder's Statement means the bidder's statement issued on 16 March 2016 by the Company in connection with the Takeover Offer.

Board or **ALA Board** means the board of directors of ALA.

Capital Raising means the Company's capital raising via the Public Offer under the Prospectus (the subject of Resolution 2).

Capital Raising Shares means up to 37,049,969 Shares to be issued under the Capital Raising.

CGT means capital gains tax as defined in the Income Tax Assessment Act 1997 (Cth).

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company, ALA or Applabs means Applabs Technologies Ltd (ACN 139 977 772) (to be renamed Search Party Group Limited).

Competing Proposal means:

- (a) in relation to TSP a bona fide proposal or offer that, if successfully completed, would result in a person other than ALA or its associates:
 - (i) directly or indirectly acquiring a relevant interest or an economic interest in 15% or more of the TSP Shares or of the share capital of any of the TSP's Related Bodies Corporate;
 - (ii) directly or indirectly acquiring control of TSP;
 - (iii) directly or indirectly acquiring or becoming the holder of any interest in all or a substantial part of the business or assets of TSP or any of its Related Bodies Corporate; or
 - (iv) otherwise acquiring or merging with TSP; and
- (b) in relation to ALA, a bona fide proposal or offer that, if successfully completed, would result in a person other than TSP or its associates:
 - (i) directly or indirectly acquiring a relevant interest or an economic interest in 15% or more of the ALA Ordinary Shares or of the share capital of any of ALA's related bodies corporate;
 - (ii) directly or indirectly acquiring control of ALA;
 - (iii) directly or indirectly acquiring or becoming the holder of any interest in all or a substantial part of the business or assets of ALA or any of its related bodies corporate; or
 - (iv) otherwise acquiring or merging with ALA;

whether by way of takeover offer, scheme of arrangement, shareholder-approved acquisition, capital reduction, buy back, sale or purchase of shares or assets, joint venture, dual listed company structure (or other synthetic merger) or other transaction or arrangement.

Constitution means the current constitution of ALA.

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

CRM means Customer Relationship Management.

Director means a director of ALA.

EMDG means the Australian Government's Export Market Development Grant program.

Essential Bid Conditions means the Essential Conditions as that term is defined in the Bidder's Statement.

Essential Resolutions means Resolutions 1, 2, 3, 6, 7, 8, 9, and 11.

Existing Directors means the current directors of the Company, as at the date of this Notice, being Patrick Glovac, Rocco Tassone and Charles Thomas.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Facilitator means GTT Ventures Pty Ltd (or its nominees), who have provided facilitation services to the Company for the purpose of the Takeover Offer.

Facilitator Options means 30,000,000 unlisted Options exercisable at \$0.15 on or before the date which is 2 years from their date of issue and otherwise on the terms and conditions specified in Schedule 4.

Facilitator Securities means the Facilitator Shares and Facilitator Options.

Facilitator Shares means 10,000,000 Shares to be issued to the Facilitator.

Funnel means the sales funnel of TSP's business where a customer signs up, advertises a role, interviews, then subsequently hires, as set out in Figure 5 in Section 3.5(c).

Government Agency means any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.

Gross Payment Volume has the meaning set out in Section 3.5(c).

Intellectual Property means all items of intangible property and includes trademarks and service marks (whether or not registered or registration has been applied for), domain names, trade names, business names, designs, brand names, patents, patent applications, inventions (whether or not patented), trade secrets and copyrights (whether or not registered or registration has been applied for).

Job Board means an online site where job advertisements are posted.

Job Seeker Platform means an interface to the Search Party Marketplace specifically tailored to the needs of Job Seekers and people looking to develop their career.

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

Marketplace or Platform means the Search Party online recruitment marketplace.

Meeting has the meaning given in the introductory paragraph of the Notice.

Merged Entity means ALA and its subsidiaries following the acquisition by ALA of all, or a portion of TSP Securities on issue.

Notice means this notice of meeting.

Offer Period means the period that the Takeover Offer is open for acceptance.

Offers means the offers under the Prospectus.

Official List of the ASX means the official list of entities that ASX has admitted and not removed.

Option means an option to acquire a Share.

PCI means a standard for connecting computers and their peripherals.

Placees means the recipients of the Company's placement conducted on 2 and 4 February 2016.

Placement Offer means the offer under the Prospectus of 4,500,000 Placement Options to recipients of ALA's 2 and 4 February 2016 placement.

Placement Options means 4,500,000 unlisted ALA Options exercisable at \$0.25 on or before 31 December 2016 and otherwise on the terms and conditions set out in Schedule 5.

PPC means Pay Per Click.

Prescribed Occurrence Condition means a condition under a Takeover Bid that no Prescribed Occurrence happens, on or before the date that is 3 Business Days after the

end of the offer period under the Takeover Bids, as set out in paragraph (m) in Schedule 3.

Prescribed Occurrence means an occurrence listed in section 652C of the Corporations Act.

Private Treaty Offer means an offer to the holder of the TSP Options (A Class) by private agreement to cancel all of its TSP Options (A Class) in return for the consideration specified in Annexure D of the BIA.

Private Treaty Options means the 91,918 unlisted ALA Options exercisable at \$1.08 on or before 10 July 2022 and otherwise on the terms and conditions set out in Schedule 11.

Proposed Directors means Benjamin Hutt, Paul Bird, Trevor Loewensohn and, where the context permits, Charles Thomas (an existing Director of Applabs).

Prospectus means the prospectus to be issued by the Company for the Capital Raising.

Proxy Form means the proxy form attached to the Notice.

Public Offer or Prospectus Offer means the offer of 37,049,969 Shares at an issue price of \$0.10 each, to raise a total of \$3,704,997 (before costs), to be conducted under the Prospectus.

R&D means Australian Government's Research and Development Grant program.

Re-Compliance Process means the process and actions undertaken by ALA to re-comply with Chapters 1 and 2 of the ASX Listing Rules, including preparation of the Prospectus.

Record Date means the date set by ALA under Section 633(2) of the Corporations Act, being 5:00pm (EST) on 16 March 2016.

Related Body Corporate has the meaning given in Section 50 of the Corporations Act.

Resolution means a resolution contained in this Notice.

RPO means Recruitment Process Outsourcing (where a corporate engages an external "master agency" to manage all its recruitment activities on its behalf, including candidate acquisition from direct, agency, and other channels).

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Securities means shares and/or options (as the context permits).

SLA means service level agreement.

SME means small to medium sized enterprise (defined by the Australian Bureau of Statistics as 5 to 199 employees). TSP (in relation to its business) considers it to mean 25-500 employees when defining its target market.

Subsidiary has the meaning given to that term in Division 6 of Part 1.2 of the Corporations Act.

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

Shareholder means a shareholder of the Company.

Superior Proposal means a Competing Proposal in relation to TSP that the TSP Board determines in good is:

- (a) reasonably capable of being valued and completed in a timely manner, taking into account all aspects of the Competing Proposal and the person making it; and
- (b) more favourable to TSP Shareholders as a whole than the Offer, taking into account all the terms and conditions of the Competing Proposal.

Takeover Bid means the Takeover Offer.

Takeover Offer means the offer to acquire TSP Ordinary Shares made in connection with the bid under Bid Implementation Agreement.

Takeover Shares or **ALA Consideration Securities** or **Ordinary Share Offer Consideration** means the ALA Ordinary Shares to be issued as consideration under the Takeover Offer on the basis of 198.1 ALA Ordinary Shares for every 1 TSP Ordinary Share held.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

TSP Board means the board of directors of TSP.

TSP Capital Raising means the offer by TSP to subscribe for shares dated 12 November 2015 (being an offer of up to 252,441 fully paid ordinary shares at a price not less than \$19.81 per share to raise up to \$5 million and up to \$2 million in oversubscriptions).

TSP Group means TSP and its Related Bodies Corporate.

TSP Material Adverse Change has the meaning given in the Bidder's Statement.

TSP or **Search Party** means The Search Party Ltd (ACN 149 006 913) and its related bodies corporate.

TSP Option(s) means the TSP Options (ESOP) and TSP Options (A Class).

TSP Options (ESOP) means option to acquire a TSP Ordinary Share on the principal terms set out in Annexure C.

TSP Options (A Class) means an option to acquire a TSP Ordinary Share on the principal terms set out in Annexure C.

TSP Optionholder means a holder of TSP Options.

TSP Securities means TSP Ordinary Shares or TSP Options.

TSP Securityholder means a TSP Ordinary Shareholder or TSP Optionholder.

TSP Share or **TSP Ordinary Share** means a fully paid ordinary share in the capital of TSP.

TSP Shareholder or **TSP Ordinary Shareholder** means a holder of TSP Shares.

Unconditional means the Company issuing a notice in accordance with section 630(3) of the Corporations Act, declaring that the Takeover Bid is free or freed (as the case may be) from all defeating conditions otherwise applicable to the Takeover Bid other than the Prescribed Occurrence Condition, subject to compliance with section 650F(1)(a) of the Corporations Act.

VWAP means volume weighted average price of 'on market' trades on ASX (i.e. normal trades, cross trades, stabilisation trades and short sell trades).

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 – Risk Factors

Overview

An investment in the Securities to be offered under the Prospectus should be considered speculative because of the nature of the Company's business. This Section identifies the major areas of risk associated with an investment in the Company (including the Merged Entity), but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed.

Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Securities.

Risks relating to the Offer

(a) Issue of ALA Shares as consideration

TSP Shareholders are being offered specific quantities of ALA Shares as consideration under the Offer. As a result, the value of the consideration will fluctuate depending upon the market value of ALA Shares at any given time. Accordingly, the market value of the ALA Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer.

(b) Rollover Relief

If ALA does not acquire a Relevant Interest in at least 80% of TSP Shares, scrip-for-scrip CGT rollover relief will not be available to TSP Shareholders.

(c) Sale of ALA Ordinary Shares

Under the Offer, ALA will issue a significant number of new ALA Ordinary Shares. Some holders of TSP Shares may not intend to continue to hold their ALA Ordinary Shares and may wish to sell them (subject to any applicable escrow period). There is a risk that this may adversely impact on the price of and demand for ALA Ordinary Shares.

(d) Acquisition of Less than 90% of TSP Shares

It is possible that ALA could acquire a Relevant Interest of less than 90% of TSP Shares on issue under the Offer. The existence of a minority interest in TSP may have an impact on the operations of the Merged Entity, although this impact will depend upon the ultimate level of TSP ownership acquired by ALA.

(e) Merger Integration

If ALA acquires a substantial interest in TSP pursuant to the Offer, integrating ALA and TSP may create some risks, including the integration of management, information systems and work practices. Furthermore, there is no guarantee that any synergy benefits or costs savings will be achieved on time or at all.

(f) Forward Looking Information

Certain information in this Notice (and to be contained in the Prospectus) may constitute forward looking information that is subject to risks and uncertainties and a number of assumptions, which may cause the actual expenditure of the Merged Entity to be different from the expectations expressed or implied in this Notice (and to be contained in the Prospectus).

(g) TSP Information

In preparing the information relating to TSP contained in this Notice, and to be contained in the Prospectus, ALA has relied on publicly available information relating to TSP and information provided by TSP management. Risks may exist in relation to TSP (which will affect the Merged Entity) of which ALA is unaware. If any material risks are known to the directors of TSP, they must be disclosed in the target's statement to be issued by TSP.

Risks Relating to the Merged Entity

(a) This Section sets out risks that are specific to ALA and TSP as the Merged Entity. This Section also sets out general and industry risks relating to ALA and TSP as the Merged Entity.

(b) **Specific risks relating to ALA**

(i) Historical business of ALA

ALA was incorporated as an agricultural investment business in October 2009 (known as AACL Holdings Limited at that time) and was admitted to the official list of the ASX in April 2010.

In October 2012, the Company sold its main operating business to Glencore and completed a backdoor listing in December 2013, acquiring Applabs Australia Pty Ltd and relisting as Applabs Technologies Limited. Since relisting, the Company has been operating as an app developer and technology financier, through the production of apps for customers, as well as the ability to fund, develop and market other technologies.

Immediately before the acquisition of Search Party, ALA's only main assets were its Investments in Investees (see section below). The Directors are not aware of any risks associated with its historical businesses that may impact the financial performance of the business moving forward. The Directors are not aware of any current or pending legal actions relating to these operations and no environmental or staff liabilities or risks identified resulting from earlier operations. This however, does not mean that there will never be any such actions.

(ii) Investments in investees

ALA holds existing equity investments of approximately \$882,751.

No formal timetable for sale of these equity assets has been identified, however subject to successful completion of the Takeover, it is the current intention to ALA's Directors to divest all remaining assets in ALA within the next 12 months.

These shares may not realise current market values or the values they are recorded at in ALA accounts. Directors have not counted on these cash flows to support the business' working capital requirements given the uncertainty attached to the value of technology stocks. To the extent that these assets are realised at greater than \$nil then this will further bolster the business' cash position.

(iii) Litigation

The risk of litigation is a general risk of ALA's previous and Search Party's previous and future business.

So far as the directors of ALA are aware, however, there is no current, pending or threatened litigation, arbitration proceeding, administrative appeal, or criminal or governmental prosecution in which ALA or its subsidiaries are directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of ALA.

(c) **Specific risks relating to TSP**

(i) **Speculative nature of investment**

The early stage nature of Search Party, the high pace of change, and innovation within the recruitment technology market, and uncertainty regarding customer take up and the infrastructure required for and cost of origination mean that the Takeover Shares are of a speculative nature. TSP Shareholders should obtain their own independent financial advice prior to accepting the Offer.

Search Party is a business in start up phase and an investment in the Company is speculative in nature. The capital contributed and the returns are not guaranteed by ALA, the ALA Directors, its officers or any other person. The speculative nature of the investment poses a risk and the capital may not be returned.

(ii) **Entry of other participants**

Recruitment is a substantial industry where less than 3% of revenue globally is transacted online. There is a lot of innovation occurring in this space as a consequence, and many new online recruitment business models evolving.

New entrants may wish to compete directly by copying Search Party's model or derive a model which competes with Search Party. These organisations may compete with the Company for market share and could adversely affect the market share or profitability of the Company through aggressive price competition or other means.

(iii) **Market shifts**

The core tenet of Search Party's market positioning is around the value that recruiters bring to the process of hiring talent (refer to section 5.6.2(1)). Faster, easier hiring, at a lower cost should make employers more likely to use the Search Party platform and hence grow the market-share of recruiters when compared to their existing business model.

Should market force/competing service offers shift such that the use of recruiters declines then this will impact the business and revenue of Search Party.

(iv) **Customer take up**

Search Party's success will depend, in part, on its ability to commercialise and expand its business' customer base of employers, recruiters and jobseekers and for them to transact through the Platform as intended. Failure to do so may impact the financial performance and overall success of the business. There is a risk that the participation by customers in the Search Party offering may be insufficient for the commercial viability of Search Party immediately, and in the long term.

(v) **Growth Management**

The success of Search Party will be dependent upon its ability to manage and execute successfully on the Search Party growth strategy. To manage this growth effectively, Search Party will need to maintain efficient control and supervision of its operations and financial systems and to continue to expand, train and manage its employees on a rapid basis. As with many small and growing businesses, there is a risk that Search Party may not be able to execute on some or all of this growth strategy. Failure by the Company to properly and adequately implement strategies and manage growth may affect the Company's financial performance.

(vi) Ability to attract and retain skilled personnel

The responsibility of overseeing the day-to-day operations and the strategic management of Search Party depends substantially on its senior management and key personnel. The future success of the Company will, in part, depend on the Search Party's current staff, as well as the ability to hire and train new staff. There can be no assurance given that there will be no detrimental impact on Search Party if one or more of these key personnel cease their employment or engagement with Search Party, or new staff are unable to be hired and trained. Failure to achieve this may have an adverse effect on the Company's operations and profitability.

(vii) Recruiters, Employers and Job Seekers withdraw data

There is a risk that recruiters, employers and job seekers who upload information to the Search Party Marketplace withdraw this information (for whatever reason). In this event, lack of sufficient data may adversely affect Search Party's operations and ultimately its financial performance.

(viii) Funding

The Company's requirements for capital depend on numerous events. Depending on the Company's ability to generate significant income from Search Party's operations, the Company may require further financing in the future. Additionally, the ability for Search Party to further expand its business may be dependent upon its ability to raise additional funds. There is no guarantee that any equity or debt funding or R&D funding will be available to the Company or if available, will be available on acceptable terms.

Any additional funding by way of equity will dilute shareholdings. Debt financing (if available) may involve restrictions on financing and operating activities of the Company. Accordingly, if the Company requires funding and is unable to obtain such funding, it may be required to reduce the scope of its operations and scale back Search Party development as the case may be.

(ix) Exchange rate movements

Search Party operates in a variety of jurisdictions. Accordingly, Search Party performance may be adversely affected by movements in the foreign exchange rates outside of the control of the business. Cash will be held in the currencies of the expected spend and hence there should be little impact of FX market variability in the short term (ie while expenses are in excess of revenues).

Beyond the short term there will be a natural hedge of local currency expenses and revenues in each jurisdiction and when revenues exceed expenses in each jurisdiction the Board will agree suitable hedging strategies appropriate to the market, operational scope and products available at the time.

(x) Brand Establishment, reputation, and maintenance

The success of Search Party is somewhat dependent upon maintaining a positive reputation with its current employer, recruiter and candidate users, as well as establishing Search Party's brand with new users. This will depend largely on Search Party's ability to establish relationships with new users and maintain relationships with existing users, together with the ability to continue to provide an innovative and user-friendly Marketplace and other products. Unforeseen issues or events that may

place the reputation of Search Party at risk may impact operations, future earnings and growth prospects or its ability to raise capital.

(xi) Regulatory framework

Although Search Party has strategies and protocols in place to protect users' information (including the Marketplace being governed by Search Party's Terms and Conditions), in the event these protocols fail, are not maintained, or do not adequately cover the statutory requirements for each jurisdiction, the Company will be exposed to a number of risks. Such risks may include adverse publicity, loss of reputation, litigation, regulatory enquiries, and may also include the restricted use of Search Party's Marketplace. Crystallisation of any of these risks may adversely affect the Company's operations and financial performance.

(xii) Limited trading history

The Search Party platform was released in beta in October of 2014 and relaunched in July 2015. While the business has seen strong growth over the last six months the business is still in an early phase and like all marketplaces, its success is based on a high volume of transactions being concluded. Accordingly, evaluation of Search Party's business or prospects cannot be forecast and based on its limited operating history, there is a risk that Search Party may not reach commercial viability.

(xiii) Insurance cover

The Company will, where possible and economically practicable, endeavour to mitigate some risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim or the quantum of a claim by the Company outside the scope of the insurance cover.

Accordingly, the Company may not be fully insured against all losses and liabilities that could unintentionally arise from its operations. If the Company incurs uninsured losses of liabilities, the value of the Company's assets may be at risk.

(d) **TSP Technology risks**

(i) Online security

As with all e-commerce businesses, TSP is heavily reliant on the security of its websites and associated payment systems to ensure that customers are confident in transacting online. These risks are addressed and mitigated by Search Party's internal usage policies, staff education and a strict need to access only policy for all layers of security. Search Party offices are secured with 2 step authentication and state of the art security apparatus and Search Party platform is hosted with one of the world's leading experts in secure infrastructure, Rackspace.

The risks addressed by security practices are detailed below:

Security Breach – Platform Infrastructure

All precautions are taken in partnership with service providers to ensure the security of systems and data contained within. Were these systems breached and access gained to key elements, there is a risk of malicious damage to systems and user data on the platform.

Access to sensitive data

Access to sensitive data such as account balances and candidate databases is provided to internal staff and staff of Search Party clients where necessary or for support purposes. If any of these user accounts was compromised, there is a risk that sensitive data relating to candidate performance and personal information could be accessed.

Security Breach - Internal Infrastructure

Access to internal systems within offices of the organisation or personal computers of staff. Different levels of security are applied to staff depending on their access to critical systems, so a minimal risk remains that source code or accounting details of customers could be accessed if internal security was breached.

Staff Scams/Phishing

Admin access control of platform processes such as access to customer address and CRM data within their accounts is provided by customers on request for use by support or accounting staff. There is a risk associated with scam or phishing attacks on authorised user accounts which could result in access being obtained to these systems.

User Account Breaches

User accounts for admin staff that do not follow company policy with password selection pose a risk to access to some systems. Any critical access systems are controlled to prevent this being catastrophic, but an admin user who did not secure their passwords correctly could pose a risk for access to sensitive information.

(ii) IP threats

Search Party has invested significantly in the development of its information technology platform and uses certain trademarks in the promotion of its business. Any hardware used to access critical systems that hold any intellectual property are tracked with remote lockout and erase capability and technical staff are held to a strict standard of security best practices. The threats addressed by these policies and security systems are as follows:

Source Code Loss

The source code of the platform is accessible to developers with clearance to work on the platform code base. While different levels of security are used and access only granted if necessary, a compromised user could result in the theft of platform source code.

Proprietary Algorithms

Complex algorithms developed within the data science team are the result of testing and refinement over a period of time against a large dataset that would be difficult to reproduce outside of the platform. Theft of these algorithms would pose a risk to competitive advantage.

(iii) Platform faults

All releases are run through extensive manual testing and an ever evolving system of automated regression tests to ensure stability of platform is maintained to high standards. Preventative measures are in place to prevent security flaws from existing, even in testing environments.

Bugs & Platform flaws

While effective manual and automated testing processes are in place and constantly improving, edge cases can be released into production and there is a risk this could cause disruption to customers, resulting in a loss of users. High severity issues risk creating negative publicity which in turn could reduce sign up rates.

Extended Outages

Catastrophic events occurring to hosting facilities or regional connectivity risk causing extended downtime for users. Given the need to use the platform daily in many cases for recruiters, this could result in significant loss of customers.

(iv) Third party faults

Reliance on Service Providers for Infrastructure

SLA's are obtained by all partners on which Search Party depends. There is a risk to the business in the event of negligence or breach of those SLA's to security and availability of the platform. For this reason, Search Party takes service provider seriously, maintain PCI compliance and are partnered with Rackspace, a common choice for banking institutions and well known for their security expertise.

Operating system & hardware faults

The platform is built on widely established and commonly used technology, however, faults released into system operating systems can cause temporary security flaws that can be exploited by a malicious user. Access to sensitive information is limited to single accounts in the event of such a flaw.

Technology discontinuation

Search Party uses a number of core technologies for the web platform through to data science components. If one of these platforms were discontinued or removed from the market, there would be costs incurred to find or develop an alternative.

Given Search Party's position as a high tech business, it retains enough technical expertise internally that any short notice discontinuation could be mitigated with minimal disruption to product development. Search Party's platform is also designed with a right tool for the job attitude allowing Search Party to make rapid changes to single layers quickly and without customer down time.

(v) Disaster recovery

Search Party has numerous levels of redundancy to support disaster recovery of platform and data with a cost to risk evaluation. There is always a risk of data loss and cost to redevelop changes made in the period for which data was lost with any digital business. Search Party mitigates these risks with disaster recovery processes across both the primary platform hosted externally and internal code control systems for source code of the platform. The processes are maintained with multiple redundancies and no single point of failure.

(e) **Merger Specific Risks**

(i) Merger integration risks

Integrating two companies such as ALA and Search Party may produce some risks, including integrating management, information systems and work practices. The size of the ALA operation and focus on Search

Party's existing business in the merged entity give comfort to the Directors that there is little scope for integration risks of any significant size.

(f) **General Risk Factors**

(i) Share investment

Investors should be aware that there are risks associated with any stock market investment. It is important to recognise that share prices and dividends might fall or rise. Factors affecting the market price include domestic and international economic conditions and outlook, changes in government fiscal, monetary and regulatory policies, changes in interest rates and inflation rates, the announcement of new technologies and variations in general market conditions and/or market conditions which are specific to a particular industry.

In addition, share prices of many companies are affected by factors which might be unrelated to the operating performance of the relevant company. Such factors might adversely affect the market price of ALA Shares. Further, there is no guarantee that ALA Shares will trade at a particular volume after the Re-compliance. There is no guarantee that there will be an ongoing liquid market for shares, accordingly there is a risk that, should the market for shares become illiquid, Search Party Shareholders will be unable to realise their investment. The possibility exists that existing Search Party shareholders will seek to sell ALA shares on the market post relisting.

(ii) Borrowings and interest rate fluctuations

ALA does not envisage any significant assumption of debt in the Merged Group in the short to medium term. To the extent debt is raised then the cost of interest on these borrowings will impact the earnings and performance of the business.

(iii) Government policy and taxation

Changes in relevant taxation laws, interest rates, other legal, legislative and administrative regimes, and government policies in Australia (such as the R&D tax incentive scheme), may have an adverse effect on the assets, operations and ultimately the financial performance of both ALA and the entities in which ALA invests. These factors may ultimately affect the financial performance of ALA and the market price of the ALA Shares.

(iv) Dilution

ALA may need to raise additional funds through further capital raising or debt facility at some time in the future after conclusion of the capital raising to be undertaken under the Prospectus Offer. Any such further capital raising will have the effect of diluting the interests of shareholders of ALA.

(v) Capital raising

The ALA Directors give no assurances that the objectives of Search Party outlined in this document will be met. The capital raising to be conducted under the Prospectus Offer is intended to raise sufficient funds to support the growth and working capital needs of the business.

(vi) Force majeure events

Events may occur within or outside Australia that could impact upon the operations of ALA and the price of the ALA Shares. The events include but are not limited to act of terrorism, an outbreak of international

hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for ALA's services and its ability to conduct business. ALA has only a limited ability to insure against some of these risks.

Schedule 2 – Financial Information

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

Applabs Technologies Ltd

	Reviewed half year ended 31-Dec-15 \$
Consolidated Statement of Profit and Loss and Other Comprehensive Income	
Interest income	17,059
Grant Income	40,000
Profit on sale of Roster Elf	17,921
Operating expenses	(584,265)
Share based payment	(257,200)
Depreciation and amortisation	(135,841)
Foreign exchange gain	2,180
Net (loss) for the period attributable to the members of the entity	(900,146)
Change in fair value of financial assets at fair value through comprehensive income	(171,296)
Total comprehensive (loss) attributable to the members of the entity	(1,071,442)

The Search Party Ltd

	Audited half year ended 31-Dec-15 \$
Consolidated Statement of Profit and Loss and Other Comprehensive Income	
Net revenue from continuing operations	102,126
Other income	23,918
Employee benefits expense	(2,085,283)
Share based payment	(105,826)
Depreciation and amortisation	(11,410)
Other expense	(1,610,474)
Loss before income tax expense	(3,686,949)
Income tax benefit/(expense)	-
Loss from continuing operations	(3,686,949)
Foreign currency translation	29,437
Total comprehensive (loss) attributable to the members of the entity	(3,657,512)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Applabs	TSP	Subsequent events	Pro forma adjustments	Pro forma after Offers
	Reviewed	Audited			
	31-Dec-15	31-Dec-15			
	\$	\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents [#]	2,299,045	1,013,338	4,286,940	2,535,955	10,135,278
Trade and other receivables	2,346	192,751	-	-	195,097
Loan receivable	-	-	2,450,060	-	2,450,060
Other assets	64,170	-	-	-	64,170
TOTAL CURRENT ASSETS	2,365,561	1,206,089	6,737,000	2,535,955	12,844,605
NON CURRENT ASSETS					
Property, plant & equipment	21,958	53,248	-	-	75,206
Trade and other receivables	-	87,004	-	-	87,004
Intangible assets	6,666	-	-	-	6,666
Financial assets	882,751	-	-	(500,000)	382,751
TOTAL NON CURRENT ASSETS	911,375	140,252	-	(500,000)	551,627
TOTAL ASSETS	3,276,936	1,346,341	6,737,000	2,035,955	13,396,232
CURRENT LIABILITIES					
Trade and other payables	43,625	471,290	-	-	514,915
Provisions	32,897	127,253	-	-	160,150
TOTAL CURRENT LIABILITIES	76,522	598,543	-	-	675,065
TOTAL LIABILITIES	76,522	598,543	-	-	675,065
NET ASSETS	3,200,414	747,798	6,737,000	2,035,955	12,721,167
EQUITY					
Contributed equity	25,134,626	14,487,959	6,937,000	(17,375,268)	29,184,317
Reserves	(112,914)	730,069	-	1,324,081	1,941,236
Accumulated losses	(21,821,298)	(14,470,230)	(200,000)	18,087,141	(18,404,387)
TOTAL EQUITY	3,200,414	747,798	6,737,000	2,035,955	12,721,167

[#] The cash and cash equivalents balance above does not account for working capital spent during the period from 1 January 2016 until completion. From 1 January 2016 to 31 March 2016, the Company and TSP have spent approximately \$3,088,000 on working capital of the Company and TSP and other expenses related to the Takeover Offer and Public Offer. For the two months from 1 April 2016 to 31 May 2016, being the expected completion of the Takeover Offer and Public Offer, the estimated working capital requirement for the Company and TSP combined is estimated to be approximately \$650,000 per month.

Notes:

Subsequent Events

The above reflects the following significant events that have occurred subsequent to the period ended 31 December 2015:

- Applabs issued 2,000,000 Shares to corporate advisors in connection with corporate advisory services previously provided to the Company. These have been valued at \$0.10 each for a total value of \$200,000;
- Applabs issued 4,500,000 Shares at an issue price of \$0.10 each to raise a total of \$450,000 for general working capital purposes;
- TSP completed a rights issue that closed on 16 December 2015. Subsequent to the close of the rights issue, the shortfall amount was available to be issued to third parties. The shares on issue as at 31 December 2015 included the shares issued under the rights issue and shares issued to third parties for which all application funds had been received. Further amounts totalling \$331,937 were received post 31 December 2015 and the shares relating to these funds have subsequently been issued;
- On completion of the transaction, 206,234 TSP Staff Employee Option Plan ('**TSP ESOP**') options will convert into TSP shares. The TSP ESOP options have an exercise price of \$11.88, which equates to a total share issue of \$2,450,060. The conversion will be funded by a loan from TSP; and
- TSP has completed a capital raising in which it has issued a placement of 176,931 Shares in TSP at an issue price of \$19.81 each to raise a total of \$3,505,003.

Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The above has been prepared based on the financial statements as at 31 December 2015, the subsequent events set out above, and the following transactions and events relating to the issue of ALA Shares under the Prospectus Offer:

- The Company will change its name from Applabs Technologies Limited to Search Party Group Ltd;
- The issue of 37,049,969 Shares at an issue price of \$0.10 each, to raise a total of \$3,704,997 before costs, under the Public Offer;
- Costs of the Public Offer are estimated to be \$851,814, which are to be offset against contributed equity;
- The issue of 294,528,939 Shares to the Vendors of TSP in consideration for the acquisition of all of the issued capital of TSP by way of the Takeover Offer. Under the Takeover Offer, TSP shareholders will receive 198.1 Applabs shares for every TSP share held;
- Costs of the Takeover Offer are estimated to be \$317,228, which are to be expensed through accumulated losses;
- The issue of 2,000,000 Adviser Options, exercisable at \$0.25 and expiring on or before 31 December 2016, under the Advisor Offer;
- The issue of 4,500,000 Placement Options, exercisable at \$0.25 and expiring on or before 31 December 2016, under the Placement Offer;
- The issue of 10,000,000 Shares and 30,000,000 Facilitator Options, exercisable at \$0.15 and expiring 2 years after their date of issue, under the Facilitator Offer;
- An offer of 6,009,244 performance rights to related parties and 9,303,864 performance rights to eligible TSP employees ('**the Performance Rights**'). The Performance Rights are split into six tranches, each with a different vesting conditions;
- An offer of 91,918 Private Treaty Options which are unlisted and exercisable at \$1.08 on or before 10 July 2022 ('**the Private Treaty Options**') to a TSP optionholder in consideration for the cancellation of 464 TSP options held by the TSP optionholder; and
- As part of the Takeover Offer, the Company will adopt an Employee Share Option Plan ('**ESOP**'). As part of the ESOP the Company intends to offer 5,192,852 ESOP Options to eligible employees. Given that the ESOP Options will have vesting conditions relating to a service period of employment, the value of the ESOP Options will be expensed over the vesting period, therefore there will be no expense to incur as at the date of the Takeover Offer.

Schedule 3 – Bid Conditions

- (a) Subject to sub-sections (b) and (c) of this Schedule 3, the Takeover Offer and any contract that results from acceptance of the Takeover Offer is subject to the fulfilment of the following conditions:

(i) **Approval of Essential Resolutions**

ALA Shareholders approve the Essential Resolutions by the requisite majorities in accordance with the Corporations Act, the Listing Rules and the constitution of ALA before the end of the Offer Period.

(ii) **Public Offer**

The Public Offer closes and, as at the close of the Public Offer, ALA receives or becomes entitled to receive, in immediately available funds, gross proceeds of no less than \$1,000 (before the costs of the Public Offer) as a result of subscriptions made under the Public Offer (to be satisfied by the Prospectus minimum subscription of \$3.7 million).

(iii) **Minimum acceptance**

On or before the end of the Offer Period, ALA has a relevant interest in at least 90% of the TSP Ordinary Shares then on issue and is entitled to proceed to compulsory acquisition of all outstanding TSP Ordinary Shares under the Corporations Act.

(iv) **ASX consent to re-quotations**

ALA receives from ASX written confirmation that ASX will terminate the suspension of ALA Ordinary Shares from quotation, subject to the satisfaction of such terms and conditions (if any) as are prescribed by ASX or the Listing Rules and such conditions being capable of being satisfied.

(v) **Conversion or Cancellation of Options**

All TSP Options (other than the 464 TSP Options (A Class)) being validly converted into issued TSP Ordinary Shares or otherwise cancelled as soon as possible and in any event before the end of the Offer Period.

(vi) **Successful completion of the TSP Capital Raising**

TSP raising and receiving valid applications from existing shareholders, underwriters or other third parties for not less than A\$2 million under the TSP Capital Raising at an issue price of not less than A\$19.81 per TSP Share and issuing all such TSP Shares applied for under the TSP Capital Raising.

(vii) **Regulatory approvals**

Before the end of the Offer Period, all approvals or consents that are required by law, by any public authority, or by any other third party as are necessary to permit:

- (A) the Offer to be lawfully made to and accepted by the Shareholders;
- (B) the transactions contemplated by this Notice (and to be contemplated in the Prospectus) to be completed; and
- (C) TSP to be in material compliance with each of its and its subsidiaries' contracts, permits, licences and other agreements,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(viii) **No regulatory action and consents**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (A) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (B) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (C) no application is made to any Government Agency (other than by ALA or any associate of ALA),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offer and the completion of any transaction contemplated by the Bidder's Statement or which requires the divestiture by ALA of any TSP Shares or any material assets of TSP or any subsidiary of TSP.

(ix) **Material Adverse Change**

Between the Announcement Date and the end of the Offer Period (each inclusive), no TSP Material Adverse Change occurs.

(x) **Capital Expenditures**

Between the Announcement Date and the end of the Offer Period (each inclusive), TSP does not incur or commit to incur an amount of capital expenditure in excess of \$50,000 other than:

- (A) capital expenditure incurred on existing projects in which TSP has an interest as at the Announcement Date; or
- (B) capital expenditure in the day to day operating activities of the business of TSP and its subsidiaries conducted in the same manner as before the Announcement Date.

(xi) **No litigation on foot or pending**

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against TSP which may reasonably result in a judgment of \$50,000 or more is commenced, is threatened to be commenced, is announced, or is made known to ALA (whether or not becoming public) or TSP, other than that which is in the public domain as at the Announcement Date.

(xii) **Equal Access**

Between the Announcement Date and the end of the Offer Period (each inclusive), TSP promptly, and in any event within two Business Days, providing to ALA all information that is not generally available (within the meaning of the Corporations Act) relating to TSP or any of its subsidiaries, or their respective assets, liabilities or operations, that has been provided by TSP or any of its directors, officers, agents or representatives to any person other than ALA, other

than in the ordinary course of ordinary business, for the purposes of soliciting, encouraging or facilitating any proposal with respect to:

- (A) a takeover bid for, or scheme of arrangement proposed by, TSP, under the Corporations Act;
- (B) the acquisition by that person or an associate of substantially all the assets and operations of TSP; or
- (C) any transaction having a similar economic effect.

(xiii) **No prescribed occurrences**

Between the Announcement Date and the date three Business Days after the end of the Offer Period (each inclusive), no Prescribed Occurrence occurs.

(xiv) **No distributions**

Between the Announcement Date and the end of the Offer Period (each inclusive), TSP does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

(xv) **Escrow**

Each TSP Shareholder entering into such form of restriction agreement in respect of ALA Consideration Securities issued to them on completion of the Offer (as applicable) as ASX may require.

- (b) Each condition in sub-section (a) of this Schedule 3 is a separate, several and distinct condition, operates as a condition subsequent and is for the benefit of ALA alone and may only be relied upon by ALA.
- (c) All the conditions in sub-section (a) of this Schedule 3 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period (or in the case of any Condition that relates only to the happening of an event or circumstance referred to in Section 652C(1) or (2) of the Corporations Act, the end of the third business day after the end of the Offer Period), prevent a contract to sell Your TSP Ordinary Shares from arising, but entitles ALA by written notice to you, to rescind the contract resulting from your acceptance of this Offer.

Schedule 4 — Terms and conditions of the Facilitator Options

The rights and liabilities attaching to the Facilitator Options can be summarised as follows:

- (a) Each Facilitator Option (**Option**) entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) The Options have an exercise price of \$0.15 (**Exercise Price**) and an expiry date of 2 years from the Options date of issue (**Expiry Date**).
- (c) The Options are exercisable at any time on or prior to 5.00pm (Perth time) on the Expiry Date.
- (d) The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (e) Shares issued on exercise of the Options will rank equally with the then shares of the Company.
- (f) Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (g) After an Option is validly exercised, the Company must, within, 15 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:
 - (i) issue the Share; and
 - (ii) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Shares.
- (h) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give holders of the Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (i) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (j) If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

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

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

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

- (k) If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (l) The Company will not apply to ASX for quotation of the Options.
- (m) The Options are transferable.
- (n) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

Schedule 5 — Terms and conditions of Adviser Options and Placement Options

The rights and liabilities attaching to the Adviser Options and Placement Options can be summarised as follows:

- (a) The exercise price of each Option is \$0.25 (**Exercise Price**).
 - (b) The expiry date of each Option is 31 December 2016 (**Expiry Date**).
 - (c) Each Option gives the Option holder the right to subscribe for one Share.
 - (d) Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (e) The amount payable upon exercise of each Option is the Exercise Price.
 - (f) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion.
 - (g) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number and class of options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (Exercise Notice).**
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price (and subject to the Company obtaining any necessary prior approvals from Shareholders or regulatory bodies for the issue of the Shares), the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
 - (j) All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.
 - (k) The Company will not apply to ASX for quotation of the Options.
 - (l) The Options are non-transferable.
 - (m) The Company will apply for quotation of all Shares issued pursuant to the exercise of Options on ASX within 10 Business Days after the date of issue of those Shares.
 - (n) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
 - (o) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
 - (p) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

Schedule 6 – Valuation of Facilitator Options

The valuation of the Facilitator Options has been conducted by BDO Corporate Finance (WA) Pty Ltd and is set out below:

Using the Black Scholes option pricing valuation methodology, the fair value of the options to be issued under the Facilitator Offer have been calculated. The following inputs were used:

Options to be issued	Advisor	Placement	Facilitator
Number of options	2,000,000	4,500,000	30,000,000
Share price	\$ 0.10	\$ 0.10	\$ 0.10
Exercise Price	\$ 0.25	\$ 0.25	\$ 0.15
Expected volatility	85%	85%	85%
Expiry date (years)	0.72	0.72	2.00
Expected dividend yield	nil	nil	nil
Risk free rate	1.85%	1.85%	1.85%

Fair value per Facilitator Option: \$0.035

Total value of Facilitator Options: \$1,050,000

Schedule 7 – Summary of Employee Share Option Plan

Subject to Shareholder approval at the Meeting, the Company will adopt an Employee Share Option Plan (**ESOP**) as a means of rewarding its employees and consultants. The Board will make offers to persons to participate in the ESOP based on their contribution to the Company. The Options will not be listed.

The key terms of the ESOP are as follows:

Term	Meaning
Eligibility	Participants must be a permanent full-time, part-time employee, an executive director or a selected casual employee (Participant).
Administration	The ESOP will be administered by a committee selected by the Board (Plan Committee), or if no committee has been selected, by the Board.
Option	Each Option will be issued for nil consideration and entitles the Participant to subscribe for one Share in the Company (subject to adjustments for reconstructions of the capital of the Company) at an exercise price to be determined by the Plan Committee.
Award	The Board has the discretion to set the terms and condition so which it will offer Options under the ESOP, including the vesting conditions and waiver of the terms and conditions. The vesting conditions will be specified in the offer documentation to the relevant person. Vesting conditions may include conditions relating to continuous employment, performance of the Participant or the Group or the occurrence of specific events.
Exercise	Options that have vested are generally able to be exercised during the 5 years after the date of grant (Exercise Period). On exercise the Participant must pay the relevant exercise price for those Options.
Shares	Shares issued on exercise of Options issued under the ESOP will rank equally with the other issued Shares. Depending on the terms of issue, the Shares may be subject to disposal restrictions, which means that they may not be disposed or dealt with for a period of time. Shares allocated to Participants under the ESOP may be issued by the Company or acquired on or off market by the Company or its nominees. Shares allocated on vesting or exercise of an Option carry the same rights and entitlements as other issued Shares, including dividend and voting rights.
Quotation	Options will not be quoted on the ASX. If other shares are officially quoted on the ASX at the time of issue of Shares under the ESOP the Company will apply for Official Quotation of any Shares issued under the ESOP, in accordance with the ASX Listing Rules.
Cessation of Employment	If a Participant ceases to be employed by a Group member, the unvested Options will not vest. However the Plan Committee may elect to accelerate the vesting of any Options if a Participant has died, suffered total and permanent disablement or been made redundant.
Change of	The Plan Committee has the discretion to accelerate vesting of

control	Options in the event of certain types of change of control transactions involving the Company.
Restrictions	Without the prior approval of the Plan Committee, or unless required by law, Options may not be sold, transferred, encumbered or otherwise dealt with.
Amendments	To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the ESOP provided that no amendment may reduce the accrued rights of Participants unless (1) consented to by Participants holding 75% of the Options issued under the ESOP. (2) required by law, (3) to correct any manifest error or mistake or (4) for certain tax reasons.
Other terms	The ESOP also contains customary and usual terms having regard to Australian law for dealing with administration, variation, suspension and termination of the ESOP.

Schedule 8 – Summary of Performance Rights Plan

Subject to Shareholder approval at the Meeting, the Company will adopt a Performance Rights Plan (**PRP**) in order to assist in the motivation, retention and reward of certain senior employees. The PRP is designed to align the interest of senior employees more closely with the interest of Shareholders by providing an opportunity for senior employees to receive an equity interest in the Company through the grant of performance rights (**Performance Rights**). The Performance Rights are subject to satisfaction of certain long term vesting conditions.

The key terms of the PRP are as follows:

Term	Meaning
Eligibility	Participants must be a permanent full-time or part-time employee or an executive director (Participant).
Administration	The PRP will be administered by a committee selected by the Board (Plan Committee) or if no committee has been selected, by the Board.
Award	<p>A Performance Right will vest and become exercisable to the extent that the applicable performance, service, or other vesting conditions specified at the time of the grant are satisfied.</p> <p>The Plan Committee has the discretion to set the terms and conditions under which it will offer Performance Rights under the PRP, including the vesting conditions and waiver of the terms and conditions.</p> <p>The Plan Committee may determine that the Performance Rights will be subject to vesting conditions and, if so, will specify those vesting conditions in the offer. Vesting conditions may include conditions relating to continuous employment, performance of the Participant or the Group or the occurrence of specific events.</p>
Performance Rights	<p>Upon satisfaction of any vesting conditions, each Performance Right will convert to a Share on a one-for-one basis (subject to adjustment for reconstruction of the capital of the Company), or the Plan Committee may elect to give the Participant cash to the value of a Share.</p> <p>Performance Rights do not carry any voting rights or dividend entitlements.</p>
Shares	<p>Shares issued under the PRP will rank equally with the other issued Shares. Depending on the terms of issue, the Shares may be subject to disposal restrictions, which means that they may not be disposed or dealt with for a period of time.</p> <p>Shares allocated to Participants under the PRP may be issued by the Company or acquired on or off market by the Company or its nominees.</p> <p>Shares allocated on vesting or exercise of a Performance Right carry the some rights and entitlements as other issued Shares, including dividend and voting rights.</p>
Quotation	Performance Rights will not be quoted on the ASX. If the Shares are officially quoted on the ASX at the time of issue of Shares under the PRP, the Company will apply for official quotation of any Shares issued under the PRP, In accordance with the ASX Listing Rules and having regard to any disposal restrictions in place under the PRP.
Cessation of	If a Participant ceases to be employed by a Group member, all

employment	unvested Performance Rights automatically lapse. However the Plan Committee may elect to accelerate the vesting of any Performance Rights if a Participant has died, suffered total and permanent disablement or been made redundant.
Change of Control	The Plan Committee has the discretion to accelerate vesting of Performance Rights in the event of certain types of change of control transactions involving the Company. Unless the Board determines to exercise that discretion any unvested Performance Rights will lapse on a change of control of the Company.
Restrictions	Without the prior approval of the Plan Committee, or unless required by law, Performance Rights may not be sold, transferred, encumbered or otherwise dealt with.
Amendments	To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the PRP, provided that no amendment may reduce the accrued rights of Participants unless (1) consented to by Participants holding no less than 75% of the total number of Rights issued under the PRP, (2) required by law, (3) to correct any manifest error or mistake or (4) for certain tax reasons.
Other terms	The PRP also contains customary and usual terms having regard to Australian law for dealing with administration, variation, suspension and termination of the PRP.

Schedule 9 – Terms and Conditions of Performance Rights

The long-term incentive grant of performance rights under the Performance Rights Plan (PRP) is on the following terms:

Grant Date	On Re-Listing																
Consideration	Nil																
Vesting Date	<p>The vesting date is subject to the conditions of the Performance Rights Plan described in Schedule 9 and further described below.</p> <p>The Performance Conditions that need to be satisfied for Rights to vest are divided into two tranches, a revenue tranche and a share price tranche. For 100% of the Rights to vest, all milestones in each tranche need to be satisfied.</p>																
Performance Conditions	<p>The Performance Conditions that need to be satisfied for Rights to vest are:</p> <p>Revenue Tranche (subject to a 20 day VWAP being above \$0.10):</p> <p>Net monthly revenue of the Group:</p> <table border="1"> <thead> <tr> <th>Revenue target (\$million)</th> <th>No of Rights that vest</th> </tr> </thead> <tbody> <tr> <td>\$0.5</td> <td>1/6</td> </tr> <tr> <td>\$1.0</td> <td>2/6</td> </tr> <tr> <td>\$1.5</td> <td>3/6</td> </tr> </tbody> </table> <p>Share Price Tranche:</p> <table border="1"> <thead> <tr> <th>20 day VWAP* Share Price target*</th> <th>No of Rights that vest</th> </tr> </thead> <tbody> <tr> <td>\$0.33</td> <td>1/6</td> </tr> <tr> <td>\$0.4080</td> <td>2/6</td> </tr> <tr> <td>\$0.666</td> <td>3/6</td> </tr> </tbody> </table> <p>20 Day VWAP means the daily volume weighted average price of Shares trading on the ASX for a period of 20 consecutive trading days.</p> <p>Any Rights that remain unvested on the Expiry Date will lapse immediately.</p>	Revenue target (\$million)	No of Rights that vest	\$0.5	1/6	\$1.0	2/6	\$1.5	3/6	20 day VWAP* Share Price target*	No of Rights that vest	\$0.33	1/6	\$0.4080	2/6	\$0.666	3/6
Revenue target (\$million)	No of Rights that vest																
\$0.5	1/6																
\$1.0	2/6																
\$1.5	3/6																
20 day VWAP* Share Price target*	No of Rights that vest																
\$0.33	1/6																
\$0.4080	2/6																
\$0.666	3/6																
Expiry Date	The Rights will lapse on the earlier of 5 years or the occurring of any earlier lapsing event.																
Disposal Restrictions	Any Shares issued or transferred to the Participant upon vesting of any performance rights must not be disposed of if doing so would breach insider trading provisions in the Corporations Act or trading restrictions in the Company's share trading policy.																

Schedule 10 – Valuation of Performance Rights

The valuation of the Performance Rights has been conducted by BDO Corporate Finance (WA) Pty Ltd and is set out below:

Performance Rights	Share Price Tranche			Revenue Tranche		
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2	Tranche 3
Value of underlying security	\$0.100	\$0.100	\$0.100	\$0.100	\$0.100	\$0.100
20 day VWAP share price barrier	\$0.330	\$0.408	\$0.666	\$0.100	\$0.100	\$0.100
Exercise price	nil	nil	nil	nil	nil	nil
Expiry date (years)	5.00	5.00	5.00	5.00	5.00	5.00
Volatility	35%	35%	35%	35%	35%	35%
Risk free rate	2.04%	2.04%	2.04%	2.04%	2.04%	2.04%
Vesting Conditions	nil	nil	nil	See Note a)	See Note b)	See Note c)
Valuation per Right	\$0.026	\$0.017	\$0.005	\$0.100	\$0.100	\$0.100
Number of Rights	2,552,181	2,552,181	2,552,182	2,552,181	2,552,181	2,552,182
Valuation per Tranche	\$66,357	\$43,387	\$12,761	\$255,218	\$255,218	\$255,218

Note a) Rights will vest if net monthly revenue of the Group exceeds \$0.5 million.

Note b) Rights will vest if net monthly revenue of the Group exceeds \$1.0 million.

Note c) Rights will vest if net monthly revenue of the Group exceeds \$1.5 million.

The Share Price Tranche Rights have market based vesting conditions attached and have been valued using a barrier option pricing model.

The Revenue Tranche Rights have non-market vesting conditions attached which are accounted for by assigning a probability to the number of Rights which are expected to vest. BDO has assumed 100% of the Revenue Tranche Rights will vest over the life of the Performance Rights.

	Share Price Tranche			Revenue Tranche			Total
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2	Tranche 3	
Valuation per Right	\$0.026	\$0.017	\$0.005	\$0.100	\$0.100	\$0.100	
Benjamin Hutt	2,704,612			2,704,612			5,409,224
	901,537	901,537	901,538	901,537	901,537	901,538	5,409,224
	\$23,439.96	\$15,326.13	\$4,507.69	\$90,153.70	\$90,153.70	\$90,153.80	\$313,734.98
Paul Bird	200,000			200,000			400,000
	66,667	66,667	66,666	66,667	66,667	66,666	400,000
	\$1,733.34	\$1,133.34	\$333.33	\$6,666.70	\$6,666.70	\$6,666.60	\$23,200.01
Trevor Loewensohn	100,000			100,000			200,000
	33,333	33,333	33,334	33,333	33,333	33,334	200,000
	\$866.66	\$566.66	\$166.67	\$3,333.30	\$3,333.30	\$3,333.40	\$11,599.99

Schedule 11 – Private Treaty Option Terms

The rights and liabilities attaching to the Options can be summarised as follows:

- (a) The exercise price of each Option is \$1.08 (**Exercise Price**).
- (b) The expiry date of each Option is 10 July 2022 or such earlier date as ASX may require (**Expiry Date**).
- (c) Each Option gives the Option holder the right to subscribe for one Share.
- (d) Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) The amount payable upon exercise of each Option is the Exercise Price.
- (f) The Options held by each Option holder may only be exercised in whole.
- (g) The Options are not transferable without the consent of the Company.
- (h) The Company will not apply for quotation of the Options on ASX.
- (i) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number and class of options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (j) (**Exercise Notice**).
- (j) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (k) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price (and subject to the Company obtaining any necessary prior approvals from Shareholders or regulatory bodies for the issue of the Shares), the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (l) All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.
- (m) The Company will apply for quotation of all Shares issued pursuant to the exercise of Options on ASX within 10 Business Days after the date of issue of those Shares.
- (n) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (o) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (p) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.



**PROXY FORM: APPOINTMENT OF PROXY
GENERAL MEETING OF APPLABS TECHNOLOGIES LIMITED (ACN 139 977 772)**

I/We

of

being a member of Applabs Technologies Limited entitled to attend and vote at the General Meeting, hereby appoint:

Name of proxy (Please note: Leave blank if you have selected the Chair of the General Meeting as your proxy.)

OR the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions (or if no directions have been given, and subject to the relevant laws, as the proxy sees fit) at the General Meeting of Applabs Technologies Ltd to be held at the offices of BDO, 38 Station Street, Subiaco, WA, 6008 on Friday 17 June 2016 at 10:00am (WST) and at any adjournment thereof.

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), by signing and returning this form I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 12-16 (inclusive) (except where I/we have indicated a different voting intention below) even though Resolutions 12-16 (inclusive) are 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 a Resolution by marking the appropriate box below.

The Chairman of the Meeting intends to vote all undirected proxies in favour of each Resolution.

VOTING ON BUSINESS OF THE GENERAL MEETING	FOR	AGAINST	ABSTAIN
Resolution 1 – Change to scale and nature of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Authority to issue Capital Raising Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Authority to Issue Facilitator Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Authority to grant Adviser Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Authority to grant Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Appointment of Benjamin Hutt as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Appointment of Paul Bird as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Appointment of Trevor Loewensohn as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Authority for Existing Directors to participate in the Capital Raising:			
(a) up to 500,000 Shares to Patrick Glovac (and/or his nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) up to 500,000 Shares to Rocco Tassone (and/or his nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) up to 500,000 Shares to Charles Thomas (and/or his nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 – Ratification of Prior Issues:			
(a) 2,000,000 Shares issued pursuant to ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) 3,375,000 Shares issued pursuant to ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) 1,125,000 Shares issued pursuant to ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12- Adoption of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13- Adoption of Employee Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14 – Authority to grant Performance Rights to Proposed Director – Benjamin Hutt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15 – Authority to grant Performance Rights to Proposed Director – Paul Bird	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16– Authority to grant Performance Rights to Proposed Director – Trevor Loewensohn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 17 – Authority to grant Private Treaty Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Signature of Member(s):

Date:

Individual or Member 1

**Sole Director/Company Secretary
Contact Name:**

Member 2

**Director
Contact Ph (daytime):**

Member 3

**Director/Company Secretary
Date:**

APPLABS TECHNOLOGIES LTD (ACN 139 977 772)

Proxy Notes

1. **Voting Restrictions applying to Key Management Personnel:** If you appoint a member of the Key Management Personnel of the Company or one of their closely related parties as your proxy, that person will not be able to cast your votes on Resolutions 12-16 (inclusive) unless you direct them how to vote, or the Chairman of the Meeting is your proxy. "Key Management Personnel" is defined in the Explanatory Memorandum and includes each of the Directors of the Company, all those executives named in the Company's 2015 Remuneration Report, and any other persons who are the Company's Key Management Personnel at the date of the Meeting.
2. A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.
3. If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate or Appointment of Representative prior admission. A form of the certificate may be obtained from the Company's share registry.
4. You must sign this form as follows in the spaces provided:
 - Joint Holding: where the holding is in more than one name all of the holders must sign.
 - Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy, of the Power of Attorney to this Proxy Form when you return it.
 - Companies: a Director can sign jointly with another Director or Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicated the office held by signing in the appropriate space.
5. If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.
6. To vote by proxy, please complete and sign the proxy form above and send the proxy form to the Company (together with any power of attorney or other authority, if any, under which the proxy form is signed) as follows:
 - (a) by post to Applabs Technologies Ltd, PO Box 171, Subiaco, WA 6904; or
 - (b) by facsimile to the Company on facsimile number (+ 61 8) 9262 3723,so that it is received not later than 48 hours prior to the commencement of the Meeting. Proxy forms received later than this time will be invalid.