



Vertua Limited

ACN 108 076 295

**NOTICE OF ANNUAL GENERAL MEETING
AND**

EXPLANATORY STATEMENT

DATE AND TIME OF MEETING

Monday, 20 October 2014 at 9:00am (AEDT)

VENUE

Carrington Forsyth
Level 5, 97 Pacific Highway
North Sydney NSW 2060

These documents should be read in their entirety.

If Shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting of Shareholders of Vertua Limited ACN 108 076 295 (the **Company**) will be held on Monday, 20 October 2014, at 9:00am (AEDT) at Carrington Forsyth, Level 5, 97 Pacific Highway, North Sydney NSW 2060 (the **Meeting**).

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting (the **Notice**) describes in more detail the matters to be considered at the Meeting.

Please refer towards the rear of the Explanatory Statement accompanying this Notice for a glossary of terms used in this Notice and in the Explanatory Statement. Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency.

ORDINARY BUSINESS

1. Item 1: Financial statements and reports

To receive and consider the Annual Report of the Company for the financial year ended 30 June 2014, which includes the Annual Financial Report of the Company, the Directors' Report and the Auditor's Report.

2. Resolution 1: Remuneration report

To consider and, if thought fit, to pass the following advisory resolution:

"That for the purposes of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Company adopts the Remuneration Report for the financial year ended 30 June 2014 included in the Directors' Report of the Company for that year."

Voting exclusion statement

The Company will disregard any votes cast on resolution 1 (in any capacity) by, or on behalf of, the following persons:

- (a) a member of the key management personnel (KMP) details of whose remuneration are included in the 2014 Remuneration Report; or
- (b) a closely related party (as that term is defined in the *Corporations Act 2001*) (such as close family members of any controlled companies) (Closely Related Party) of such a member of the KMP.

However, the Company will not disregard the vote if it is cast as a proxy for a person who is entitled to vote and:

- (a) the proxy appointment is in writing and specifies the way the proxy is to vote on the resolution; or
- (b) the vote is cast by the person chairing the Meeting and the appointment:
 - (i) does not specify the way the proxy is to vote; and
 - (ii) expressly authorises the chair of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Note: under section 250R(3) of the *Corporations Act 2001*, the vote on this resolution is advisory only and does not bind the Directors or the Company.

3. Resolution 2: Re-election of Director – Mr Benjamin Doyle

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

“That Mr Benjamin Doyle, who retires by rotation in accordance with rule 12.9 of the constitution of the Company, and being eligible, offers himself for re-election as a Director, be re-elected as a Director of the Company effective at the close of this Meeting.”

4. Resolution 3: Re-election of Director – Mr Christopher Bregenhoj

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

“That Mr Christopher Bregenhoj, who retires in accordance with rule 12.5(b) of the constitution of the Company, and being eligible, offers himself for re-election as a Director, be re-elected as a Director of the Company effective at the close of this Meeting.”

SPECIAL BUSINESS:

5. Resolution 4: Setting of aggregate Non-Executive Directors’ remuneration

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

“That the aggregate annual remuneration payable to the Non-Executive Directors for the purposes of rule 13.1 of the Company’s constitution be \$36,000.”

6. Resolution 5: Approval of issue of shares to Calvert Investments under Calvert Investments Share Option Agreement

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

“That for the purposes of NSX Listing Rule 6.25(1) and for all other purposes, approval is given for the Company to issue up to 1,500,000 fully paid class A ordinary shares (comprising at the date of the notice convening the Company’s 2014 Annual General Meeting up to an additional 17.70% of the total shares on issue), which number may be adjusted under the Share Option Agreement, to Calvert Investments Pty Ltd ACN 600 756 705 on the terms and conditions of the Share Option Agreement between the Company and Calvert Investments Pty Ltd described in the Explanatory Statement.”

7. Resolution 6: Approval of issue of shares to Joe Public under Joe Public Share Option Agreement

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

“That for the purposes of section 611, item 7 of the Corporations Act 2001, NSX Listing Rule 6.25(1) and for all other purposes, approval is given for the Company to issue up to 1,600,000 fully paid class A ordinary shares (comprising at the date of the notice convening the Company’s 2014 Annual General Meeting an additional 18.88% of the total shares on issue), which number may be adjusted under the Joe Public Share Option Agreement, to Joe Public Holdings Pty Ltd ACN 164 946 712 on the terms and conditions of the Share Option Agreement between the Company and Joe Public Holdings Pty Ltd described in the Explanatory Statement.”

Voting exclusion statement

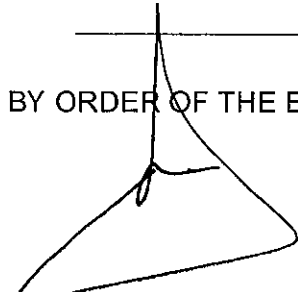
In accordance with section 611, item 7 of the *Corporations Act 2001*, the Company will disregard any votes cast in favour of resolution 6 by Joe Public Holdings Pty Ltd and its associates.

8. Resolution 7: Adoption of new constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

"That the constitution of the Company be repealed and a new constitution be adopted in the form of the constitution initialled by the Chairman of the Meeting."

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'Christopher Bregenhoj', written over a horizontal line.

Christopher Bregenhoj
Chairman

18 September 2014

IMPORTANT INFORMATION

Voting Entitlement

For the purpose of regulation 7.11.37 of the *Corporations Regulations*, the Directors have determined that the shareholding of each Shareholder for the purposes of ascertaining their voting entitlements for the Meeting will be as it appears on the Company's Share Register at 7:00pm (AEDT) on 17 October 2014 (the **Entitlement Time**).

Accordingly, only those persons registered as holders of Shares at the Entitlement Time will be entitled to attend and vote at the Meeting as shareholders.

Transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the Meeting.

Required Majorities

In accordance with the *Corporations Act*, for the Resolutions to be effective:

- the Resolutions must be passed at a meeting of which not less than 28 days' written notice has been given; and
- in the case of an ordinary resolution, the Resolutions must be passed by more than 50% of the votes cast by Shareholders present and entitled to vote on the resolution, whether in person or by proxy, attorney or representative.

On a show of hands every Shareholder has one vote, and on a poll, every Shareholder has one vote for each fully paid ordinary share held in the capital of the Company.

Appointment of Proxies

- (a) A Proxy Form accompanies this Notice.
- (b) A Shareholder entitled to attend and vote at the Meeting has the right to appoint a proxy.
- (c) A proxy need not be a shareholder of the Company.
- (d) Where more than one proxy is appointed by a Shareholder who is entitled to do so, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.
- (e) To be valid, the proxy form must be received by the share registrar of the Company, Link Market Services Limited, by no later than 9:00am (AEDT) on Saturday, 18 October 2014 (48 hours prior to the Meeting).

The proxy form can be sent to Link Market Services:

By post: Locked Bag A14
Sydney South NSW 1235
Australia

By facsimile: +61 2 9287 0309

Enquiries

All enquires in relation to the Meeting, the Notice or the Explanatory Statement should be directed to the Chairman, Mr Christopher Bregenhøj, on +61 2 8624 6160.

EXPLANATORY STATEMENT

IMPORTANT INFORMATION

This Explanatory Statement has been prepared for the information of Shareholders of Vertua Limited ACN 108 076 295 (the **Company**) in connection with the Resolutions and other business to be considered at the Annual General Meeting of Shareholders convened to be held at the offices of Carrington Forsyth on Monday, 20 October 2014 at 9:00am (AEDT) at Level 5, 97 Pacific Highway, North Sydney NSW 2060] (the **Meeting**).

This Explanatory Statement has been prepared for the benefit of Shareholders in accordance with NSX Listing Rule 6.48 and, in relation to resolution 6, section 611, item 7 of the *Corporations Act 2001* to provide them with sufficient information to ensure that they are informed of all substantial matters relevant to the Resolutions and other business proposed to be considered at the Meeting as notified in the accompanying Notice of Annual General Meeting (the **Notice**).

Shareholders should read this Explanatory Statement in full. Its individual sections do not give a comprehensive review of the Resolutions. Further, this Explanatory Statement should be read in conjunction with the Notice and the Glossary that appears at the end of the Notice, where various terms used in both the Notice and this Explanatory Statement are defined. Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency.

If you are in any doubt about what to do in relation to the Resolutions and other business contemplated in the Notice and Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional adviser.

INTRODUCTION

The Meeting is being held so that the Directors can table the financial statements and reports of the Company and the Company's auditor for the financial year ended 30 June 2014 and so that Shareholders can vote on the re-election of Directors. This is known as the ordinary business of the Meeting.

Additionally, the special business of the Meeting is to consider and vote on setting the aggregate annual fees to be paid to directors, approving the issue of shares under a share option agreement to which the Company is party and to adopt a new Constitution for the Company in a form consistent with the current law.

ORDINARY BUSINESS

1. ITEM 1: FINANCIAL STATEMENTS AND REPORTS

1.1 Background to Item 1

The *Corporations Act* and the constitution of the Company require the financial statements, Directors' Report (including the remuneration report) and Auditor's Report for the financial year ended 30 June 2014 to be tabled before the Meeting, and the constitution of the Company provides for such statements and reports to be received and considered at the Meeting.

1.2 *Corporations Act* requirements

Neither the *Corporations Act* nor the constitution of the Company requires a vote of Shareholders at the Meeting on such statements and reports.

However, the Meeting provides a forum for Shareholders to ask questions and make comments on the Company's financial statements and reports and on the business operations of the Company for the financial year ended 30 June 2014.

In addition, in accordance with section 250T of the *Corporations Act*, a representative of the Company's Auditor is required to be in attendance.

Shareholders may ask the audit representative questions at the Meeting on the following matters:

- (a) the conduct of the audit;
- (b) the independence of the Auditor in its conduct of the audit; and
- (c) the accounting policies adopted by the Company for the preparation of the financial statements.

Shareholders may submit written questions to the Auditor on the above items. Any written questions to the Auditor must be submitted to the Company by no later than 5:00pm on the fifth business day before the date of the Meeting, i.e., by 5.00pm on Friday, 10 October 2014.

2. RESOLUTION 1: REMUNERATION REPORT

2.1 Shareholder approval

Pursuant to section 250R(2) of the *Corporations Act*, the Board is seeking the approval of Shareholders to adopt the Remuneration Report for the financial year ended 30 June 2014, by way of an advisory resolution.

2.2 Corporations Act requirements

The Remuneration Report sets out the Company's remuneration policy and reports the remuneration arrangements in place for the Executive and Non-Executive Directors of the Company and certain executives whose remuneration arrangements are required to be disclosed.

The Remuneration Report forms part of the Director's Report, which is contained in the Annual Report of the Company for the financial year ended 30 June 2014.

Section 250R(3) of the *Corporations Act* requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the vote.

However, pursuant to section 250R(3) of the *Corporations Act*, the vote on the resolution is advisory only and does not bind the Directors or the Company.

Notwithstanding this, the Directors will take into account the discussion on this item and the outcome of this vote when considering future remuneration arrangements of the Company, particularly in light of the obligations of the Directors pursuant to Division 9 of Part 2G.2 of the *Corporations Act*.

Additionally, section 250SA of the *Corporations Act* requires that a reasonable opportunity be allowed to Shareholders at the Meeting to ask questions about, or make comments on, the Remuneration Report.

Furthermore, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Meeting, the Company is required to put to Shareholders at the Company's 2015 Annual General Meeting a resolution (**Spill Resolution**) proposing the calling of another general meeting (**Spill Meeting**) to consider the appointment of Directors of the Company. However, the Spill Resolution will only be put to the vote at the Company's 2016 Annual General if at least 25% of votes are also cast against the adoption of the 2015 Remuneration Report at the 2015 Annual General Meeting.

If the Spill Resolution is put to vote at the Company's 2015 Annual General Meeting, and more than 50% of Shareholders vote in favour of the Spill Resolution, the Company is required to convene the Spill Meeting within 90 days of the Company's 2015 Annual General Meeting. All of the Directors who were in office when the Company's 2015 Directors' Report was approved, other than the Managing Director of the Company, would cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following

the Spill Meeting, those persons whose election for re-election as Directors is approved will be the Directors of the Company.

2.3 Voting exclusion statement

Directors with a material interest in the outcome of this resolution may not vote and if they do their votes will not be counted.

3. RESOLUTION 2: RE-ELECTION OF DIRECTOR – MR BENJAMIN DOYLE

3.1 Shareholder approval

In accordance with rule 12.9 of the constitution of the Company, Mr Benjamin Doyle is retiring as Director of the Company by rotation, and seeks re-election as a Director.

3.2 Company constitution requirements

Rule 12.9 of the constitution requires that one-third of the Directors of the Company, other than the Managing Director and those retiring having filled a casual vacancy, retire at each annual general meeting of the Company. Rule 12.9 requires that the Directors who retire pursuant to the rule are those that have held office the longest since being elected or appointed. Only Mr Benjamin Doyle fills these criteria, following the recent resignations of Messrs Woolcott and Simonds.

3.3 Recommendation

The Directors, apart from Mr Benjamin Doyle, unanimously recommend that Shareholders vote in favour of Resolution 2.

3.4 Voting exclusion statement

Mr Benjamin Doyle, having a material interest in the outcome of this resolution, may not vote and if he does his votes will not be counted.

4. RESOLUTION 3: RE-ELECTION OF DIRECTOR – MR CHRISTOPHER BREGENHOJ

4.1 Shareholder approval

In accordance with the requirements of clause 12.5 of the constitution of the Company, Mr Christopher Bregenhøj is retiring as Director of the Company and seeks re-election as a Director.

4.2 Company constitution requirements

Clause 12.5(b) of the constitution of the Company requires that a Director appointed to fill a casual vacancy must retire at the next annual general meeting of the Company.

4.3 Recommendation

The Directors, apart from Mr Christopher Bregenhøj, unanimously recommend that Shareholders vote in favour of Resolution 3.

4.4 Voting exclusion statement

Mr Christopher Bregenhøj, having a material interest in the outcome of this resolution, may not vote and if he does his votes will not be counted.

SPECIAL BUSINESS

5. RESOLUTION 4: SETTING OF AGGREGATE DIRECTORS' REMUNERATION

5.1 Shareholder approval

Shareholder approval is sought to set the aggregate remuneration paid by the Company to its Non-Executive Directors to act in that capacity. Further remuneration is permitted to be paid to them for special exertions or for acting in another capacity. The aggregate for which approval is sought is \$36,000 over the course of a year, or \$1,000 a month for each of the Company's two current Non-Executive Directors and the same monthly amount for a further, third if appointed, Non-Executive Director.

Shareholders should be aware that the aggregate directors' remuneration payable to the Non-Executive Directors does not include the remuneration arrangements for the Managing Director, Mr James Manning. The Company has agreed that Mr Manning be paid in that capacity \$3,000 a month for his normal exertions of ten hours a month and \$600 per hour for any special exertions over that amount.

5.2 Company constitution requirements

Rule 13.1 of the Company's constitution requires that the Company obtain shareholder approval for the setting of the aggregate remuneration for its Non-Executive Directors. That approval is required only to be passed as an ordinary resolution.

5.3 Recommendation

As the Non-Executive Directors have an interest in the outcome of Resolution 5, they and Mr Manning have declined to make a recommendation on this resolution.

5.4 Voting exclusion statement

As the Directors have a material interest in the outcome of this resolution they may not vote and if they do their votes will not be counted.

6. RESOLUTION 5: APPROVAL OF ISSUE OF SHARES TO CALVERT INVESTMENTS UNDER CALVERT INVESTMENTS SHARE OPTION AGREEMENT

6.1 Background

The Company has, in conjunction with a \$1,000,000 secured loan facility for the funding of the Lane Cove home unit redevelopment project announced on 16 July 2014 (the **Project**), entered into a Share Option Agreement with Calvert Investments granting it an option to subscribe for and have issued to it up to 1,500,000 Shares.

For present purposes and under NSX Listing Rule 6.25(1), the Company may not without shareholder approval in accordance with that rule issue Shares above the "15% in 12 months limit" as calculated in accordance with that rule. Issues made with prior shareholder approval are not counted in that calculation.

The Company seeks prior shareholder approval for the issue of Shares that may be subscribed for and issued should the option granted under the Calvert Investments Share Option Agreement be exercised.

Under and in respect of the Calvert Investments Share Option Agreement:

- the issue price for the Shares is \$0.12 per Share, the same price as the offer price under the recently closed 37.5% proportional takeover bid for Shares on issue in the Company;

- the volume weighted average closing price of Shares trading on the NSX on the five trading days up to and including 17 September 2014 was \$0.10;
- Calvert Investments has not indicated whether or not it intends to exercise the option and to what extent;
- the Company currently has on issue 8,473,275 Shares. Should all the options to be granted to Calvert Investments be exercised and the options the subject of resolution 6 below, the Joe Public options, not be exercised, the percentage of Shares of all Shares on issue that Calvert Investments would hold would be 15.0%. If all the Calvert Investments options were exercised and all the Joe Public options were also exercised, the percentage of Shares of all Shares on issue that Calvert Investments would hold would be 13.0%;
- the option under the Calvert Investments Share Option Agreement was granted at the same time as the Calvert Investments Loan Agreement was entered into and was central to that facility being granted on the terms that it was granted;
- the option is not exercisable to the extent that outstanding principal and accumulated interest (at a rate of 12% per annum) and costs under the loan agreement have been repaid and paid. The loan agreement also contemplates a 30% profit participation in the Project. Moneys payable on either of these accounts may be applied by Calvert Investments in satisfaction of the exercise price;
- the option may be exercised in whole or in part;
- the option remains open for exercise until 30 business days after the repayment date under the loan agreement, being in the absence of early termination by reason of default, the earlier of (1) the first anniversary of the date notified by Calvert Investments of the satisfaction or waiver of all conditions precedent to initial draw down under the secured loan agreement and (2) the Company's receipt of all envisaged sale proceeds from the sale of the Project site and redeveloped apartments;
- the option is not transferable;
- the option may be exercised in respect of any uncalled shares in the event that a takeover bid is made during the option period relating to 50% or more of the capital of the Company, including Shares already held by the offeror under the takeover bid; and
- the number of shares or the issue price may be adjusted in the event of a rights issue or a bonus issue, or a conversion of the Shares into a larger or smaller number.

6.2 Recommendation

The Directors have in the Calvert Investments Share Option Agreement undertaken to seek approval for the above possible share issues.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

7. RESOLUTION 6: APPROVAL OF ISSUE OF SHARES TO JOE PUBLIC UNDER JOE PUBLIC SHARE OPTION AGREEMENT

7.1 Background

By way of further financing of the Lane Cove Project, the Company has entered into a \$200,000 secured Loan Agreement and a Share Option Agreement with Joe Public, granting it an option to subscribe for and have issued to it up to 1,600,000 Shares at \$0.12 per Share.

For present purposes and under NSX Listing Rule 6.25(1), the Company may not without shareholder approval in accordance with that rule issue Shares above the "15% in 12 months

limit” as calculated in accordance with that rule. Issues made with prior shareholder approval are not counted in that calculation.

Additionally, as Joe Public holds 33.56% of the Shares on issue, the issue of further Shares to Joe Public on exercise of the option granted under the Joe Public Share Option Agreement must first be approved by shareholders in accordance with section 611, item 7 of the *Corporations Act*.

For both these purposes, the approval resolution must be passed as an ordinary resolution. Under section 611, item 7(a), neither Joe Public nor any of its associates may vote on the resolution.

Under and in respect of the Joe Public Share Option Agreement:

- the issue price for the Shares is \$0.12 per Share, the same price as the offer price under Joe Public's recently closed 37.5% proportional takeover bid;
- the volume weighted average closing price of Shares trading on the NSX on the five trading days up to and including 17 September 2014 was \$0.10;
- Joe Public has not indicated whether or not it intends to exercise the option and, if so, to what extent;
- the Company currently has on issue 8,473,275 Shares. Should all the options granted to Joe Public be exercised and the options the subject of resolution 5 above, the Calvert Investments options, not be exercised, the percentage of Shares of all Shares on issue that Joe Public would hold would be 44.9%. If all the Joe Public options were exercised and all the Calvert Investments options were also exercised, the percentage of Shares of all Shares on issue that Joe Public would hold would be 38.4%;
- the option under the Joe Public Share Option Agreement was granted at the same time as the Joe Public Loan Agreement was entered into and was central to that facility being granted on the terms that it was granted;
- the option is not exercisable to the extent that outstanding principal and accumulated interest (at a rate of 12% per annum) and costs under the Joe Public loan agreement have been repaid and paid. Joe Public is not entitled by reason of this arrangement to participate in any of the profits of the Project. Moneys payable on account of outstanding principal and accumulated but unpaid interest and costs may be applied by Joe Public in satisfaction of the option exercise price;
- the option may be exercised in whole or in part;
- the option remains open for exercise until 30 business days after the repayment date under the Joe Public loan agreement, being in the absence of early termination by reason of default, the earlier of (1) the first anniversary of the date notified by Joe Public of the satisfaction or waiver of all conditions precedent to initial draw down under the Joe Public loan agreement; and (2) the Company's receipt of all envisaged sale proceeds from the sale of the Project site and redeveloped apartments;
- the option is not transferable;
- the option may be exercised in respect of any uncalled shares in the event that a takeover bid is made during the option period relating to 50% or more of the capital of the Company, including Shares already held by the offeror; and
- the number of Shares or the issue price may be adjusted in the event of a rights issue or a bonus issue, or a conversion of the Shares into a larger or smaller number.

For the purposes of section 611, item 7 of the *Corporations Act*, shareholders are additionally advised:

- no shareholder in the Company is an associate of Joe Public for the purposes of Chapter 6 of the *Corporations Act* and vice versa;
- the maximum extent of the increase in Joe Public's voting power in the Company that would result from the acquisition of Shares on a full exercise of the options granted under the Joe Public Share Option Agreement would be 10.55%;
- the voting power that Joe Public would have as a result of full exercise if none of the Calvert Investments options were exercised would be 44.12%;
- the voting power that Joe Public would have as a result of a full exercise if the Calvert Investments options were also fully exercised would be 38.40%;
- the option issue to Joe Public is proposed as part of the financing terms for the Project and the option to so be issued Shares was central to the financing having been agreed to be extended on current terms;
- the proposed acquisition of Shares on any exercise of any option is most likely to occur between January and June 2015. On the current Project delivery timetable, practical completion of the Project is scheduled to occur in February 2015;
- should shareholders approve Resolution 6, Joe Public intends that the Company will maintain its current business operations as a property developer. Vertua and Joe Public will actively seek to acquire additional development sites in and around the Sydney metropolitan region;
- Joe Public realises that the Company may not be in a position to undertake all development opportunities presented given the limited capital available to it. Accordingly, the Company may need to joint venture with third parties to seek to raise additional capital to fund opportunities as they arise;
- Joe Public does not intend that the Company engage its own direct employees;
- Joe Public does not intend that the Company undertake any asset transfers, any redeployment of fixed assets or any other material transaction by Vertua that is not disclosed to shareholders;
- Joe Public does intend to establish a new office for Vertua in Sydney in due course. Any such office would be in keeping with the scale and operations of Vertua;
- Vertua continues to monitor its overall financial position, and given the limited capital available to the Company, does not, until further advice, intend to pay any dividends;
- Mr James Manning is a director of both the Company and Joe Public. Joe Public is a wholly-owned direct subsidiary of Joe Public Limited of New Zealand (NZ company number 4655799) (**Joe Public NZ**). Manning Capital Limited (NZ company number 4249278) holds approximately 47% of all shares on issue in Joe Public NZ. Mr Manning has no other interest in the outcome of the Resolution; and
- no additional person is intended to be appointed a Director of the Company in consequence of the issue of any Shares the subject of approval Resolution 6.

7.2 Independent expert's report and analysis

The acquisition of Shares the subject of Resolution 6 has been considered by Nexia Court Financial Solutions Pty Ltd, who have been engaged, have acted and have reported as an independent expert for present purposes. They have been engaged and instructed, and have

reported, as contemplated by ASIC Regulatory Guides 111 and 112 respectively concerning the content of independent experts' reports and the independence of experts. A copy of their report dated 18 September 2014 is annexed to this Explanatory Statement, which should be read in its entirety. In their report, they conclude the issue of options is fair and reasonable to the Vertua shareholders.

7.3 Recommendation

The Directors have in the Joe Public Share Option Agreement undertaken to seek approval for the above possible Share issues.

Including having regard to the independent expert's conclusions, your Directors, other than Mr James Manning who is an indirect minority shareholder in Joe Public and therefore has an interest in the outcome of Resolution 6, unanimously recommend that Shareholders vote in favour of Resolution 6.

8. RESOLUTION 7: ADOPTION OF NEW CONSTITUTION

8.1 Shareholder approval

It is proposed that the Company repeal its existing constitution and adopt a new constitution. The constitution has not been amended since the Company was listed on the NSX. The following changes are proposed:

- (a) amendments to the dividend provision (rule 24) so that it better aligns with the current provision of the *Corporations Act* concerning the declaration and payment of dividends. That provision is section 254T. Since 28 June 2010, that section has provided that a company must not pay a dividend unless:
 - (i) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
 - (ii) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
 - (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors;
- (b) the indemnity and insurance provisions are to be amended to directly reflect current law, principally set out in sections 199A and 199B of the *Corporations Act* and to remove language from the constitution that addressed predecessor provisions to those sections (rule 29);
- (c) to only allow circular written resolutions of the Board to be passed if all, rather than as currently a majority of, directors sign a document or documents in identical form (rule 17.13);
- (d) references to out-of-date legislation and government and other regulatory bodies are to be updated; and
- (e) typographical errors are to be corrected and in some respects grammar used is to be improved.

A full copy of the replacement constitution as proposed to be adopted is available on request.

Resolution 7 is required to be passed as a special resolution. That is, the resolution must be passed by a majority of at least 75% of those, being entitled to do so, present and voting on the resolution.

8.2 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

GLOSSARY

In this Explanatory Statement the following terms have the meaning set out below:

ACN	Australian Company Number.
AEDT	Australian Eastern Daylight Time.
ASIC	Australian Securities and Investments Commission.
Auditor	Grant Thornton Audit Pty Ltd.
Calvert Investments	Calvert Investments Pty Ltd ACN 600 756 705.
Company	Vertua Limited ACN 108 076 295 of Suite 1, 102 Alexander Street, Crows Nest NSW 2065.
Corporations Act	<i>Corporations Act 2001</i> (Cth) as amended or replaced from time to time.
Corporations Regulations	<i>Corporations Regulations 2001</i> (Cth) as amended or replaced from time to time.
Directors	The directors of the Company as at the date of the Notice and Explanatory Statement.
Entitlement Time	7:00pm (AEDT) on Friday, 17 October 2014].
Explanatory Statement	The Explanatory Statement accompanying the Notice.
Joe Public	Joe Public Holdings Pty Ltd ACN 164 946 712, formerly Joe Public Property Management Pty Ltd.
Loan Agreement	<p>in relation to Calvert Investments, means the agreement so entitled between the Company and Calvert Investments dated 3 September 2014; and</p> <p>in relation to Joe Public, means the agreement so entitled between the Company and Joe Public dated 8 September 2014.</p>
Meeting	The Annual General Meeting of the Company to be held on 20 October 2014 at 9:00am (AEDT) at Carrington Forsyth, Level 5, 97 Pacific Highway, North Sydney NSW 2060.
Notice	The notice convening the Annual General Meeting of Shareholders of the Company for the financial year ended 30 June 2014.
NSX	National Stock Exchange of Australia Limited ACN 000 902 063 and the financial market of which it operates of Level 2, 117 Scott Street, Newcastle NSW 2300.
NSX Listing Rules	The official listing rules of NSX and any other rules of NSX which are applicable while the Company is admitted to the official list of NSX, each as amended or replaced from time to time, except to the extent of any express written waiver by NSX.
Project	is defined in section 6.1.
Remuneration Report	The remuneration report of the Company, included in the Directors' Report for the financial year ended 30 June 2014.

Resolutions	The resolutions the subject of the Notice.
Share	A fully paid class A ordinary share in the capital of the Company.
Share Option Agreement	<p>in relation to Calvert Investments, means the agreement so entitled between the Company and Calvert Investments dated 3 September 2014; and</p> <p>in relation to Joe Public, means the agreement so entitled between the Company and Joe Public dated 8 September 2014.</p>
Shareholder(s)	A person or company registered in the register of members of the Company as the holder of one or more Shares as at the Entitlement Time.
Spill Resolution	The resolution required by the <i>Corporations Act</i> to be put to Shareholders at the 2016 Annual General Meeting of the Company proposing the calling of the Spill Meeting to consider the appointment of Directors of the Company.
Spill Meeting	The general meeting of Shareholders required to be convened by the Company within 90 days of the Company's 2015 Annual General Meeting pursuant to the <i>Corporations Act</i> following the approval of the Spill Resolution by more than 50 % of Shareholders.

ANNEXURE – INDEPENDENT EXPERT’S REPORT
