

THE GO2 PEOPLE LTD

ACN 616 199 896

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 9.00 AM

DATE: 9 August 2019

PLACE: 10 Belmont Avenue, Belmont WA 6104

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

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00 PM on Wednesday 7 August 2019.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ISSUE OF CAPITAL RAISING SECURITIES

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 53,333,334 Shares and 53,333,334 New Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the 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.

2. RESOLUTION 2 – ISSUE OF BROKER OPTIONS TO LEAD MANAGER

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 4,000,000 Broker Options to Vested Equities Pty Ltd (ABN 54 601 621 390) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the 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.

3. **RESOLUTION 3 – SHARES ISSUED IN CONSIDERATION FOR THE ACQUISITION OF INDUSTRY PATHWAYS PTY LTD**

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 26,666,667 Shares to the Vendor for the acquisition of Industry Pathways Pty Ltd (ACN 153 814 192) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the 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.

Dated: 28 June 2019

By order of the Board



Matthew Thomson
Company Secretary

Voting in person

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

Voting by proxy

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

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

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

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

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6151 9200.

EXPLANATORY STATEMENT

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

1. GENERAL BACKGROUND

1.1 Acquisition of Industry Pathways Pty Ltd

The Company has entered into a binding share sale agreement with Industry Pathways Pty Ltd (ACN 153 814 192) (**IPW**) and Evaton Holdings Pty Ltd (**Vendor**), to acquire 100% of the fully paid ordinary shares on issue in the capital of IPW from the Vendor (**SPA**) (**Acquisition**).

In conjunction with the Acquisition and as announced on ASX on 6 June 2019, the Company intends to undertake a capital raising through the issue of fully paid ordinary shares in the capital of the Company (**Shares**) to raise up to \$4,000,000 via a placement to sophisticated and professional investors (**Capital Raising**). The Capital Raising will be undertaken subject to the Shareholder approval sought under Resolution 1 of this Notice of Meeting. The purpose of the Capital Raising is to fund the cash consideration of the Acquisition, and for general working capital.

1.2 About Industry Pathways

Industry Pathways was founded in 2011 and is a fast growing nationally Registered Training Organisation (RTO No: 32513), offering fee for service training and education up to Diploma level in the mining and health sectors. It does not rely on any Government funding, and instead focuses on providing quality outcomes for its students, which has ensured the highest levels of compliance are adhered to under the industry's governing body, the Australian Skills and Qualification Authority, or ASQA. The Company considers IPW to be an attractive Registered Training Organisation business which will be a complementary expansion of the Company's existing business.

IPW has a business to consumer model and its revenue is generated on a pay as you go basis. It has developed considerable resources and infrastructure to maximise its search engine position, and the business has significant capability in the areas of digital marketing and online sales. IPW's training delivery methodology is innovative and effective, with 80% of courses delivered via online platforms and the remaining 20% face-to-face at its facility on the Gold Coast in Queensland.

IPW has a stable and experienced leadership team in place, headed by Founder and Owner, Peter Evans. Mr Evans, along with his spouse, owns 100% of the issued capital of the Vendor. The business has over 20 staff engaged across areas such as training, sales and marketing and compliance. Over the past 3 years, IPW has seen consistent growth in revenue and profitability, and is expected to generate EBITDA of \$2,000,000 by the end of the financial year ending 30 June 2019. The Company's acquisition of IPW will become effective on 1 July 2019, subject to satisfaction of conditions precedent set out in the SPA and outlined at Section 1.4 of the Explanatory Statement below.

1.3 Business Synergies and Benefits

As a provider of vertically integrated recruitment, building and training services, part of the Company's business model is to consider the expansion of its business through acquisitions of complementary and enhancing businesses in appropriate geographies.

The acquisition of IPW represents a suitable extension of the existing business given that IPW and the Company's own Training Division have very similar businesses, both being Registered Training Organisations, operating in similar industry sectors, sharing similar target markets and with multiple cross selling opportunities.

Importantly, The Company can provide employment placement outcomes for IPW's consumers. The acquisition of IPW is consistent with the Company's growth strategy and will have an immediate positive impact on the Company's cashflow and profitability.

The Company has completed legal, financial and technical due diligence investigations with respect to IPW, which gives the Company confidence that the Acquisition is in the best interests of the Company and its shareholders.

1.4 Key Terms of the Acquisition

The key terms of the Acquisition are as follows:

- (a) **(Consideration):** completion will occur on performance of the Vendor of its obligations under the SPA, and the Company:
 - (i) issuing the Vendor that number of Shares that equates to \$2,000,000 based on the value of the capital raise,
(Consideration Shares); and
 - (ii) making a cash payment of:
 - (A) \$2,000,000; plus
 - (B) the vendor group debt payment, which is the amount equal to the lesser of:
 - (I) the aggregate balance of all loans and other financial accommodation provided, or otherwise made available, by IPW to the Vendor, its related bodies corporate and its associates; and
 - (II) (B) \$1,000,000,
(Cash Consideration).
- (b) **(Working Capital Adjustment Amount):** Under the SPA, the Vendor is entitled to all cash on the Balance Sheet at completion plus a working capital adjustment amount. As part of the Working Capital Adjustment the Vendor is entitled to an additional payment should the Current Assets (including cash and debtors) less Current Liabilities (including all current tax provisions) be greater than \$25,000. As part of the working capital calculations the Vendor must ensure that the Cash at Bank on completion is not less than \$50,000.
- (c) **(Earn-Out Consideration):** On a date determined under the SPA and otherwise summarised below, the Company must pay the amount calculated in accordance with the following formula:

First Earn-Out Amount

First Earn-Out Amount = (First Adjusted Average Earnings before interest and taxation (EBIT) x 3.75) – \$5,000,000

Where:

First Adjusted Average EBIT = (\$900,000.00 + \$1,750,000 + Adjusted EBIT FY19) / 3

Subject to calculating a positive integer for the First Earn-Out Amount, the Company must pay to the Vendor the First Earn-Out Amount on the later of:

- (i) 1 January 2020; or
- (ii) The First Earn-Out determination date, which is:
 - (A) the date on which the Vendor agrees or is deemed to agree to the First Earn-Out statement in accordance with the SPA; or
 - (B) the date on which the parties agree in respect of the First Earn-Out statement pursuant to the SPA; or
 - (C) the date on which the parties receive the Independent Accountant's determination in respect of the First Earn-Out statement pursuant to the SPA.

Second Earn-Out Amount

Second Earn-Out Amount = (Second Adjusted Average EBIT x 3.75) – (\$5,000,000 + the First Earn-Out Amount)

Where:

Second Adjusted Average EBIT = (\$1,750,000 + Adjusted EBIT FY19 + Adjusted EBIT FY20) / 3

Subject to calculating a positive integer for the Second Earn-Out Amount, the Company must pay to the Vendor the Second Earn-Out Amount on the later of:

- (i) 1 January 2021; or
- (ii) The Second Earn-Out determination date, which is:
 - (A) the date on which the Vendor agrees or is deemed to agree to the Second Earn-Out statement in accordance with the SPA; or
 - (B) the date on which the parties agree in respect of the Second Earn-Out statement pursuant to the SPA; or
 - (C) the date on which the parties receive the Independent Accountant's determination in respect of the Second Earn-Out statement pursuant to the SPA.

Third Earn-Out Amount

Third Earn-Out Amount = (Third Adjusted Average EBIT x 3.75) – (\$5,000,000 + the First Earn-Out Amount + the Second Earn-Out Amount)

Where:

Third Adjusted Average EBIT = (Adjusted EBIT FY19 + Adjusted EBIT FY20 + Adjusted EBIT FY21) / 3

Subject to calculating a positive integer for the Third Earn-Out Amount, the Company must pay to the Vendor the Third Earn-Out Amount on the later of:

- (i) 1 January 2022; or
- (ii) The Third Earn-Out determination date, which is:
 - (A) the date on which the Vendor agrees or is deemed to agree to the Third Earn-Out statement in accordance with the SPA; or
 - (B) the date on which the parties agree in respect of the Third Earn-Out statement pursuant to the SPA; or
 - (C) the date on which the parties receive the Independent Accountant's determination in respect of the Third Earn-Out statement pursuant to the SPA.

To provide further information on the Earn-Out Consideration calculations, the Company has prepared the following table as an example of payments based on IPW's future EBIT:

Financial Year	IPW EBIT Scenario	Earn-Out Payment
30 June 2019	\$2,000,000	\$812,500
30 June 2020	\$2,200,000	\$1,625,000
30 June 2021	\$2,500,000	\$937,500

Please note that the figures above are examples only and have been provided to clarify the calculation of the Earn-Out Consideration. The numbers above are not prospective financial forecasts for IPW and should not be relied upon as earnings guidance for IPW for these financial years, there is no certainty that these earnings will be achieved.

- (d) **(Conditions Precedent):** Completion of the Acquisition will be subject to various conditions precedent, which include:
 - (i) the Company successfully obtaining equity funding sufficient to fund the Cash Consideration via placement of securities or a rights issue;

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- (ii) the Company obtaining Board and shareholder approval and ASX approval to facilitate the entry into, and performance of its obligations under, the SPA;
- (iii) all necessary approvals required under the approval contracts (as listed in the SPA);
- (iv) receipt by the Company of new employment agreements signed by either:
 - (A) Peter Evans, who is the current director of IPW and the controller of the Vendor; and
 - (B) Dean Morgan, who is the current commercial manager of IPW.
- (v) there being no matters, events or circumstances that have had, or will have, a material adverse effect on IPW or the financial or trading position, liabilities, revenue, earnings, financial condition, profitability or prospects of IPW;
- (vi) the Company obtaining approval from the Australian Skills Quality Authority to enable IPW to continue offering training services after completion of the SPA;
- (vii) there has been no material breach, and there are no circumstances that are reasonable likely to lead to a material breach of any warranty contained in the SPA;
- (viii) the Vendor disclosing to the Company an original copy of the current share register of IPW which evidences the Vendor's title to the Shares; and
- (ix) the price of the Company's Shares at the close of each trading day on the ASX is not less than \$0.05 for an aggregate of 8 or more consecutive trading days in the period up to completion of the terms of the Acquisition.

1.5 Use of Funds

The intended use of funds raised is as follows:

Item	Minimum Raise (\$2,700,000)	Maximum Raise (\$4,000,000)
Cash consideration for the Acquisition	\$2,000,000	\$2,000,000
Estimated expenses of the Acquisition and the Capital Raising	\$259,000	\$350,000
Expenditure on the Company's existing business	Nil	Nil
Expenditure on the IPW business	\$265,000	\$1,000,000
Corporate administration and working capital	\$176,000	\$650,000
TOTAL	\$2,700,000	\$4,000,000

In the event that the Company raises more than the minimum raise of \$2,700,000, the additional funds raised will be first applied towards the cash consideration of the Acquisition then towards the estimated expenses of the Acquisition and the Capital Raising, then towards expenditure on the IPW business and then towards corporate administration and working capital.

The above table is a statement of current intentions as of the date of this Notice. As with any budget, intervening events and new circumstances (including the need to adapt to a changing competitive environment, and the level of demand for the Company's products) have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. The use of further debt or equity funding will be considered by the Board where it is appropriate to expand sales, accelerate product development, develop additional production capacity, or capitalise on further corporate opportunities including, but limited to, further acquisitions.

1.6 Capital Structure

The indicative effect of the Acquisition and the Capital Raising on the capital structure of the Company is anticipated to be as follows:

GO2 Securities (assuming a \$4,000,000 Capital Raising)	Shares	Options
Currently issued capital	117,964,583	16,750,000
Shares to be issued to the Vendor pursuant to the Acquisition	26,666,667	Nil
Shares to be issued pursuant to the Capital Raising	53,333,334	Nil
New Options to be issued pursuant to the Capital Raising ¹	Nil	53,333,334
Broker Options to be issued to the Lead Manager ^{2&3}	Nil	4,000,000
Total	197,964,584	74,083,334

Notes:

1. Unlisted options to acquire Shares issued on a 1:1 basis free attaching to each Share subscribed for and issued under the Capital Raising (**New Options**) exercisable at \$0.10 per New Option and expiring on the date that is twelve (12) months from the date that the Shares offered under the Capital Raising are issued. Refer to Schedules 1 and 2 for the full terms and conditions of the New Options.

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- 2. Unlisted options to acquire Shares issued to the Lead Manager (**Broker Options**) exercisable at \$0.075 per Broker Option, vesting in the holder from 31 July 2020 and expiring on 18 December 2020. Refer to Schedules 1 and 2 for the full terms and conditions of the Broker Options.
- 3. The number of Broker Options issued to the Lead Manager will vary depending on the total funds raised under the Capital Raise. A maximum of 4,000,000 Broker Options can be issued to the Lead Manager in the event that \$4,000,000 is raised from the Capital Raising.

1.7 Lead Manager to the Capital Raising

The Company has entered into a lead manager mandate with Vested Equities Pty Ltd (ABN 54 601 621 390) (**Vested Equities**), pursuant to which Vested Equities has been engaged as lead manager to the offer in relation to the Capital Raising (**Vested Equities Mandate**). Vested Equities has agreed to provide corporate advisory, investor relations and capital raising services to the Company in order to raise a minimum of \$2,700,000 and a maximum of \$4,000,000 under the Capital Raising.

Vested Equites shall perform the services under the Vested Equities Mandate for an initial term of 3 months from the commencement date, being 3 June 2019 (**Term**).

Fees and Retainer

In payment for its services, and subject to reaching the minimum raise under the Vested Equities Mandate of \$2,700,000, Vested Equities shall be entitled to receive the following:

- (a) a lead management fee of 1% of the funds raised under the Capital Raising in cash (excluding GST) (**Lead Management Fee**);
- (b) a corporate advisory fee of 2% of the funds raised under the Capital Raising in cash (excluding GST) (**Corporate Advisory Fee**);
- (c) a selling fee of 4% of the funds raised under the Capital Raising in cash (excluding GST) (**Selling Fee**);
 - (i) Vested Equities has agreed not to charge the Selling Fee or the Corporate Advisory Fee on any capital raised by the Company itself; and
 - (ii) Vested Equites has agreed that it will pass on the Selling Fee to participating brokers, and will share the Lead Management Fee as appropriate with any appointed joint lead manager/s as agreed with the Company and with any such joint lead managers;
- (d) in payment for the services associated with corporate advisory Vested Equities shall be intitled to receive a monthly retainer of \$15,000 (plus GST), for the Term (**Retainer**), the Retainer shall be payable regardless of raising the minimum amount of \$2,700,000;
- (e) Subject to raising the minimum amount of \$2,700,000 and obtaining the Shareholder approval the subject of Resolution 2, the Company has agreed to issue 3% of the total funds raised under the Capital Raise in unlisted options to the right to acquire fully paid ordinary Shares in the capital of the Company (**Broker Options**). The Broker Options shall be issued on the following terms and vesting conditions:
 - (i) the Broker Options will be issued at a deemed issue price of \$0.03 per Broker Option;
 - (ii) the Broker Options will be exercisable at \$0.075 per Broker Option expiring on 18 December 2020;
 - (iii) the exercise price of the Broker Options was determined through the negotiation of the terms and conditions of the Lead Manager Mandate. The Directors consider that the terms and conditions of

the Broker Options and the Lead Manager Mandate are standard for securities and agreements of this nature;

(iv) the Broker Options will be exercisable from 31 July 2020. The last closing price of the Company's Shares on 5 April 2019 was \$0.09, and on this basis, if the Broker Options are exercised, the Broker Options may be "in the money" after their issue to Vested Equities,

(together, the **Lead Manager Fees**).

Refer to Schedules 1 and 2 for the full terms and conditions of the Broker Options.

All out of pocket expenses incurred by Vested Equities in the performance of the services under the Vested Equities Mandate will be reimbursed by the Company, with prior consent required from the Company for expenses in excess of \$500.

The table below sets out the fees payable and number of Broker Options to be issued to Vested Equities in the event that a minimum amount of \$2,700,000 or the maximum amount of \$4,000,000 is raised pursuant to the Capital Raising.

Lead Manager Fees	Minimum amount raised (\$2,700,000)	Maximum amount raised (\$4,000,000)
Lead Management Fee (1% of total funds raised excluding GST)	\$27,000	\$40,000
Corporate Advisory Fee (2% of total funds raised excluding GST)	\$54,000	\$80,000
Selling Fee (4% of total funds raised excluding GST)	\$108,000	\$160,000
Total Cash Fees (excluding GST)	\$189,000	\$280,000
Broker Options	2,700,000	4,000,000

The Vested Equities Mandate otherwise contains terms and conditions such as termination provisions, indemnities, representations and warranties and non-disclosure provisions considered standard for an agreement of this nature.

1.8 Dilution

Set out below are example tables of the number of Securities that may be issued under the Resolutions based on an issue price of \$0.075 and assuming that \$4,000,000 is raised from the Capital Raising.

Shares

Max number of Shares issued pursuant to Resolutions 1 and 3 ¹	Shares issued as at the date of this Notice	Share increase pursuant to Resolutions 1 and 3	Dilutionary effect on existing Shareholders
80,000,001	117,964,583	197,964,584	40%

Notes:

- Shares issued pursuant to Resolutions 1 and 3 consist of:
 - 53,333,334 Shares issued to successful applicants under the Capital Raise; and
 - 26,666,667 Shares issued to the Vendor for the Acquisition of IPW.

Options

Max number of Options issued pursuant to Resolutions 1 and 2 ^{1, 2}	Options issued as at the date of this Notice	Option increase pursuant to Resolutions 1 and 3	Percentage increase in Options
57,333,334	16,750,000	74,083,334	342%

Notes:

1. Options issued pursuant to Resolutions 1 and 2 consist of:
 - (a) 53,333,334 free attaching New Options issued to successful applicants under the Capital Raise for every Share successfully subscribed for and issued; and
 - (b) a maximum of 4,000,000 Broker Options to be issued to the Lead Manager pursuant to the Lead Manager Mandate.
2. Refer to Schedules 1 and 2 for the full terms and conditions of the New Options and the Broker Options.

Shares on issue on a fully diluted basis

Max number of Shares issued pursuant to Resolutions 1 and 3 ¹	Max number of Options issued pursuant to Resolutions 1 and 2 ¹	Shares issued as at the date of this Notice	Options issued as at the date of this Notice	Share increase on a fully diluted basis	Dilutionary effect on existing Shareholders
80,000,001	57,333,334	117,964,583	16,750,000	272,047,918	57%

The Company notes that the above tables are examples only and may be subject to change in the event that the Company raises less than the maximum amount of \$4,000,000 via the Capital Raising, in which case the Company will issue less securities and the dilutionary effect will differ to the figures above.

1.9 Composition of the Board of Directors

The Board of Directors will not change as a result of the Acquisition.

1.10 Indicative Timetable

The indicative timetable for the Acquisition and Capital Raising is as follows:

Item	Date
Date of the Announcement of the Acquisition and Capital Raising	23 April 2019
Dispatch Notice of Meeting seeking approval for, amongst other things, the Acquisition and the Capital Raising	3 July 2019
Lodgment of Prospectus	10 July 2019
General Meeting	9 August 2019
Closing Date of the Offer	12 August 2019
Issue of Shares under the Capital Raising	13 August 2019
Completion of the Acquisition and issue of the Consideration Securities	14 August 2019

The timetable is indicative only and is subject to change.

1.11 Risks to be Considered by Shareholders

The business, assets and operations of the Company, including after completion of the Acquisition, are subject to certain risk factors that have the potential to influence

the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

The risks and uncertainties described below are not intended to be exhaustive and this Notice of Meeting does not take into account the personal circumstances, financial position or investment requirements of any particular person. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company and its related entities.

1.12 Risks specific to the Acquisition

(a) Completion of Acquisition

The Acquisition is expected to be completed by 14 August 2019, but there can be no guarantee that this will occur. Due to circumstances beyond the control of the Company, including the outcome of the Resolutions the subject of this Notice, it is possible that the Acquisition is not ultimately completed or completion may be delayed. These circumstances could materially impact the Company's future earnings.

(b) Risk of the Shareholders not approving the Acquisition and Capital Raising

Given both Resolutions are inter-conditional, if any one of the Resolutions are not passed, the Company will not be able to complete the Acquisition or the Capital Raising.

(c) Acquisition and integration risk

The Acquisition may consume a large amount of management time and attention during integration, and the Acquisition may fail to meet strategic objectives or achieve expected financial performance (including unrealised synergies).

(d) Due diligence risk

The Company has performed certain due diligence on IPW. There is a risk that due diligence conducted has not identified issues that would have been material to the decision to enter into the Acquisition. A material adverse issue which was not identified prior to completion of the Acquisition could have an adverse impact on the financial performance or operations of the Company. As is usual in the conduct of acquisitions, the due diligence process undertaken by the Company identified a number of risks associated with the Acquisition, which the Company had to evaluate and manage. The mechanisms used by the Company to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by the Company may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated, and hence they may have a material adverse impact on the Company's earnings and financial position.

(e) **Counterparty and contractual risk**

Pursuant to the SPA the Company has agreed to enter into the Acquisition subject to the fulfilment of certain conditions precedent. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the SPA and other agreements related to the Acquisition. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(f) **Dilution risk**

The Company currently has 117,964,583 Shares on issue. On completion of the Acquisition, the Company will have up to 197,964,584 Shares on issue. The existing Shareholders will retain approximately 60%, recipients of the Shares issued to the Vendor of IPW in the Acquisition will hold approximately 13%, recipients of the Shares issued in the Capital Raising will hold approximately 27% of the issued capital of the Company on completion of the Acquisition and Capital Raising.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Company and future opportunities.

1.13 Resolutions Inter-Conditional

Resolutions 1 and 3 are inter-conditional, meaning that each of them will only take effect if each of them are approved by the requisite majority of Shareholders' votes at the Meeting. If Resolutions 1 and 3 are not approved at the Meeting, none of the Resolutions will take effect and the SPA, Capital Raising and other matters contemplated by the Resolutions will not be completed.

2. RESOLUTION 1 – ISSUE OF CAPITAL RAISING SECURITIES

2.1 General

Resolution 1 seeks Shareholder approval for the issue of up to 53,333,334 fully paid ordinary shares at an issue price of \$0.075 per Share, together with one (1) free attaching New Option for every one (1) Share subscribed for and issued, to raise up to \$4,000,000 via a placement to professional and sophisticated investors (**Capital Raising**).

2.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue 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.

The effect of Resolution 1 will be to allow the Company to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the maximum number of Shares to be issued is 53,333,334 and the maximum number of New Options to be issued is 53,333,334;
- (b) the Shares and New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of the Shares and the New Options will occur on or about 13 August 2019;
- (c) the issue price will be \$0.075 per Share and nil per New Option as the New Options will be issued free attaching with the Shares on a 1:1 basis;
- (d) the Shares will rank equally with the Company's currently issued Shares;
- (e) the New Options will not be quoted and are exercisable at \$0.10 each and expire at 5:00 PM on the date that is twelve (12) months from the date of issue of the Shares issued under the Capital Raising. The New Options will be issued on the terms and conditions set out in Schedules 1 and 2;
- (f) the Shares and New Options subject to the Capital Raising are to be issued to sophisticated or professional investors in Australia who are not related parties of the Company. The Capital Raising and the identification of these sophisticated or professional investors will be managed by Vested Equities and the Board; and
- (g) the intended use of funds raised from the Capital Raising is set out in Section 1.5 above.

Assuming no Options are exercised or other Shares issued and the maximum number of Shares as set out above are issued, the number of Shares on issue would increase from 117,964,583 (being the number of Shares on issue as at the date of this Notice) to 171,297,917 and the shareholding of existing Shareholders would be diluted by 45%. Further, in the event all the New Options issued pursuant to Resolution 1 were exercised the number of Shares on issue would increase to 224,631,251 and the shareholding of existing Shareholders would be diluted by 90%.

3. RESOLUTION 2 – ISSUE OF BROKER OPTIONS TO LEAD MANAGER

3.1 General

Resolution 2 seeks Shareholder approval for the issue of up to 4,000,000 Broker Options in partial consideration for lead manager and corporate advisory services provided by Vested Equities, as set out in Section 1.7 above.

A summary of ASX Listing Rule 7.1 is set out in Section 2.2 above.

The effect of Resolution 2 will be to allow the Company to issue the Broker Options pursuant to Resolution 2 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

(a) the maximum number of Options to be issued is 4,000,000 Broker Options;

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- (b) the Broker Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Broker Options will occur on or about 13 August 2019;
- (c) the Broker Options will be issued for nil cash consideration in satisfaction of the provision of lead manager and corporate advisory services provided by Vested Equities;
- (d) the Broker Options will be issued to Vested Equities who has been engaged by the Company as lead manager to the Capital Raise. Vested Equities is not a related party of the Company;
- (e) the Broker Options will not be quoted and are exercisable at \$0.075 each and expire at 5:00 PM on 18 December 2020, vesting in the holder from 31 July 2020. The Broker Options will be issued on the terms and conditions set out in Schedules 1 and 2; and
- (f) no funds will be raised from the Placements as the Broker Options will be issued in consideration for lead manager and corporate advisory services provided by Vested Equities.

4. RESOLUTION 3 – SHARES ISSUED IN CONSIDERATION FOR THE ACQUISITION OF INDUSTRY PATHWAYS PTY LTD

4.1 General

As announced on 23 April 2019, the Company has entered into a binding share purchase agreement with IPW and the Vendor to acquire 100% of the issued capital in IPW.

Resolution 3 seeks Shareholder approval for the issue of 26,666,667 Shares as part consideration for the acquisition of IPW.

A summary of ASX Listing Rule 7.1 is set out in Section 2.2 above.

The effect of Resolution 3 will be to allow the Company to issue the Shares pursuant to the SPA during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) a maximum of 26,666,667 Consideration Shares (being consideration to the value of \$2,000,000 based on the issue price of Shares under the Capital Raising) is to be issued to the Vendors on Completion;
- (b) the deemed issue price will be \$0.075 Per Consideration Share (based on the issue price of Shares under the Capital Raising);
- (c) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of the Shares will occur on the same date;
- (d) the Shares will be issued for non-cash consideration as part consideration of the for the Acquisition as described in detail at Section 1.4;

- (e) the Shares will be issued to the Vendor, who is not a related party of the Company;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (g) no funds will be raised from the issue as the Shares are to be issued in consideration for the Vendor's shares in IPW pursuant to the terms and conditions of the Acquisition, as described in detail at Section 1.4

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GLOSSARY

\$ means Australian dollars.

Acquisition means the acquisition of IPW pursuant to the share purchase agreement announced on ASX on 23 April 2019.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Broker Option means an Option to be issued on the terms and conditions set out in Schedules 1 and 2.

Capital Raising means the placement of shares set out at Resolution 1 of the Notice of Meeting.

Cash Consideration means the cash payment made by the Company to the Vendor as part consideration for the Acquisition as set out in Section 1.4(a).

Chair means the chair of the Meeting.

Company means The GO2 People Ltd (ACN 616 199 896).

Completion means the date of completion of the Acquisition in accordance with the SPA.

Consideration means the consideration paid in Consideration Shares and Cash Consideration to the Vendor for 100% of the issued capital in IPW, pursuant to the SPA.

Consideration Shares means the Shares issued by the Company to the Vendor in part consideration for the Acquisition as set out in Section 1.4(a).

Constitution means the Constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Industry Pathways Pty Ltd or **IPW** means Industry Pathways Pty Ltd (ACN 153 814 192).

Lead Manager means Vested Equities, engaged under the Lead Manager Mandate.

Lead Manager Mandate means the agreement between the Company and Vested Equities engaging Vested Equities as Lead Manager of the Capital Raising signed 3 June 2019.

New Option means an Option to be issued on the same terms and conditions set out in Schedules 1 and 2.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

SPA or Share Purchase Agreement means the share purchase agreement for the acquisition of IPW between the Company and the Vendor dated 23 April 2019.

Vendor means Evaton Holdings Pty Ltd (ACN 155 464 065) as trustee for the Its Time Family Trust.

Vested Equities means Vested Equities Pty Ltd (ABN 54 601 621 390) (AFSL No. 478987).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – SPECIFIC TERMS AND CONDITIONS OF OPTIONS

Item 1 – Terms and Conditions of New Options

(a) Exercise Price

Subject to paragraph (i) of Schedule 2, the amount payable upon exercise of each New Option will be \$0.10 (**Exercise Price**).

(b) Expiry Date

Each New Option will expire at 5:00 pm (WST) on the date that is twelve (12) months from the date of issue of the Shares issued under the Capital Raising (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) Exercise Period

Each New Option is exercisable between the date of its issue to the Expiry Date (**Exercise Period**).

(d) Other Terms and Conditions

The New Options will otherwise be issued on the terms and conditions as set out in Schedule 2.

Item 2 – Terms and Conditions of Broker Options

(a) Exercise Price

Subject to paragraph (i) of Schedule 2, the amount payable upon exercise of each Broker Option will be \$0.075 (**Exercise Price**).

(b) Expiry Date

Each Broker Option will expire at 5:00 pm (WST) on 18 December 2020 (**Expiry Date**). A Broker Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) Exercise Period

Each Broker Option will vest in the holder and become exercisable between 31 July 2020 and 18 December 2020 (**Exercise Period**).

(d) Other Terms and Conditions

The Broker Options will otherwise be issued on the terms and conditions as set out in Schedule 2.

SCHEDULE 2 – OPTIONS TERMS AND CONDITIONS

(a) **Entitlement**
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**
Refer to Schedule 1 of this Notice for the exercise price of the New Options and the Broker Options.

(c) **Expiry Date**
Refer to Schedule 1 of this Notice for the expiry date of the New Options and the Broker Options.

(d) **Exercise Period**
Refer to Schedule 1 for the exercise period of the New Options and the Broker Options.

(e) **Notice of Exercise**
The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**
Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) **Shares issued on exercise**
Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

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 without exercising the Options.

(k) **Change in exercise price**

A 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.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.