



**Swift Networks Group Limited**  
**ACN 006 222 395**

## **Notice of General Meeting**

**General Meeting to be held at  
1 Watts Place, Bentley, WA 6102 on  
12 February 2019 commencing at 11.30am (WST).**

**Important**

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

## NOTICE OF GENERAL MEETING

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Notice is given that a general meeting of the shareholders of Swift Networks Group Limited ACN 006 222 395 (**Company**) will be held at 1 Watts Place, Bentley, WA 6102 on 12 February 2019, commencing at 11.30am (WST). The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

### Business

#### Resolution 1: Approval of Performance Shares

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

*“That, subject to all other Specified Resolutions being passed, for the purposes of section 246B of the Corporations Act, clause 3.2(a) of the Constitution, and all other purposes, approval is given for the Company to issue the Performance Shares, on the terms and conditions set out in the Explanatory Statement.”*

#### Resolution 2: Approval of issue of Shares for Acquisition of Medical Media

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

*“That, subject to all other Specified Resolutions being passed, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of:*

- a) 14,950,166 Shares at Completion;*
- b) 18,272,425 Class C performance Shares;*
- c) 16,611,296 Class D performance Shares;*
- d) 8,305,648 Class E performance Shares;*
- e) 8,305,648 Class F performance Shares*
- f) 8,305,648 Class G performance Shares and*
- g) 8,305,648 Class H performance Shares*

*to the Medical Media Vendors on the terms and conditions set out in the Explanatory Statement.”*

#### **Voting exclusion statement**

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- a) 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 entity); or
- b) an associate of those persons;

However, the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or 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.

#### Resolution 3: Appointment of Proposed Director

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

*“That, subject to all other Specified Resolutions being passed, for all purposes Darren Smorgon having provided conditional consent to act as a Director, be appointed as a Director pursuant to clause 11.2(a) of the Constitution with effect from completion of the Share Purchase Agreement.”*

## Resolution 4: Change of name

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

*“That, for the purposes of section 157(1) of the Corporations Act, and for all other purposes, the Company change its name from “Swift Networks Group Limited” to “Swift Media Limited.”*”

**By order of the Board**



**Stephen Hewitt-Dutton**  
**Company Secretary**  
**Swift Networks Group Limited**  
**8 January 2019**

# EXPLANATORY STATEMENT

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## Important information

This Explanatory Statement has been prepared for the information of the shareholders of Swift Networks Group Limited ACN 006 222 395 (**Company**) in connection with the Resolutions to be considered at the General Meeting to be held at 1 Watts Place, Bentley, WA 6102 on 12 February 2019, commencing at 11.30am (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company, which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

## Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms in the Definitions section.

References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

## Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed beneath the applicable Resolutions in the Notice.

## Proxies

Please note that:

- a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder’s proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder’s proxy; and
- Shareholders 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. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

To vote by proxy, please complete and sign the enclosed Proxy Form and return it so that it is received by no later than 11.30am (WST) on 10 February 2019. Proxy Forms received later than this time will be invalid.

## Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at 11.30am (WST) on 10 February 2019. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the General Meeting.

### 1. Acquisition of Medical Media

#### Background

On 21 December 2018, the Company entered into a Share Purchase Agreement (**Agreement**) with the Vendors for the acquisition of Medical Channel Pty Ltd (the **Transaction**).

The Company will acquire Medical Channel Pty Ltd and its wholly-owned subsidiary, Medical Media Group Pty Ltd from the shareholders of Media Channel Pty Ltd.

#### Business Description

Medical Media is an Australian digital out-of-home media network which delivers content & advertising to over 5 million viewers every month through more than 2,300 digital screens placed across Australia, with a significant market share in medical practices.

Medical Media has a network of over 2,800 advertisers, expanding in hyper-local and regional advertising and attracting a growing number of premium, national brands. The company delivered \$7.4 million in advertising revenue in the year ended 30 June 2018, up from \$5.2 million in the year ended 30 June 2017.

The transaction continues Swift's strategy of acquiring closed-loop networks in fast growing verticals. Medical Media adds new audiences and infrastructure to Swift's footprint, providing immediate scale and the opportunity to generate new revenues through advertising.

#### Agreement

The material terms of the Share Purchase Agreement (**Agreement**) are set out below:

##### i. Acquisition of Medical Channel

Swift Networks Group Limited (**Company**) will acquire all of the shares in Medical Channel Pty Ltd (**Target**) from Medical Media Investments Pty Ltd (as trustee for Medical Media Unit Trust) (**Seller**) (the **Transaction**).

##### ii. Purchase price

(a) The purchase price payable by the Company in relation to the Transaction is:

- (1) 14,950,166 Company shares, determined by dividing \$4.5 million by an issue price of 120% of the VWAP for the Company shares for the 30 consecutive trading days ending on the day before signing of the Agreement (**Company Share Price**) (payable on completion and escrowed for 18 months after completion); and
- (2) 68,106,313 Company performance shares, determined by dividing \$20.5 million divided by the Company Share Price (across six tranches C to H) (**Performance Shares**).

(b) The Performance Shares will convert into shares following the satisfaction of certain milestones within four years after completion. These converted shares will be escrowed for 6 months once converted.

(c) Details of each Performance Share milestone, along with extracts of the Performance Share terms as contained in the Agreement, are annexed to this summary.

### iii. Restructure

- (a) The Sale Shares are currently held by a number of shareholders. These shareholders will undergo a restructure process involving the transfer of the Sale Shares to the Seller, cancellation of existing shareholder loans to which the Company is party and payment of \$300,000 by the Company to the Seller (**Restructure**).
- (b) The Restructure is a condition precedent to completion. If the condition is not satisfied, the Company must pay the Buyer a break fee of \$300,000.

### iv. Conditions precedent

- (c) The Transaction is conditional on:
  - (1) the Company obtaining shareholder approval;
  - (2) the Company confirming access to a minimum \$6 million debt finance facility;
  - (3) third parties consenting to the Transaction for two material contracts;
  - (4) the Seller providing evidence that it holds at least \$300,000 in order to pay certain claims (see below);
  - (5) ASX providing in-principle advice that the Performance Shares terms are acceptable; and
  - (6) the execution and completion of the documentation required for the Restructure.
- (d) The cut-off date for satisfying or waiving the above conditions is 21 February 2019.

### v. Locked box mechanism

- (a) The economic benefit of the Target's business will pass to the Company on the locked box accounts date of 30 November 2018 (**Accounts Date**).
- (b) Between the Accounts Date and completion, the Seller cannot make a 'Non-Permitted Leakage Payment' (being any form of value extraction from the Target's business after the Accounts Date). Non-Permitted Leakage Payments are permitted if the Seller provides the necessary funds or reimburses the payment.
- (c) The Seller must hold at least \$300,000 on and from completion to provide for the payment of claims relating to Non-Permitted Leakage Payments and other agreed liabilities.

### vi. Pre- and post- completion restraints

- (a) The Seller is subject to customary pre-completion restraints, including ensuring that the Target business is conducted in the ordinary course and ensuring that the Target does not alter its shareholding or constitution.
- (b) The Seller and certain restrained persons are subject to a restraint and non-compete clause for up to 1 year from completion.

### vii. Warranties and claims

- (a) The Agreement contains standard warranties and indemnities given by, and in favour of, both the Company and the Seller.
- (b) The Company's primary recourse for claims is a W&I Insurance Policy (except in the case of fraud, for claims not covered by the policy and certain other claims). The Seller will pay 50% of the W&I Insurance Policy premium.

### viii. Termination rights

- (a) The Company and the Seller has customary rights to terminate the Agreement if the conditions precedent (above) are not satisfied or waived by the cut-off date.
- (b) The Company may terminate the Agreement for warranty breaches, material adverse changes or material breaches of the Agreement.

## ix. Board rights

- (a) The Seller is entitled to nominate a director for the Company's board on Completion. Currently the Seller intends to nominate Darren Smorgon.
- (b) If the Tranche D Performance Milestone (set out in Schedule 1) is achieved, the Seller is entitled to nominate an additional director to the Company's board. Currently the Seller intends to nominate Peter Wiltshire.
- (c) The rights to nominate directors will cease if the Seller holds less than 10% of Company shares (provided all Performance Shares have fully converted to lapsed) for more than 30 consecutive days.
- (d) From Completion, Peter Wiltshire will be entitled to attend Company board meetings and receive all information relating to such meeting, but not entitled to vote.

## Other Information

Details of the effect of the Transaction on the capital structure of the Company are set out below:

Capital structure	Existing	Following Completion
Existing Shares	121,312,903	121,312,903
Shares for Acquisition	-	14,950,166
<b>Total Shares</b>	<b>121,312,903</b>	<b>136,263,069</b>
Options exercisable at \$0.15, expiring on 19 May 2021	6,633,333	6,633,333
Options exercisable at \$0.35, expiring on 31 May 2021	1,000,000	1,000,000
Options exercisable at \$0.42, expiring on 31 May 2021	1,000,000	1,000,000
Class A Performance Shares	16,666,667	16,666,667
Class B Performance Shares	16,666,667	16,666,667
Class C Performance Shares		18,272,425
Class D Performance Shares		16,611,296
Class E Performance Shares		8,305,648
Class F Performance Shares		8,305,648
Class G Performance Shares		8,305,648
Class H Performance Shares		8,305,648
Various Executive Incentive Scheme rights/securities	5,307,917	5,307,917
<b>Fully diluted share capital</b>	<b>168,587,487</b>	<b>251,643,966</b>

Assuming Completion of the Transaction, the pro-forma statement of financial position of the Company is set out in Annexure B.

An indicative timetable of the Transaction is set out below:

Indicative Timetable	Date
Mail out to Shareholders of Notice of General Meeting and Explanatory Statement	11 January 2019
Announcement to ASX of General Meeting	11 January 2019
General Meeting	12 February 2019
Completion of Transaction	15 February 2019

The Company notes that the timetable is subject to change.

## **Details of how the entity will be modifying its business model as a result of the transaction**

Other than as disclosed elsewhere in this Notice, the Board has no current intention of making any changes to the business model of the Company as a result of any significant change in the scale of the Company's activities which may arise in connection with the Transaction, other than to expand the advertising operations of the Company. The Company's operational staff possesses the expertise to maximize the efficiencies acquired as a result of the Transaction.

## **Information about the entity's need to borrow any funds or raise any capital in the short term as a result of the transaction**

The Company has received commitments to extend its banking facilities to \$6.0 million including \$1.5 million in contingent instruments. Following finalisation of the Transaction, and with the facility in place, the Company believes that it is adequately funded to operate the business following Completion.

## **2. Resolution 1: Approval of Performance Shares**

Resolution 1 seeks Shareholder approval to create the Class C Performance Shares, Class D Performance Shares, Class E Performance Shares, Class F Performance Shares, Class G Performance Shares and Class H Performance Shares as new classes of shares in the Company on the terms set out in Annexure A.

### **a) Section 246B of the Corporations Act**

Section 246C(5) of the Corporations Act provides that if a company has one class of shares (e.g. ordinary shares) and seeks to issue a new class of shares, the new issue is taken to vary the rights attached to the existing shares. Under section 246B(1) of the Corporations Act, if a company has a constitution which sets out the procedure for varying or cancelling rights attached to shares in a class of shares, those rights may only be varied or cancelled in accordance with that procedure.

Clause 45 of the Constitution provides that if the share capital is divided into different classes of shares, the rights attaching to a class of shares may be varied or cancelled by a special resolution of holders of shares of that class.

Despite being 'shares', the Performance Shares proposed to be issued under Resolution 1 are of a different class to ordinary Shares as their respective rights and liabilities differ. Accordingly, the issue of the Performance Shares under Resolution 2 must be approved by a special resolution of ordinary Shareholders.

As Resolution 1 is a special resolution, at least 75% of the votes cast on Resolution 1 must be cast in favour of the Resolution in order for it to be passed.

Full terms of the Class C Performance Shares, Class D Performance Shares, Class E Performance Shares, Class F Performance Shares, Class G Performance Shares and Class H Performance Shares are set out in Annexure A.

### **b) Directors' recommendations**

The Directors recommend that Shareholders vote in favour of Resolution 1.

## **3. Resolution 2: Approval of issue of Shares for Acquisition of Medical Media**

On 21 December 2018, the Company announced that it had entered into an agreement to acquire Medical Media for consideration of \$25,000,000 to be paid as follows:

- a) \$4,500,000 by the issue of 14,950,166 Shares at Completion of the Transaction;
- b) \$20,500,000 by the issue of Performance Shares, the conversion of which are subject to satisfaction of the Performance Criteria.



The Company will acquire Medical Channel Pty Ltd and its wholly-owned subsidiary, Medical Media Group Pty Ltd from the shareholders of Media Channel Pty Ltd. Shareholder approval is sought for the issue of

- a) 14,950,166 Shares;
- b) 18,272,425 Class C Performance Shares;
- c) 16,611,296 Class D Performance Shares;
- d) 8,305,648 Class E Performance Shares;
- e) 8,305,648 Class F Performance Shares;
- f) 8,305,648 Class G Performance Shares; and
- g) 8,305,648 Class H Performance Shares.

Listing Rule 7.3 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 2 for the purposes of Listing Rule 7.1:

**a) Maximum number of securities to be issued**

A total of:

- a) 14,950,166 Shares;
- b) 18,272,425 Class C Performance Shares;
- c) 16,611,296 Class D Performance Shares;
- d) 8,305,648 Class E Performance Shares;
- e) 8,305,648 Class F Performance Shares;
- f) 8,305,648 Class G Performance Shares; and
- g) 8,305,648 Class H Performance Shares.

are to be issued as Consideration.

**b) Date by which the securities will be issued**

It is intended that the Shares will be issued on or about 15 February 2019, and in any case no later than 3 months from the date of the General Meeting. It is not anticipated that the Shares will be issued progressively.

**c) The price at which the securities will be issued**

The Shares are to be issued at a deemed price of \$0.3010 as part of the purchase price for the acquisition of Medical Media.

The Performance Shares are to be issued at a deemed price of \$0.3010 per Share as part of the purchase price for the acquisition of Medical Media.

**d) The terms of the securities**

The Shares issued will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue.

Full terms and conditions of the Performance Shares are set out in Annexure A.

**e) Names of the persons to whom the entity will issue the securities or the basis on which those persons were determined**

The shareholders of Media Channel Pty Ltd.

**a) The use of (or intended use) of the funds raised**

The Company will not raise any funds from the issue of the Shares as they form part of the purchase price for the acquisition of Medical Media.

#### **4. Resolution 3: Appointment of Proposed Directors**

Resolution 3 seeks Shareholder approval to the appointment of Darren Smorgon as a Director of the Company with effect from completion of the Share Purchase Agreement. This is required for the purposes of the Share Purchase Agreement, which provides that Darren Smorgon is to join the Board as Directors from completion.

Clause 11.2(a) of the Constitution provides that a person will be eligible for election to the Board if the person provides the Company with notice confirming its consent to be nominated and act as a Director. The Company has received such notice from each of the Proposed Director. Brief background information on the Proposed Director is set out below.

##### **Darren Smorgon**

Darren Smorgon is Managing Director of Sandbar Investments, a Sydney based Family Office. Previously, Darren had a 16 year career as a Director, member of the advisory board and partner at CHAMP Private Equity where he led the acquisition and portfolio management of companies including Study Group, LCR Group, Golding Contractors and oOh!media. Darren is currently a Non Executive Director and Chairman of the Remuneration committee of ASX listed oOh!media Limited, Chairman of Hub Australia Pty Limited and a Non-Executive Director of Total Drain Cleaning Pty Limited. He is also on the advisory committee of Social Ventures Australia's Diversified Impact Fund.

#### **5. Resolution 4: Change of name**

Resolution 4 is a special resolution which seeks approval to change the name of the Company.

Consistent with the expansion of the Company's business and products, the Company proposes to change its name from "Swift Networks Group Limited" to "Swift Media Limited". This change will not, in itself, affect the legal status of the Company or any of its assets or liabilities.

Shareholder approval is required for Resolution 4 by special resolution under section 157(1)(a) of the Corporations Act.

On or about the date of completion of the Agreement, the Company will make an application to ASIC for the change of its name to "Swift Media Limited". The new name will take effect upon a new certificate of registration being issued by ASIC for the Company.

##### **Directors' recommendations**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

## DEFINITIONS

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In this Notice of Meeting and Explanatory Statement, the following terms have the following meanings:

**Annexure** means an annexure to this Explanatory Statement.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

**Board** means the board of Directors.

**Class C Performance Share** means a performance share on the terms set out in Annexure A.

**Class D Performance Share** means a performance share on the terms set out in Annexure A.

**Class E Performance Share** means a performance share on the terms set out in Annexure A.

**Class F Performance Share** means a performance share on the terms set out in Annexure A.

**Class G Performance Share** means a performance share on the terms set out in Annexure A.

**Class H Performance Share** means a performance share on the terms set out in Annexure A.

**Company** means Swift Networks Group Limited ACN 006 222 395.

**Constitution** means the constitution of the Company.

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

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

**Explanatory Statement** means this explanatory statement incorporated in this Notice.

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

**Medical Media** means Medical Channel Pty Ltd, ACN 101 189 093 of The Pavillion, 201 miller Street, North Sydney, NSW, 2060.

**Meeting** or **General Meeting** means the General Meeting of Shareholders to be held on 12 February 2019 11.30am (WST).

**Notice** or **Notice of Meeting** means the notice of general meeting incorporating this Explanatory Statement.

**Performance Share** means a Class C Performance Share and/or a Class D Performance Share and/or a Class E Performance Share and/or a Class F Performance Share and/or a Class G Performance Share and/or a Class H Performance Share, as the context requires.

**Proxy Form** means the proxy form attached to this Notice.

**Resolution** means a resolution contained in the Notice.

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

**Shareholder** means a holder of one or more Shares.

**Specified Resolutions** means Resolutions 1 to 4 (inclusive).

**VWAP** means volume weighted average price.

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

## ANNEXURE A – TERMS OF PERFORMANCE SHARES

The meanings of the terms used in this Annexure A are set out below.

<b>Term</b>	<b>Meaning</b>
<b>Advertising Revenue</b>	the advertising revenue from any Third Party to display promotional content on digital screens, as determined in accordance with IFRS 15 Revenue from Contracts with Customers, issued by the International Accounting Standards Board.
<b>Buyer</b>	Swift Networks Group Limited ABN 54 006 222 395.
<b>Buyer Group</b>	the Buyer and its related bodies corporate (other than the Target Entities) and <b>Buyer Group Member</b> means any member of the Buyer Group.
<b>Buyer Shares</b>	a fully paid ordinary share in the capital of the Buyer.
<b>Combined Group</b>	the Buyer Group Members and the Target Entities.
<b>Company</b>	Medical Channel Pty Ltd ACN 101 189 093.
<b>Expiry Date</b>	4 years after completion of the Transaction.
<b>Target Entity Network Screen</b>	a digital screen generating Advertising Revenue where the Advertising Revenue represents at least 50% of the aggregate revenue attributable to the digital screen.
<b>Tranche C Performance Milestone</b>	occurs when \$10 million of the Combined Group's Advertising Revenue attributable to Target Entity Network Screens in a consecutive 12 month period *; * The consecutive 12 month period must only commence after the Completion Date.
<b>Tranche D Performance Milestone</b>	occurs when \$11 million of the Combined Group's Advertising Revenue attributable to Target Entity Network Screens in a consecutive 12 month period*; * The consecutive 12 month period* must only commence after the Completion Date.
<b>Tranche E Performance Milestone</b>	occurs when \$11.5 million of the Combined Group's Advertising Revenue is attributable to Target Entity Network Screens in a consecutive 12 month period *; * The consecutive 12 month period must only commence after the Completion Date.
<b>Tranche F Performance Milestone</b>	occurs when \$12 million of the Combined Group's Advertising Revenue is attributable to Target Entity Network Screens in a consecutive 12 month period *; * The consecutive 12 month period must only commence after the Completion Date.
<b>Tranche G Performance Milestone</b>	occurs when \$12.5 million of the Combined Group's Advertising Revenue is attributable to Target Entity Network Screens in a consecutive 12 month period *; * The consecutive 12 month period must only commence after the Completion Date.
<b>Tranche H Performance Milestone</b>	occurs when \$13 million of the Combined Group's Advertising Revenue is attributable to Target Entity Network Screens in a consecutive 12 month period *; * The consecutive 12 month period must only commence after the Completion Date.
<b>Performance Milestone</b>	the Tranche C Performance Milestone, Tranche D Performance Milestone, Tranche E Performance Milestone, Tranche F Performance Milestone, Tranche G Milestone and Tranche H Milestone.
<b>Target Entities</b>	the Company and its subsidiaries.

## **1 Conversion of Performance Shares**

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- (a) The Performance Shares will convert into Buyer Shares in accordance with this Schedule 4.
- (b) Subject to clause 6 of this Schedule 4:
  - (1) Each Tranche C Performance Share will automatically convert into one Buyer Share on the satisfaction, on or prior to the Expiry Date, of the Tranche C Performance Milestone.
  - (2) Each Tranche D Performance Share will automatically convert into one Buyer Share on the satisfaction, on or prior to the Expiry Date, of the Tranche D Performance Milestone.
  - (3) Each Tranche E Performance Share will automatically convert into one Buyer Share on the satisfaction, on or prior to the Expiry Date, of the Tranche E Performance Milestone.
  - (4) Each Tranche F Performance Share will automatically convert into one Buyer Share on the satisfaction, on or prior to the Expiry Date, of the Tranche F Performance Milestone.
  - (5) Each Tranche G Performance Share will automatically convert into one Buyer Share on the satisfaction, on or prior to the Expiry Date, of the Tranche G Performance Milestone.
  - (6) Each Tranche H Performance Share will automatically convert into one Buyer Share on the satisfaction, on or prior to the Expiry Date, of the Tranche H Performance Milestone.
- (c) The holder of the Performance Shares must enter into a voluntary escrow deed in respect of the converted Performance Shares in the form of the escrow deed in Schedule 10 except that the escrow period will be for 6 months from the date of conversion.
- (d) No consideration is payable on conversion of the Performance Shares.
- (e) Any Performance Shares which have not converted into Buyer Shares by the Expiry Date will be redeemed by the Buyer for nil consideration.

## **2 Rights of holders of Performance Shares**

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- (a) The Performance Shares will not be quoted.
- (b) The Performance Shares are not transferrable.
- (c) The holder of Performance Shares does not have the right to vote at general meetings of the Buyer or any other voting rights except as required by law.
- (d) The holder of Performance Shares is not entitled to any dividends declared by the Buyer.
- (e) The holder of Performance Shares is not entitled to a return of capital by the Buyer, whether in a winding up, on a reduction of capital or otherwise.
- (f) The holder of Performance Shares has no participation rights or entitlements, including the right to receive notices, reports and audited accounts, and attend general meetings.

## **3 New issues and reconstructions**

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- (a) Prior to conversion of the Performance Shares, the holder of Performance Shares will have no right to participate in new issues of capital by the Buyer, including, without limitation, entitlement issues and bonus issues.
- (b) However, if there is a bonus issue undertaken prior to the achievement of a Performance Milestone, the holder of Performance Shares may upon achievement of the Performance Milestone have issued to it additional Buyer Shares equal to the number of Buyer Shares that it would have received had the conversion of those Performance Shares occurred before the record date of the bonus issue.
- (c) Subject to the Listing Rules, in the event of any reconstruction, consolidation or division into (respectively) a lesser or greater number of Buyer Shares, the Performance Shares will be reconstructed, consolidated or divided in the same proportion as the Buyer Shares are reconstructed, consolidated or divided and, in any event, in a manner which will not result in any additional benefits being conferred on the holder of Performance Shares which are not conferred on the shareholder of the Buyer.
- (d) The Buyer must, within a reasonable period, give to a holder of Performance Shares notice of any change to the number of Buyer Shares which the holder of Performance Shares is entitled to receive on conversion of its Performance Shares.

## **4 Conversion on control event**

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- (a) A change of control event ("Control Event") occurs where:
- (a) a takeover bid is made under Chapter 6 of the Corporations Act in respect of all Buyer Shares that is or has become free of any defeating conditions (other than a condition in respect of the events listed in section 652C of the Corporations Act) and the bidder has acquired a relevant interest in more than 50% of the Buyer Shares; or
  - (b) a Court approves a scheme of arrangement under Part 5.1 of the Corporations Act for the transfer or cancellation of all Buyer Shares.
- (b) Subject to the Listing Rules and clauses 4(c) and 6 of this Schedule 4 below, if a Control Event occurs, unconverted Performance Shares will immediately convert into Buyer Shares with such conversion deemed to have taken place immediately prior to the effective date of the Control Event.
- (c) The total number of Buyer Shares issued under clause 4(b) of this Schedule 4 must not exceed 10% of the issued ordinary capital of the Buyer as at the date of conversion.
- (d) Where on the occurrence of a Control Event the conversion of all Performance Shares would contravene clause 4(c):
- (1) the number of Performance Shares that convert in aggregate will be the number equal to 10% of the issued ordinary capital of the Buyer immediately before the occurrence of the Control Event, allocated in the following order of priority:
    - (A) first, any outstanding Tranche C Performance Shares;
    - (B) second, any outstanding Tranche D Performance Shares;
    - (C) third, any outstanding Tranche E Performance Shares;
    - (D) fourth, any outstanding Tranche F Performance Shares;
    - (E) fifth, any outstanding Tranche G Performance Shares; and
    - (F) sixth, any outstanding Tranche H Performance Shares; and
  - (2) any Performance Shares which do not convert into Buyer Shares as a result of clause 4(c) will continue to be held by the holder of the Performance Shares on the same terms and conditions, but as if the Control Event had not occurred.
- (e) The Buyer must give written notice of any proposed Control Event to each holder of Performance Shares.

## **5 Winding up**

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If the Buyer is wound up prior to conversion of any Performance Shares, then the holder of those Performance Shares will have:

- (a) no right to be paid cash for any non-converted Performance Shares; and
- (b) no right to participate in surplus assets or profits of the Buyer on winding up in respect of the Performance Shares.

## **6 Section 606 of the Corporations Act**

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If the conversion of some or all of the Performance Shares under this Schedule 4 would result in any person being in contravention of section 606 of the Corporations Act, then the conversion of each Performance Share that would cause the contravention will be deferred until the conversion would not result in a contravention of section 606.

## **7 Buyer's obligation post conversion**

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On conversion of the Performance Shares into Buyer Shares, the Buyer Shares will be:

- (a) be fully paid;
- (b) be free of Encumbrances: and
- (c) rank equally in all respects with the other ordinary shares on issue in the capital of the Buyer as at the date of conversion.

# ANNEXURE B – PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## SWIFT NETWORKS GROUP LIMITED

### Statement of Financial Position - Combined Pro-forma

	Swift (Audited) 30 June 2018	Combined Pro-forma
<b>Current assets</b>		
Cash and cash equivalents	3,201,819	3,201,819
Trade and other receivables	3,447,658	4,777,310
Inventory	1,062,177	1,062,177
Other current assets	605,529	674,385
<b>Total Current Assets</b>	<b>8,317,183</b>	<b>9,715,691</b>
<b>Non Current Assets</b>		
Trade and other receivables	1,079,985	1,079,985
Property, plant and equipment	1,886,519	2,338,437
Deferred tax assets	826,217	826,217
Intangibles	13,167,992	18,798,382
<b>Total Non Current Assets</b>	<b>16,960,713</b>	<b>23,043,021</b>
<b>Total Assets</b>	<b>25,277,896</b>	<b>32,758,712</b>
<b>Current Liabilities</b>		
Trade and other payables	5,923,342	8,474,886
Unearned revenue	254,930	254,930
Provisions	72,643	446,565
Financial liabilities	9,350,000	9,350,000
Deferred tax liabilities	318,225	318,225
<b>Total Current Liabilities</b>	<b>15,919,140</b>	<b>18,844,606</b>
<b>Non Current Liabilities</b>		
Provisions	290,593	345,943
Financial liabilities	937,500	937,500
Unearned revenue	270,400	270,400
<b>Total Non Current Liabilities</b>	<b>1,498,493</b>	<b>1,553,843</b>
<b>Total Liabilities</b>	<b>17,417,633</b>	<b>20,398,449</b>
<b>Net Assets</b>	<b>7,860,263</b>	<b>12,360,263</b>
<b>Equity</b>		
Issued capital	38,437,650	42,937,650
Reserves	2,470,044	2,470,044
Accumulated losses	(33,047,431)	(33,047,431)
<b>Total Equity</b>	<b>7,860,263</b>	<b>12,360,263</b>

#### Notes:

- Excludes movements since 1 July 2018 therefore the actual statement of financial position following completion will differ from the balances shown above.
- For the purposes of the preparing the pro-forma statement of financial position the following have not been taken into account:
  - Assessment of likelihood of contingent consideration amounting to \$20.5m and performance conditions vesting. Accordingly no value for the contingent consideration has been included in the above pro-forma.
  - No assessment of the allocation of consideration to identifiable and unidentifiable intangible assets has been made.
  - All assets and liabilities will need to be assigned a fair value which could result in differences from carrying value (historical cost).
  - Tax effect and deferred taxes calculations on acquisition have not been performed.

**LODGE YOUR VOTE**

-  **ONLINE**  
www.linkmarketservices.com.au
-  **BY MAIL**  
Swift Networks Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia
-  **BY FAX**  
+61 2 9287 0309
-  **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138
-  **ALL ENQUIRIES TO**  
Telephone: 1300 554 474      Overseas: +61 1300 554 474



**X99999999999**

**PROXY FORM**

I/We being a member(s) of Swift Networks Group Limited and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

**the Chairman of the Meeting (mark box)**      **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **11:30am (WST) on Tuesday, 12 February 2019 at 1 Watts Place, Bentley, WA 6102 (the Meeting)** and at any postponement or adjournment of the Meeting.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**


**STEP 1**

**VOTING DIRECTIONS**

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

**Resolutions**

	For	Against	Abstain*
1 Approval of Performance Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of issue of Shares for Acquisition of Medical Media	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Appointment of Proposed Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Change of name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

**STEP 2**

**SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED**

Securityholder 1 (Individual)	Joint Securityholder 2 (Individual)	Joint Securityholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**STEP 3**





## HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either securityholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:30am (WST) on Sunday, 10 February 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Swift Networks Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)



### COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**