

Notice of Meeting

Reverse Corp Limited ACN 085 949 855

Notice of Meeting

for the Meeting of Shareholders

To be hosted as a virtual-only meeting at 4:00pm (Sydney time) on Thursday, 30 June 2022
online at

<https://us06web.zoom.us/meeting/register/tZcsc-ygrzssHdxduB5RiQ7AHRGWQCgrJkaZ>

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

This Notice of Meeting includes an Explanatory Memorandum as an appendix. The Explanatory Memorandum has been prepared to assist Shareholders in determining whether or not to vote in favour of the Resolution set out in this Notice of Meeting.

The Explanatory Memorandum should be read in conjunction with this Notice of Meeting.

You are encouraged to attend the meeting through an online meeting platform, where shareholders will be able to watch, listen, ask questions, submit written questions and vote online. If you cannot attend the meeting, you are requested to complete and return the enclosed Proxy Form without delay:

By post to the Share Registry: **C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia**

By hand delivery to the Share Registry at: Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150

By fax to the Share Registry on:

02 9287 0309 (from within Australia)

+61 2 9287 0309 (from outside Australia)

1. Business

The business of the Meeting is to consider the following Resolution.

Resolution 1: Capital Reduction

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

“That, pursuant to Section 256B(1) and 256C of the Corporations Act 2001 (Cth), the share capital of Reverse Corp Limited (ACN 085 949 855) be reduced by cancelling all ordinary shares held by all holders of ordinary shares on the terms and conditions set out in the Explanatory Memorandum.”

Without limitation, Sections 256B and 256C of the Corporations Act are relevant to this Resolution.

2. Other Information

Entitlement to Vote

In accordance with Section 1074E(2)(g)(i) of the Corporations Act, and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that Shares registered in the Share Registry at **7:00pm** (Sydney time) on **Tuesday, 28 June 2022**, will be taken, for the purposes of the Meeting to be held by the persons who held them at that time.

Accordingly, those persons are entitled to attend virtually and vote at the Meeting and Share transfers registered after that time will be disregarded in determining entitlements to attend virtually and vote at the Meeting.

Subject to certain voting exclusions as set out in this Notice of Meeting and the Explanatory Memorandum, the Chairman proposes to vote undirected proxies in favour of the Resolution.

Voting restrictions and exclusions in respect of the Resolution are set out above for the Resolution.

How to vote

Shareholders entitled to vote at the Meeting may vote by:

- attending the Meeting and voting online; or
- appointing an attorney to attend the Meeting virtually and vote on their behalf or, in the case of corporate Shareholders or proxies, a corporate representative to attend the Meeting virtually and vote on its behalf; or
- appointing a proxy to attend and vote on their behalf, using the Proxy Form accompanying this Notice of Meeting. A proxy may be an individual or a body corporate.

Attendance via online platform

We recommend logging in to our online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

- Enter <https://us06web.zoom.us/meeting/register/tZcsc-ygrzssHdxduB5RiQ7AHRGWQCgrJkaZ> into a web browser on your computer or online device; and
- Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed at the top of the Proxy Form.

Further information on how to participate virtually is set out in this Notice which is available at <http://www.reversecorp.com.au/policies/corporate-governance> .

Voting in by attorney

Shareholders or their proxies, attorneys or representatives (including representatives of corporate proxies) wishing to vote should attend the Meeting online and show a form of personal identification (such as their driver's licence).

To vote by attorney at the Meeting, the original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed must be received by the Share Registry before **7:00pm** (Sydney time) on **28 June 2022** any of the following ways:

hand deliveries: **Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150**

postal deliveries: **C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia**

online lodgement: **www.linkmarketservices.com.au**

Fax Number for Lodgement: **+61 2 9287 0309**

To vote online, you or your proxy, attorney, representative or corporate proxy representative must attend the Meeting to be hosted as a virtual only meeting online on **30 June 2022** commencing at **4:00 pm** (Sydney time).

A vote cast in accordance with the appointment of a proxy or power of attorney is valid even if before the vote was cast the appointor:

- died;
- became mentally incapacitated;
- revoked the proxy or power; or
- transferred the Shares in respect of which the vote was cast,

unless the Company received written notification of the death, mental incapacity, revocation or transfer before the meeting or adjourned meeting.

Voting by proxy

Shareholders wishing to vote by proxy at the Meeting must:

- complete and sign or validly authenticate the Proxy Form, which is enclosed with this Explanatory Memorandum; and
- deliver the signed and completed Proxy Form to the Company by **4:00pm on 28 June 2022** (Sydney time) in accordance with the instructions below.

Submitting proxy votes

Shareholders wishing to submit proxy votes for the Meeting must return the enclosed Proxy Form to the Company in any of the following ways:

hand deliveries: **Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150**

postal deliveries: **C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia**

online lodgement: **www.linkmarketservices.com.au**

Fax Number for Lodgement: **+61 2 9287 0309**

A Shareholder entitled to attend online and vote at the Meeting is entitled to appoint not more than two proxies to attend online and vote at the Meeting on that Shareholder's behalf.

Notes for proxies

- A proxy need not be a Shareholder.
- A proxy may be an individual or a body corporate. A proxy that is a body corporate may appoint a representative to exercise the powers that the body corporate may exercise as the Shareholder's proxy.
- If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half the votes.
- A proxy may vote or abstain as he or she chooses except where the appointment of the proxy directs the way the proxy is to vote on a particular resolution. If an appointment directs the way the proxy is to vote on a particular resolution:
 - if the proxy is the chair - the proxy must vote on a poll and must vote in the way directed; and
 - if the proxy is not the chair - the proxy need not vote on a poll, but if the proxy does so, the proxy must vote in the way directed.
- If a proxy appointment is signed or validly authenticated by the Shareholder but does not name the proxy or proxies in whose favour it is given, the Chairman may either act as proxy or complete the proxy appointment by inserting the name or names of one of more Directors or the Company Secretary.
- If:
 - a Shareholder nominates the Chairman of the meeting as the Shareholder's proxy; or
 - the Chairman is to act as proxy if a proxy appointment is signed by a Shareholder but does not name the proxies in whose favour it is given or otherwise under a default appointment according to the terms of the Proxy Form,then the person acting as Chairman in respect of an item of business at the meeting must act as proxy under the appointment in respect of that item of business.
- Proxy appointments in favour of the Chairman of the meeting, the Company Secretary or any Director which do not contain a direction will be voted in support of the Portfolio Acquisition resolutions (in the absence of a superior proposal prior to the date of the meeting).

Notes for corporate representatives

- To vote at the Meeting, a Shareholder or proxy which is a body corporate may appoint an individual to act as its representative.
- To vote by corporate representative at the Meeting, a corporate Shareholder or proxy should obtain an Appointment of Corporate Representative Form from the Share Registry, complete and sign the form in accordance with the instructions on it. The appointment should be delivered to the Company by **4:00pm on 28 June 2022** (Sydney time)
- The appointment of a representative may set out restrictions on the representative's powers.
- The original form of appointment of a representative, a certified copy of the appointment, or a certificate of the body corporate evidencing the appointment of a representative is prima facie evidence of a representative having been appointed.

- The Chairman of the Meeting may permit a person claiming to be a representative to exercise the body's powers even if he or she has not produced a certificate or other satisfactory evidence of his or her appointment.

By order of the Board

Appendix 1 – Explanatory Memorandum

1. Introduction

1.1. What is this document?

This document is an Explanatory Memorandum containing information relating to the Resolution to be considered at the Meeting.

1.2. Actions required by Shareholders

Step 1 – Read this Explanatory Memorandum

Shareholders should read this Explanatory Memorandum in full before voting on the Resolution. If Shareholders have any questions regarding the Resolution they should contact **Gabriel Radzyminski**, on **+61 2 8014 1188** or by email **gabriel@sandoncapital.com.au**

Step 2 – Consider and consult

Shareholders should consider all advantages, disadvantages, risks and other information provided in this Explanatory Memorandum in light of their own investment objectives and circumstances. Shareholders should seek independent advice if required.

Step 3 – Vote on the Resolution

It is very important that Shareholders vote on the Resolution at the Meeting.

The Meeting is to be held online at <https://us06web.zoom.us/meeting/register/tZcsc-ygrzssHdxduB5RiQ7AHRGWQCgrJkaZ> **4:00pm on Thursday, 30 June 2022.**

If Shareholders are unable to vote online, they may vote by attorney, or by corporate representative, or by completing and returning the enclosed Proxy Form. Proxy Forms must be received by the Share Registry no later than **4:00pm on Tuesday, 28 June 2022.**

Enclosed is a reply paid envelope addressed to the Share Registry.

2. The Resolution and the Restructure

2.1. Introduction

The purpose of this Section is to give Shareholders an understanding of the Resolution and Restructure as well as to identify reasons why Shareholders may vote for or against the Resolution.

Before deciding how to vote on the Resolution, Shareholders should carefully consider the factors discussed below, as well as the other information contained in this Explanatory Memorandum.

2.2. Summary of the Restructure

Subject to shareholder approval, the Board has agreed that the Company will be restructured (**Restructure**). The principal features of the Restructure are as follows:

- **Issue of 1 Preference Share to Sandon Capital Pty Limited** (ACN 130 853 691) (AFSL 331663) (**Sandon Capital**) Sandon Capital will be issued 1 Preference Share in the Company (**New Preference Share**) in consideration for the payment of \$100 (**Share Consideration**). Gabriel Radzynski is managing director of Sandon Capital and Sandon Capital is controlled by entities of which he is a beneficiary;
- **Cancellation of Ordinary Shares in the Company:** The Company will cancel all ordinary shares in the Company by way of an equal capital reduction in accordance with sections 256B and 256C of the Corporations Act (**Capital Reduction**).

Following the Restructure, Sandon Capital will hold the only Share in the Company.

2.3. Background Information

- Following the sale of the main undertaking and a return of capital, the Company attempted to identify reverse-takeover opportunities that might re-purpose the Company. No such opportunities were identified.
- During 2020 and 2021, entities associated with then-director Mr Michael Wang, provided loans totalling \$35,000 to the Company for working capital purposes.
- On 23 August 2021, the ASX suspended the Company's securities from Official Quotation.
- On 23 August 2021, Mercantile Investment Company Ltd, a shareholder, provided a loan of \$100,000 to the Company for working capital purposes.
- On 23 December 2021, the Company announced that shareholders agreed to appoint the Directors as new directors of the Company.
- The Company continued attempts to identify reverse-takeover opportunities for the Company. No acceptable opportunities were identified.
- With effect from 17 January 2022, the ASX decided to remove the Company from the ASX. Since this date the Company has not traded shares and has no tangible assets. Given that the Shares in the Company are illiquid, Shareholders have not been able to record their shares as a capital loss for the purposes of an assessment of Capital Gains Tax (**CGT**).
- **Loan:** On 12 May 2022, the Company entered into a loan agreement with Sandon Capital under which Sandon Capital agreed to provide a loan to the Company (**Loan**) totalling \$143,414.66. The purpose of the Loan was to enable the Company to repay all existing loans outstanding and any accrued interest. The Company had received a notice from Mr Wang requesting repayment of the loans made by his related entities. In order to repay this and the other loans Sandon Capital proposed to provide a new loan to the Company to enable it to repay all existing loans and accrued interest outstanding. On 12 May 2022, the loan agreement was executed, funds were provided to the Company and the Company repaid those loans. Sandon Capital has agreed not to require repayment of this loan until a recapitalisation of the Company takes place.

2.4. Implementation and timetable

Assuming all other the conditions to the Restructure are satisfied, if you vote in favour of the Resolution:

- immediately following the Meeting:
 - Sandon Capital will pay the Company an amount equal to the Share Consideration;
 - the Company will issue 1 Preference Share in the Company to Sandon Capital;
 - the Company will cancel all Ordinary Shares in the Company; and
- the Company intends to appoint the Sandon Capital as its investment manager (**Investment Manager**) to manage the Company's proposed new business on commercial terms, provided further capital of at least 100,000 can be raised following the Restructure to allow the investment strategy to proceed. There is no guarantee that further capital may be raised. The material terms of the investment management agreement will be:
 - 5 years;
 - Investment management fee of 1.5% (excluding GST) of gross assets per annum; and
 - Performance fee of 15% (excluding GST) of any returns in excess of the 1-month bank bill swap rate, subject to a high water mark

2.5. Rationale and Risks associated with Restructure

The rationale for the Restructure, and the reasons why Shareholders may vote in favour of the Resolution, can be summarised as follows:

- The debts of the Company are approximately \$144,414. The only asset of the Company is cash of approximately \$17,000. Debts far exceed the assets. As a consequence, the value of the Company's equity is negative.
- To protect the solvency status of the Company, Sandon Capital, the lender under the Loan, has agreed (as set out in a letter of comfort sent to the Company) that all unpaid interest otherwise due and payable under clause 5 of the Loan Agreement will not constitute an Event of Default and that Sandon Capital does not currently intend to call for repayment of the 'Principal Outstanding' until the Company undergoes a recapitalisation. If the Restructure and subsequent recapitalisation does not proceed, Sandon Capital may call for a repayment of all monies owing under the Loan (including outstanding interest).
- The Restructure provides Shareholders an opportunity to realise their investment in the Company.
- As the Company is an unlisted public company, its Shares are illiquid. This will continue to be the case for the foreseeable future. If the Restructure proceeds, Shareholders would be provided with an ability a capital loss in terms of CGT prior to the end of the Financial Year 2021-2022. Shareholders should obtain their own tax advice prior to voting on the proposed resolution.
- After the implementation of the Capital Reduction, Shareholders will no longer be exposed to the risks of an ongoing investment in the Company.
- As the Capital Reduction involves the cancellation of Shares held by Shareholders rather than the sale of those Shares, it will provide Shareholders will the opportunity to dispose of their Shares without incurring brokerage costs.
- If investment market conditions permit, the Company will seek to raise additional capital. Initially, the Company plans to seek additional capital from wholesale and sophisticated investors only (as defined in the Corporations Act). There is no guarantee that any additional capital can be obtained.

- If the Restructure is implemented, the Company will operate as an unlisted investment company. Although it is the Board's current intention to change the Company's business, there is no guarantee that this will happen. Nor is there any guarantee that any such change of business will be successful. The Restructure provides the Shareholders with the ability to realise their investment and certainty around the timing of their exit.
- If the Restructure is not approved and implemented, it is likely that the Company would be wound up. Liquidation is an "all or nothing" proposal and eliminates any prospect of using any benefits from any residual assets. If the Resolution is approved and the Restructure is implemented, the Company will not be wound up.

The reasons why Shareholders may not vote in favour of the Resolution include:

- **Do not want the Restructure to proceed:** If Shareholders do not want the Restructure to proceed, they will not vote in favour of the Resolution.
- **Exit:** If the Restructure proceeds, Shareholders will no longer hold any Shares in the Company, nor will they have any rights that attached to those Shares.
- **Tax implications:** There may be adverse tax consequence for some Shareholders. The Directors strongly suggest Shareholders obtain tax advice.

2.6. Key implications if the Resolution is not passed and the Restructure does not proceed

If Shareholders do not pass the Resolution the Restructure will not proceed on the terms and conditions proposed.

It is likely that the Company would then be placed into administration. As at the date of this Explanatory Memorandum, the Company is not aware of alternative offers that it would be able to explore if the Restructure does not proceed. Any liquidation arising from administration is likely to extend beyond 30 June 2022, and any deemed disposal would likely occur in a future financial year, delaying disposal of shares in the Company.

2.7. Impact on the Company's capital structure and control

Share issue and control

If the Restructure is approved Sandon Capital will hold the only Share in the Company. Sandon Capital's voting power will equal 100%. Sandon Capital will have control of the Company. Sandon Capital will obtain control of a Company that would continue to have negative equity. Sandon Capital does not stand to obtain any benefit unless there is a recapitalisation of the Company.

Summary of impact on capital structure

The effect of the Restructure on the potential issued capital of the Company is set out in the table below:

Point in time	Issued capital
As at the date of this Explanatory Memorandum	
Issued capital in the Company	92,860,562
Immediately after the Issue of New Preference Share¹	
Ordinary Shares issued to current Shareholders	92,860,562
Preference Shares issued to Sandon Capital	1
Total Share capital	92,860,563
Immediately after Capital Reduction	
Ordinary Shares held by current Shareholders	0
Preference Shares held by Sandon Capital	1

Point in time	Issued capital
Total Share capital	1

Note 1: 1 Preference Share will be issued, and all Ordinary Shares will be cancelled by way of a capital reduction.

2.7 Impact on the Company's financial position

Accordingly, if the Restructure is approved, at completion of the Restructure the Company's assets will be limited to any cash remaining (likely to be less than \$17,000) and will have liabilities of approximately \$144,414, comprising mostly the Loan and other liabilities and expenses incurred in undertaking the Restructure.

2.8 Impact on the Company's business

If the Restructure proceeds, the Directors currently intend for the Company to become an investment company that will seek to invest in global investment opportunities by way of a wide-ranging investment mandate.

The Company intends to appoint Sandon Capital as its Investment Manager to manage the Company's assets. The proposed terms of the management agreement with Sandon Capital are subject to negotiation.

2.9 Quotation of Shares on ASX

The Company was removed from the Official List on 17 January 2022.

If the Restructure proceeds, the Company considers it will be unlikely to meet the criteria for listing on the ASX unless a significant recapitalisation occurs. Any such recapitalisation is, for the foreseeable future, considered a remote possibility.

In any event, reinstatement to the Official List is at the discretion of ASX and will be subject to compliance with the Listing Rules and the Corporations Act.

2.10 Future Plans

If the Restructure proceeds, the Directors intend to undertake a recapitalisation of the Company as soon as practicable. They currently intend to initially raise at least \$100,000 to begin to establish an investment performance track record for the new investment strategy. If the new investment strategy proves successful, the Company will seek to raise further capital in the future.

2.11 Taxation impact on Shareholders

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Restructure as it is not possible to provide a comprehensive summary of the possible taxation positions of all Shareholders.

The Company and its advisers do not accept any liability or responsibility in respect of the taxation consequences for the Restructure. All Shareholders should consult their own independent professional tax advisers regarding the tax consequences of the Capital Reduction

3. Additional Information

3.1. Introduction

This Section includes additional information that the Company considers is material to the decision on how to vote on the Resolution to be considered at the Meeting.

3.2. Shareholder approvals

Shareholder approval is required for the Restructure to proceed:

- (a) under Section 256B(1) of the Corporations Act, which deals with the ability of a company to reduce its share capital by way of an equal reduction, if the reduction:
 - (i) is fair and reasonable to the Company's shareholders as a whole;
 - (ii) does not materially prejudice the Company's ability to pay its creditors; and
 - (iii) is approved by shareholders
 (the **Resolution**);

Shareholders are not being asked to authorise the Sandon Capital Share Issue. The Company was removed from the Official List on 17 January 2022. As a result, the Company is no longer required to seek Shareholder approval under the ASX Listing Rules.

Shareholders are not being asked to authorise the terms of the implementation of the Restructure itself. However, Shareholders should be aware that if the Resolution is not approved at the Meeting, the Restructure will not proceed.

Shareholders should also be aware that the passage of the Resolution does not guarantee that the Restructure will proceed.

3.3. Voting

The Resolution requires approval by a simple majority of votes (50% or more) cast by eligible Shareholders at the Meeting.

For the full explanation of the nature, purpose and effect of the Resolution and the voting restrictions applying to them, is set out in this Section.

3.4. The Resolution – Capital Reduction

The Company believes that it is necessary to reduce the existing number of Shares on issue by way of a Capital Reduction. To do this in a manner that treats all shareholders fairly, the Company proposes, following the issue of the New Preference Share, to cancel all ordinary shares by way of a capital reduction by equal reduction.

Under Section 256B(1) of the Corporations Act, a company may reduce its shares by way of an equal reduction if the capital reduction is approved by an ordinary resolution of shareholders at a meeting.

The Resolution provides for the cancellation of all issued Ordinary Shares as at the date of this Explanatory Memorandum by way of a capital reduction. This means that once the New Preference Share is issued to Sandon Capital all existing Ordinary Shares will be cancelled. Accordingly, the existing Shareholders will no longer be shareholders of the Company upon completion and the sole shareholder of the Company will be Sandon Capital.

3.5. Director Recommendation

The Directors are of the view that the proposed Capital Reduction is fair and reasonable to Shareholders as a whole and that the Capital Reduction will not materially prejudice the Company's ability to pay its creditors.

3.6. Director Holdings

Sandon Capital Investments Ltd, an entity managed by Sandon Capital, owns 18,450,000 shares of the Company. Sandon Capital Investments Ltd intends to vote in favour of the Resolution.

3.7. Agreement or arrangement

There is no agreement or arrangement made between any Director and any other person in connection with or conditional upon the outcome of the Capital Reduction other than as set out in this Booklet.

3.8. Independent advice

Shareholders should consult their legal, financial, taxation or other professional adviser if they have any queries regarding the Restructure or any other aspects of this Explanatory Memorandum.

3.9. Other Material Information

The Company will issue a supplementary document to this Explanatory Memorandum if it becomes aware of any of the following between the date of despatch of this Explanatory Memorandum and the date of the Meeting:

- a material statement in this Explanatory Memorandum is false or misleading in a material respect;
- a material omission from this Explanatory Memorandum;
- a significant change affecting a matter included in this Explanatory Memorandum;
- a significant new matter has arisen and it would; or
- have been required to be included in this Explanatory Memorandum if it had arisen before the date of lodgement of this Explanatory Memorandum for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, the Company may circulate and publish any supplementary document by:

- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia; and/or
- posting the supplementary document to Shareholders at their registered address as shown in the Company Register; and/or
- posting a statement on the Company's corporate website, as the Company in its absolute discretion considers appropriate.

4. Glossary

The following terms used in this Explanatory Memorandum have the meanings given to them below, unless the context otherwise requires.

ASIC	Australian Securities & Investment Commission
Associate	has the same meaning as in the Listing Rules
ASX	ASX Limited (ACN 008 624 691) or, as the context requires, the financial market conduct by it
Board	board of Directors of the Company
Explanatory Memorandum	the Notice of Meeting and Explanatory Memorandum
Company	Reverse Corp Limited (ACN 085 949 855)
Capital Reduction	reduction of all of the Company's issued ordinary Share capital
Corporations Act	Corporations Act 2001 (Cth)
Director	a director of the Company, being at the date of the Explanatory Memorandum, each of Gabriel Radzyminski, James Chirside and Dion Soich
Explanatory Memorandum	the document attached at Appendix 1 that sets out the reasons for the Restructure
Listing Rules	listing rules of the ASX
Meeting	meeting of the Shareholders to be convened to consider the Resolution on 30 June 2022 .
Notice of Meeting	notice meeting issued by the Company for the Meeting
Official List	the official list of the ASX
Proxy Form	the Proxy Form attached to the Notice of Meeting
Restructure	summarised in Section 2.2, being the restructure that will be implemented, subject to satisfaction of conditions precedent.
Resolution	the resolution set out in the Notice of Meeting
Shares	ordinary shares in the capital of the Company
Share Consideration	has the meaning set out in the 2.2 of the Explanatory Memorandum
Shareholder	a registered holder of a Share
Share Registry	Computershare Investor Services Pty Limited (ACN 048 279 277)
