



COLLABORATE CORPORATION LIMITED

ABN 60 066 153 982

NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY MEMORANDUM PROXY FORM

Date of Meeting

Monday, 30 November 2015

Time of Meeting

4:30 pm (EDST)

Place of Meeting

Bligh Room
The York & Conference Function Centre
95 – 99 York Street, Sydney, NSW 2000

ANNUAL REPORT

The 2015 Annual Report is available from the Company's website via the following link: <http://collaboratecorp.com/wp-content/uploads/2015/09/CL8-Annual-Report-to-shareholders.pdf>

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Collaborate Corporation Limited (**Company** or **Collaborate**) is to be held on Monday, 30 November 2015, at Bligh Room, The York & Conference Function Centre, 95 – 99 York Street, Sydney, NSW 2000, commencing at 4:30 pm (EDST).

The Explanatory Memorandum that accompanies and forms part of this Notice describes the matters to be considered at this meeting.

BUSINESS

Financial and Other Reports – Year Ended 30 June 2015 (no resolution required)

To receive and consider the financial report, the Remuneration Report, and the reports of the Directors and of the Auditor for the year ended 30 June 2015.

Resolution 1 – Non-Binding Resolution to Adopt Remuneration Report

To consider and, if thought fit, to pass with or without amendment the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given to adopt the Remuneration Report as set out in the Annual Report for the year ended 30 June 2015.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

The Company will disregard any votes cast on Resolution 1 by, or on behalf of, any of the following persons:

- (a) a member of the Key Management Personnel, as disclosed in the Remuneration Report; or
- (b) a Closely Related Party (such as close family members and any controlled companies) of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 – Re-election of Director – Mr Domenic Carosa

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

“That Mr Carosa, being a director of the Company who retires by rotation in accordance with Clause 13.2 of the Company’s Constitution and being eligible and offering himself for re-election, be re-elected as a director of the Company.”

Resolution 3 – Approval and Ratification of the issue of Shares and Options

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

“That, for the purposes of Listing Rule 7.4 of the Listing Rules, and for all other purposes, Shareholders approve and ratify the issue of 10,000,000 Shares and 5,000,000 Options on the terms and conditions set out in the Explanatory Memorandum.”

Short Explanation: Under the Listing Rules, the Company may seek shareholder approval to ratify an issue of securities to allow it the flexibility to make future issues of securities up to the threshold of 15% of its total ordinary securities in any one 12 month period.

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by a 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 4 – Approval of 10% Placement Capacity

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

"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any associate of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the vote is cast by the Chair 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 5 – Approval to issue securities under an employee incentive scheme

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

"That, for the purposes of Listing Rule 7.2, exception 9, and for all other purposes, approval is given for the Company to issue securities under the employee incentive scheme titled "Collaborate Corporation Limited Incentive Option Plan" on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on Resolution 5 by any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and an associate of such a Director. However, the Company need not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, if:

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

However, the above prohibition does not apply if:

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

Resolution 6 – Approval of issue of Options to Director – Mr Adrian Bunter

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

"That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 1,500,000 Options to Mr Adrian Bunter (a Director) (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by Mr Bunter (and his nominee) and any of their associates.

However, the Company need not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, if:

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

However, the above prohibition does not apply if:

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

Resolution 7 – Approval of issue of Options to Director – Mr Domenic Carosa

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

"That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 1,500,000 Options to Mr Domenic Carosa (a Director) (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by Mr Carosa (and his nominee) and any of their associates.

However, the Company need not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, if:

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

However, the above prohibition does not apply if:

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

Resolution 8 – Approval of issue of Options to Director – Mr Chris Noone

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

"That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 1,500,000 Options to Mr Chris Noone (a Director) (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by Mr Noone (and his nominee) and any of their associates.

However, the Company need not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, if:

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

However, the above prohibition does not apply if:

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

Resolution 9 – Approval of issue of Options to Company Secretary

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 500,000 Options to Ms Karen Logan (the company secretary) (or her nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion:

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

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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 10 – Replacement of the Constitution

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

"That, for the purposes of sections 136(1)(b) and 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form produced at this meeting and signed by the Chair for identification purposes."

EXPLANATORY MEMORANDUM

The Explanatory Memorandum is incorporated in and comprises part of this Notice. Shareholders are referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice and the Explanatory Memorandum.

PROXIES

Please note that:

- A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member.
- A proxy need not be a member of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (e.g. "the Company Secretary").
- Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If no such proportion is specified, each proxy may exercise half of the member's 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.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and

- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. Completed Proxy Forms (together with any authority under which the proxy was signed or a certified copy of the authority) must be returned before 4:30 p.m. (EDST) on Saturday, 28 November 2015.

VOTING ENTITLEMENTS

For the purposes of section 1074E(2) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members holding ordinary shares as set out in the Company's share register at 4:30 p.m. (EDST) on Saturday, 28 November 2015 will be entitled to attend and vote at the Annual General Meeting.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with an original (or certified copy) 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 in advance of the meeting or handed in at the meeting when registering as a corporate representative. The appointment must comply with section 250D of the Corporations Act.

ATTORNEYS

If an attorney is to attend the meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms, being no later than 4:30 p.m. (EDST) on Saturday, 28 November 2015. Previously lodged powers of attorney will be disregarded by the Company.

**DATED THIS 26TH OF OCTOBER 2015
BY ORDER OF THE BOARD**



**Karen Logan
Company Secretary**

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Collaborate Corporation Limited (**Company** or **Collaborate**).

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Financial Statements and Report

Under the Corporations Act, the directors of the Company must table the Financial Report, the Directors' Report and the Auditor's Report for Collaborate for the year ended 30 June 2015 (**2015 Annual Report**) at the Meeting. These reports are set out in the 2015 Annual Report. Shareholders who elected to receive a printed copy of annual reports should have received the 2015 Annual Report with this Notice of Annual General Meeting.

In accordance with section 314 (1AA)(c) of the Corporations Act, the Company advises the 2015 Annual Report is available from the Company's website: (<http://collaboratecorp.com/wp-content/uploads/2015/09/CL8-Annual-Report-to-shareholders.pdf>).

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the 2015 Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2015.

There is no requirement for Shareholders to approve the 2015 Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the 2015 Annual Report which is available online;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the Auditor questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - (iii) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the Auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Auditor about:

- (a) the content of the Auditor's Report; and
- (b) the conduct of the audit of the Annual Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

1. Resolution 1 – Adoption of Remuneration Report

1.1 General

Under the Corporations Act, the Company is required to include, in the Directors' Report, a detailed Remuneration Report setting out the prescribed information in relation to the remuneration of directors and executives of Collaborate and the Company's remuneration practices.

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the Remuneration Report.

Under section 250R(2) of the Corporations Act, the Remuneration Report is required to be submitted for adoption by a resolution of Shareholders at the Annual General Meeting. The vote on this resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

1.2 Voting consequences

Under the Corporations Act, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

1.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

- ¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
- ² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member.
- ³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
- ⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

1.5 Voting Intention

The Chair of the meeting intends to vote all available proxies in favour of the Resolution.

2. Resolution 2 – Re-election of Director – Mr Domenic Carosa

Clause 13.2 of the Constitution requires that at the annual general meeting, one third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A retiring director is eligible for re-election.

The Company currently has 3 Directors. Accordingly, 1 must retire.

All Directors were last elected on 28 November 2014. The Directors have agreed amongst themselves that Mr Carosa is to retire at the Annual General Meeting.

Mr Carosa retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Carosa has over 20 years of experience in business and technology. He is co-founder and Chair of Future Capital Development Fund Pty Ltd (a registered Pooled Development Fund). Future Capital has successfully raised in excess of \$8M in patient equity capital in recent years, invested in 14 early stage investees. He is also Chair of Dominet Digital Corporation Pty Ltd, a boutique internet investment group and Executive Director/CEO of ASX listed global mobile entertainment company CrowdMobile.com. Mr Carosa was previously the co-founder and Group CEO of ASX-listed destra Corporation which was the largest independent media and entertainment company in Australia.

Mr Carosa is a non-executive director of the listed company Shoply Limited, having been appointed on 18 June 2013 and Executive Director of Crowd Mobile Limited, having been appointed on 13 January 2015.

The Board has considered Mr Carosa's independence and considers that he is not an independent Director.

2.1 Board Recommendation

The Board (other than Mr Carosa) recommends Shareholders vote in favour of the Resolution.

2.2 Voting Intention

The Chair of the Meeting intends to vote undirected proxies in favour of the Resolution.

3. Resolution 3 – Approval and Ratification of the issue of Shares and Options

3.1 Background

On 9 June 2015, the Company issued 10,000,000 fully paid shares at an issue price of \$0.02 per Share and 5,000,000 free-attaching Options to raise \$200,000, before costs.

3.2 Reason approval required

The Company seeks that Shareholders approve and ratify the issue of Shares and Options pursuant to Listing Rule 7.4. Listing Rule 7.4 enables shareholders of a company to approve and ratify an issue of securities that was made without shareholder approval under Listing Rule 7.1 and which did not breach Listing Rule 7.1 with the effect that those securities will be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.4.

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 issue of Shares and Options is placed before Shareholders to allow this number of securities to be included in the number of shares on issue used to calculate the 15% capacity as well as not being deducted from that 15% capacity.

For the purposes of Listing Rule 7.5, the following information is provided:

- (a) A total of 10,000,000 Shares and 5,000,000 Options were issued.
- (b) The Shares were issued at an issue price of \$0.02 each. The Options were issued for nil consideration.
- (c) The Shares issued were fully paid ordinary shares and rank equally in all respects with the existing fully paid ordinary shares issued in the capital of the Company. The Options issued were issued on the terms and conditions set out in Schedule 1 to this Explanatory Memorandum.
- (d) The Shares and Options were issued to HSBC Nominees (Australia) Limited – A/C 2, who is not a related party of the Company.
- (e) Funds raised from the capital raising are being used to advance the evolution of the Company's proprietary trust and reputation platform, enabling the Company to launch into new peer-to-peer markets and support marketing and PR activities for the DriveMyCar website, for general working capital and to cover costs of the capital raising.

(f) A voting exclusion statement has been included for the Resolution.

3.3 Board Recommendation

The Board believes that maintaining the Company's ability to issue securities within the 15% limit is in the best interests of the Company, thereby retaining its flexibility to make placements of securities without seeking shareholder approval if the need or opportunity arises. Accordingly, the Board recommends Shareholders vote in favour of the Resolution.

3.4 Voting Intention

The Chair of the meeting intends to vote undirected proxies in favour of the Resolution.

4. Resolution 4 – Approval of 10% Placement Capacity

4.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued share capital over up to a 12 month period after the annual general meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**10% Placement Capacity**).

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on deferred settlement basis); and
- (b) the entity is not included in the S&P ASX 300 Index.

The Company is an eligible entity for the purposes of Listing Rule 7.1A as it is not included in the S&P ASX 300 Index and has a current market capitalisation of \$6,730,618 (based on the number of Shares on issue (336,530,891) and the Share price (\$0.02) as at the close of the market on 22 October 2015).

The effect of Resolution 4 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid Ordinary Securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

4.2 Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that an eligible entity which has obtained shareholder approval at an annual general meeting may issue or agree to issue, during the Placement Period (as defined below), a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

- A is the number of fully paid shares on issue 12 months before the date of issue or agreement:
- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - plus the number of partly paid shares that became fully paid in the 12 months;
 - plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
 - less the number of fully paid shares cancelled in the 12 months.
- D is 10%.
- E is the number of Equity Securities issued or agreed to be issue under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

Listing Rule 7.1A

The effect of Resolution 4 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has one class of quoted Equity Securities on issue, being the Shares (ASX: CL8).

At the date of this Notice the Company has 336,530,891 Shares on issue and therefore, subject to Shareholder approval being sought under Resolution 4, 33,653,089 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A at the time of issue of the Equity Securities. The table in section 4.3 demonstrates various examples as to the number of Equity Securities that may be issued under the 10% Placement Capacity.

4.3 Specific Information required by Listing Rule 7.3A

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price for the Company’s Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - i. the date on which the price at which the Equity Securities are to be issued is agreed; or
 - ii. if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of those Shareholders who do not receive any Shares under the issue. There is also a risk that:
 - i. the market price for the Company’s Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - ii. the Equity Securities may be issued at a price that is at a discount to the market price for the Company’s Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders of the issue of the maximum number of Equity Securities under the 10% Placement Capacity using variables for the number of ordinary securities for variable “A” (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that the variable “A” is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- i. examples where variable “A” is at its current level and where variable “A” has increased by 50% and 100%;
- ii. examples of where the issue price of ordinary securities is the current market price as at close of trade on 22 October 2015, being \$0.02, (**current market price**), where the issue price is halved, and where it is doubled; and
- iii. the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the 10% Placement Capacity are issued.

Variable "A"	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.01 Issue Price at half the current market price	\$0.02 Issue Price at current market price	\$0.04 Issue Price at double the current market price
Current Variable A 336,530,891 Shares	Shares issued	33,653,089	33,653,089	33,653,089
	Funds raised	\$336,531	\$673,062	\$1,346,124
	Dilution	10%	10%	10%
50% increase in current Variable A 504,796,337 Shares	Shares issued	50,479,634	50,479,634	50,479,634
	Funds raised	\$504,796	\$1,009,593	\$2,019,185
	Dilution	10%	10%	10%
100% increase in current Variable A 673,061,782 Shares	Shares issued	67,306,178	67,306,178	67,306,178
	Funds raised	\$673,062	\$1,346,124	\$2,692,247
	Dilution	10%	10%	10%

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

Note this table assumes:

- i. No Options are exercised before the date of the issue of the Equity Securities.
- ii. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares.
- iii. The current shares on issue are the Shares on issue as at 23 October 2015.
- iv. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- v. The Company has included in the calculation all shares that have been issued 12 months prior to 23 October 2015 and that have been issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 or 7.4.
- vi. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- vii. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- viii. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- ix. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

(c) Approval of the 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:

- i. the date that is 12 months after the date of the Annual General Meeting; and
- ii. the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to that nature of scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(Placement Period).

(d) The Company may seek to issue the Equity Securities for the following purposes:

- i. cash consideration. If Equity Securities are issued for cash consideration, the Company intends to use the funds raised towards driving the growth of DriveMyCar, MyCaravan and Rentoid websites through marketing, PR and product development activities, supporting the development and monetisation of the PeerPass trust and reputation platform, pursuing investment opportunities that align with the Company's peer-to-peer strategy, supplementing the Company's working capital and covering the costs of the issue of Equity Securities; or
- ii. non-cash consideration for the settlement of liabilities of the Group. If Equity Securities are issued for non-cash consideration, the Company will comply with Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

(e) The Company' allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be determined having regard to purpose(s) of the issue(s) the prevailing market conditions at the time of the proposed issue(s).

The identity of the allottees under the 10% Placement Capacity will be determined on a case-by-case basis having regard to factors which may include the following:

- i. the methods of raising funds that are available to the Company, including but not limited to, entitlements issues or other issues in which existing security holders can participate;
- ii. the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issue of Equity Securities;
- iii. the financial situation and solvency of the Company; and

- iv. advice from professional advisers, including corporate, financial and broking advisers (if applicable).

The Company notes that:

- i. any funds raised from the issue of Shares under the 10% Placement Capacity are likely to be applied towards driving the growth of the DriveMyCar, My Caravan and Rentoid websites through marketing, PR and product development activities, supporting the development and monetisation of the PeerPass trust and reputation platform, pursuing investment opportunities that align with the Company's peer-to-peer strategy, supplementing the Company's working capital and covering the costs of the issue of Equity Securities;
- ii. it is not possible to determine whether any existing Shareholders, or class of Shareholders, would be invited to apply for any Shares to be issued under the 10% Placement Capacity, or to determine the category of any new investors that may be invited to participate in such a fundraising;
- iii. prior to undertaking any fundraising, the Board will have regard to whether it is in the Company's best interests to structure such a fundraising as an entitlements issue to all of the Company's existing Shareholders at that time; and
- iv. the reason for undertaking any particular issue under the 10% Placement Capacity would be announced at the time the Company sought to issue shares under that 10% Placement Capacity.

At the date of this notice, the allottees under the 10% Placement Capacity have not been determined. They may, however, include substantial Shareholders and/or new Shareholders who are not related parties (or their associates) of the Company. If the Company issues the Equity Securities for the settlement of liabilities of the Group, it is likely that the allottees under the 10% Placement Capacity will be those parties to whom the liabilities are owed.

- (f) Previous approval under ASX Listing Rule 7.1A
 - i. The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting held on 28 November 2014 (**Previous Approval**).
 - ii. The Company issued 31,415,000 Shares pursuant to the Previous Approval on 30 January 2015 at an issue price of \$0.02 per Share to institutional and sophisticated investors.
 - iii. During the 12 month period preceding the date of the Meeting, the Company issued a further 69,510,244 Shares and 54,000,000 Options. This, together with the Shares issued under the Previous Approval, represents approximately 34.9% of the total diluted post-consolidation number of Equity Securities on issue in the Company at the commencement of that 12 month period. The Company completed a consolidation of capital in December 2014 such that every 10 Shares and 10 Options were consolidated into 1 Share and 1 Option. The total post-consolidation Equity Securities as at 1 December 2014 was 444,080,167 which comprised 315,943,317 post-consolidation Shares and 128,136,850 post-consolidation Options.
 - iv. During the 12 month period preceding the date of the Meeting, the Company also cancelled 80,337,670 Shares and 8,033,764 Options (post-consolidation).
 - v. Further details of the issue of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 2.
- (g) When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:
 - i. a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
 - ii. the information required by Listing Rule 3.10.5A for release to the market.
- (h) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the 10% Placement Capacity. The Company has not, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the 10% Placement Capacity, and therefore no Shareholder will be excluded from voting on Resolution 4.

4.4 Board recommendation

The Board recommends Shareholders vote in favour of the Resolution.

4.5 Voting intention

The Chair of the meeting intends to vote all undirected proxies in favour of the Resolution.

5. Resolution 5 – Approval to issue securities under an employee incentive scheme

5.1 General

This resolution seeks Shareholder approval for the Company to issue Options under the employee incentive scheme titled “Collaborate Corporation Limited Incentive Option Plan” (Plan).

The Board recognises the need to adequately incentivise and remunerate staff and an effective employee incentive scheme can be used as a vehicle for the Company’s Long Term Incentive Plan in addition to providing the Board with flexibility to issue other equity incentives offered by the Board from time to time. The Plan is designed to:

- (a) align employee incentives with Shareholders’ interests;
- (b) encourage broad based share ownership by employees at all levels; and
- (c) assist employee attraction and retention.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue Options under the Plan to eligible participants over a period of 3 years from the date of approval without impacting on the Company’s ability to issue up to 15% of its total ordinary securities without prior Shareholder approval in any 12 month period. Any issues of Options under the Plan to a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX’s opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. There is no current intention to issue Options under the Plan to Directors.

Key terms of the Plan are included in Schedule 3.

There have been no issue of securities under the Plan as at the date of this Notice as this is the first approval sought under exception 9(b) of Listing Rule 7.2 with respect to the Plan.

A voting exclusion statement in respect to Resolution 5 is included in the Notice.

Resolution 5 is an ordinary resolution.

5.2 Board Recommendation

The Directors consider that the Plan is an appropriate mechanism to assist the recruitment, reward, retention and motivation of employees and senior management of the Company, and unanimously recommend that Shareholders vote in favour of Resolution 5.

5.3 Voting Intention

The Chair of the meeting intends to vote undirected proxies in favour of the Resolution.

6. Resolutions 6, 7 and 8 – Approval of issue of Options to Directors

6.1 General

Resolutions 6, 7 and 8 seek Shareholder approval pursuant to Listing Rule 10.11 and Chapter 2E of the Corporations Act for the issue of 4,500,000 Options as follows:

Director	Number of Options
Mr Adrian Bunter	1,500,000
Mr Domenic Carosa	1,500,000
Mr Chris Noone	1,500,000
	4,500,000

The Board acknowledges that the grant of Options to directors may be contrary to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Options to directors is reasonable in the circumstances given the Company's size and stage of development, and that the incentives represented by the issue of the Options are a cost effective and efficient reward and incentive, as opposed to alternative forms of incentive, such as the payment of cash compensation. It is also not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.

Currently, the Company's Non-Executive Directors' receives Directors' total fees of \$30,000 per annum. The remuneration that the Non-Executive Directors receive for performing their duties as a Director is below the average remuneration levels for directors of companies with similar size to the Company's. The grant of the Options is a cash free, effective and efficient way to provide Directors with an appropriate and market level of Directors' remuneration.

An alternative to the issue of the Director Options would be to increase the Directors' cash remuneration. However, given the current stage of development of the Company, and the necessity for cash resources to be preserved and directed into the growth of the Company's business, the Board considers the issue of the Director Options to be an appropriate cash-free method of remunerating the Directors for their commitment and contribution to the Company.

Resolutions 6, 7 and 8 are ordinary resolutions.

6.2 Reason approval required

Shareholder approval is required under Listing Rule 10.11 and section 208 of the Corporations Act because the directors are related parties of the Company.

Listing Rule 10.11 requires shareholder approval for the issue of securities to a related party of the Company unless an exception applies under Listing Rule 10.13.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- i) the giving of the financial benefit falls within one of the nominated exceptions to the provision (set out in Sections 210 to 216); or
- ii) prior shareholder approval is obtained to the giving of the financial benefit (in accordance with Sections 217 to 227).

It is the view of the Directors that the exceptions under Chapter 2E of the Corporations Act and Listing Rule 10.12 may not apply in the current circumstances. Accordingly, Shareholder approval pursuant to Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is required for the issue of Options to directors (or their nominees).

6.3 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

Listing Rule 10.13 and section 219 of the Corporations Act requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the issue of Options:

- i) A total of 4,500,000 Options will be issued to the Directors (or their nominees) as follows:

<u>Director</u>	<u>Number of Options</u>
Mr Adrian Bunter	1,500,000
Mr Domenic Carosa	1,500,000
Mr Chris Noone	1,500,000
	<u>4,500,000</u>

- ii) The maximum number of securities to be issued is 4,500,000 Options.
- iii) The Company will issue the Options no later than one month after the date of the Meeting or such longer period of time as ASX may in its discretion allow, and it is anticipated that the issue will occur on one date.
- iv) Each Option will have an issue price of nil. Each Option entitles the holder to subscribe for one Share at an exercise price of 1.45 times the volume-weighted average market price for Shares on the five (5) Trading Days immediately prior to the issue of the Options and will have a 3 year term from the date of issue.

Refer to Schedule 4 for the entire terms and conditions of the Options. The Shares issued on exercise of the Options will rank equally with the Company's existing Shares then on issue.

- v) The directors have interests in Resolutions 6, 7 and 8 and therefore believe that it is inappropriate to make a recommendation.

- vi) The Black Scholes Pricing Model has been used to value the Options, with the following assumptions:
- the risk free rate of interest of 1.82% is the Australian Government 3 year bond rate;
 - the underlying security spot price of \$0.02 used for the purposes of this valuation is based on the Share price of the Company as at 22 October 2015;
 - the estimated volatility used in the valuation is 132%;
 - for the purposes of the valuation, no future dividend payments have been forecast; and
 - for the purposes of the valuation it is assumed that the Options will be issued on 20 October 2015.

Based on the above, the total of the fair value of the Options at 22 October 2015 is as follows:

Director	Fair Value of Director Options
Mr Adrian Bunter	\$21,000
Mr Domenic Carosa	\$21,000
Mr Chris Noone	\$21,000
	\$63,000

- vii) As at the date of this Notice of Meeting, the directors have the following interests in securities of the Company:

Director	Shares	Options	Deferred Consideration Shares ¹
Mr Adrian Bunter	3,000,000	1,413,738	489,368
Mr Domenic Carosa ²	16,257,419	8,788,910	9,880,515
Mr Chris Noone	600,000	5,300,000	-

¹ The issue of the Deferred Consideration Shares is subject to Drive My Car Rentals Pty Ltd achieving an audited annual net profit before tax of at least \$500,000 in any consecutive 12 month period in the 36 months following settlement of the acquisition which completed on 19 February 2014. If these events do not occur by 19 February 2017, the Deferred Consideration Shares will not be allotted.

² These Securities are held by Tiger Domains Pty Ltd ATF Tiger Domains Unit Trust in which Mr Carosa is both a 50% shareholder and unit holder and Dominet Digital Corporation Pty Ltd ATF The Carosa Family A/C in which Mr Carosa is a beneficiary, and Future Capital Development Fund Pty Ltd in which Mr Carosa is a shareholder and director.

- viii) The remuneration and emoluments from the Company to the directors proposed for the current financial year on an annualised basis and actual for the previous two completed financial year are as follows:

Director	Proposed in Current Financial 2016		2015		2014	
	Salary and Fees \$	Options \$	Salary and Fees \$	Options \$	Salary and Fees \$	Options \$
Mr Adrian Bunter ¹	30,000	Nil	22,500	13,000	6,667	Nil
Mr Domenic Carosa ²	30,000	Nil	19,940	13,000	N/A	N/A
Mr Chris Noone ^{2,3}	219,000	Nil	230,750	28,824	N/A	N/A

- Appointed as a director on 19 February 2014.
- Appointed as a director on 8 August 2014.
- Mr Noone may receive up to an additional \$60,000 per annum in short term cash incentives.

- ix) If the Shareholders approve the issue of the Options to the directors, the exercise of the Options will result in a dilution of all other Shareholders' holdings in the Company of approximately 1.34% (assuming no other Shares are issued) or 0.445% per Director.

- x) Historical Share price information for the last 12 months is as follows:

	Price	Date
Highest	\$0.044	13 May 2015
Lowest*	\$0.010	13 November 2014
Last	\$0.020	22 October 2015

*The Company completed a consolidation of capital in December 2014 such that every 10 Shares were consolidated into 1 Share.

- x) The Options will be issued for nil cash consideration. Accordingly, no funds will be raised. However, the Options will raise funds if they are exercised by the Directors (or their nominees). No decision has been made on how funds raised from the exercise of Options will be used. The Board will consider the circumstances of the Company at the time the funds are raised.
- xii) The primary purpose of the issue of the Options to the Directors (or their respective nominees) is to provide a performance linked incentive component in their respective remuneration packages to motivate and reward their performance in their roles as Directors.
- xiii) Other than the information above and otherwise in this Explanatory Memorandum, the Board believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 6, 7 and 8.
- xiv) A voting exclusion statement has been included for each Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to Messrs Carosa, Bunter and Noone (or their nominees) as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Options to Messrs Carosa, Bunter and Noone (or their nominees) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1

6.4 Board Recommendation

For the reasons set out in section 6.3(v) of this Explanatory Memorandum, the Board is unable to provide a recommendation in relation to Resolutions 6, 7 and 8.

6.5 Proxy Voting Restrictions

Please see section 1.4 of this Explanatory Memorandum for the proxy voting restrictions that apply to Resolution 6, 7 and 8.

6.6 Voting Intention

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 6, 7 and 8.

7. Resolution 9 – Approval of issue of Options to Company Secretary

7.1 General

Resolution 9 seeks Shareholder approval pursuant to Listing Rule 7.1 to issue 500,000 Options to Ms Karen Logan (or her nominee(s)), the Company Secretary of the Company.

The Board considers the grant of Options to the Company Secretary is reasonable in the circumstances given the Company's size and stage of development, and that the incentives represented by the issue of the Options are a cost effective and efficient remuneration, as opposed to alternative forms of consideration, such as the payment of cash compensation.

Resolution 9 is an ordinary resolution.

7.2 Reason approval required

The effect of Resolution 9 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by the ASX), without using the Company's 15% annual placement capacity.

7.3 Specific information required by Listing Rule 7.3 for the purpose of Listing Rule 7.1

- (i) The maximum number of securities to be issued is 500,000 Options.
- (ii) The Company will issue the Options no later than three months after the date of the Meeting or such longer period of time as ASX may in its discretion allow, and it is anticipated that the issue will occur on one date.
- (iii) The Options will be issued for nil cash consideration. Accordingly, no funds will be raised. However, the Options will raise funds if exercised by Ms Logan (or her nominee(s)). No decision has been made on how funds raised from the exercise of Options will be used. The Board will consider the circumstances of the Company at the time the funds are raised.

- (iv) The Options will be issued to Ms Logan (or her nominee(s)).
- (v) Each Option will have an issue price of nil. Each Option entitles the holder to subscribe for one Share at an exercise price of 1.45 times the volume-weighted average market price for Shares on the five (5) trading days immediately prior to the issue of the Options and will have a 3 year term from the date of issue. Refer to Schedule 4 for the entire terms and conditions of the Options. The Shares issued on exercise of the Options will rank equally with the Company's existing Shares then on issue.
- (vi) A voting exclusion statement has been included for each Resolution.

7.4 Additional information provided for Shareholders

- (i) The directors believe that Resolution 9 provides a cost-effective and efficient incentive for the Company to provide, as opposed to alternative forms of consideration.
- (ii) The Black Scholes Pricing Model has been used to value the Options and the inputs used are listed above in 6.3vi. the total fair value of the Options to the company secretary is \$6,000.
- (iii) If the Shareholders approve the issue of the Options to the company secretary, the exercise of the Options will result in a dilution of all other Shareholders' holdings in the Company of approximately 0.15% (assuming no other Shares are issued).
- (iv) Historical Share price information for the last 12 months is listed above in 6.3(x).
- (v) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 9.

8 Resolution 10 – Replacement of the Constitution

8.1 General

Section 136(1)(b) of the Corporations Act provides that a company may adopt a new constitution by special resolution passed at a general meeting. Section 136(2) of the Corporations Act provides that a company may repeal its constitution by special resolution passed at a general meeting. A special resolution requires the approval of 75% of the votes cast by shareholders entitled to vote at the general meeting.

Resolution 10 is a special resolution which will enable the Company to adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend and insert a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature. The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out in Schedule 5.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 2 8889 3641)). Shareholders are invited to contact the Company if they have any queries or concerns.

8.2 Directors recommendation

The directors do not believe the proposed changes to the Constitution in anyway disadvantage shareholders and therefore unanimously recommend that Shareholders vote in favour of Resolution 10.

8.3 Voting Intention

The Chair of the meeting intends to vote all available proxies in favour of the Resolution.

GLOSSARY

\$ means an Australian dollar.

Annual General Meeting means the annual general meeting the subject of this Notice.

Annual Report has the same meaning as Financial Report.

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

ASX Listing Rules and **Listing Rules** mean the official listing rules of ASX.

Auditor means the Company's auditor from time to time, at the date of the Notice, being HLB Mann Judd (WA Partnership).

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)* for the purposes of the definition of 'closely related party' in the Corporations Act.

Company or **Collaborate** means Collaborate Corporation Limited (ACN 066 153 982).

Constitution means the Company's constitution.

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

Director means a Director of the Company and **Directors** means the directors of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act.

EDST means Eastern Daylight Savings Time.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Annual General Meeting.

Financial Report means the annual financial report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act.

Group means the Company and its subsidiaries.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Meeting means the meeting of Shareholders convened by the Notice of Annual General Meeting.

Notice or **Notice of Meeting** means the notice of annual general meeting accompanying this Explanatory Memorandum.

Option means an option which entitles the holder to subscribe for one Share.

Optionholder means an option holder of the Company.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Plan has the meaning given to that term in Resolution 5.

Proxy Form means a proxy form attached to the Notice.

Remuneration Report means the remuneration report as contained in the Directors' report section of the Company's annual financial report for the year ended 30 June 2015.

Schedule means a schedule to the Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

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

SCHEDULE 1

Terms and Conditions of Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) The exercise price of each Option is \$0.02.
- (b) Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.
- (c) The Options will expire at 5.00pm WST on 30 April 2017 (**Expiry Date**). Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically lapse on the expiry date.
- (d) Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of allotment.
- (e) A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.
- (f) Options are transferrable at any time prior to the Expiry Date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX in circumstances where the Company is listed on the ASX.
- (g)
 - (i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.
 - (ii) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed, being an amount of \$0.02 per Share.
 - (iii) Subject to paragraph (g)(i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
 - (iv) Within 14 business days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
 - (v) The Company will within 3 business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
 - (vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.
- (h) In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Corporations Act and ASX Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
- (i) There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least seven (7) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
- (j) There are no rights to change the exercise price of the Options or the number of underlying Shares if there is a bonus issue to the holders of ordinary shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend investment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.

SCHEDULE 2

Issues of Equity securities since 1 December 2014:

Date	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price and discount to Market Price on the date of issue ¹	Form of consideration	Use of funds or intended use of funds for remaining consideration
Issue: 30 January 2015 Appendix 3B: 30 January 2015	53,000,000 (of which 31,415,000 were issued under ASX Listing Rule 7.1A and 21,585,000 were issued under ASX Listing Rule 7.1)	Shares ²	Institutional and sophisticated investor clients of DJ Carmichael Pty Limited and Foster Stockbroking Limited. Unrelated parties.	\$0.02 per Share (no discount to Market Price)	Cash Amount raised ⁴ : \$1,060,000 Amount spent: \$1,060,000	The funds raised were to be used to advance the evolution of the Company's proprietary trust and reputation platform, enabling the Company to launch into new peer-to-peer markets, and support marketing and PR activities for the DriveMyCar website, for general working capital and to cover costs of the capital raising.
Issue: 30 January 2015 Appendix 3B: 30 January 2015	5,000,000	Quoted Options ³	DJ Carmichael Pty Limited and Foster Stockbroking Limited	No issue price (non-cash consideration)	Non-cash consideration Consideration for joint lead manager services in relation to the capital raising completed on 30 January 2015. Current value ⁵ = \$45,000	Not applicable
Issue: 9 June 2015 Appendix 3B: 9 June 2015	20,000,000	Shares ²	Institutional and sophisticated investor clients of Clients of DJ Carmichael Pty Limited, including Mr Carosa as a related party	\$0.02 per Share (30.00% discount to Market Price on that day)	Cash Amount raised ⁴ : \$400,000 Amount spent: \$300,000	The funds raised were to be used to advance the evolution of the Company's proprietary trust and reputation platform, enabling the Company to launch into new peer-to-peer markets and support marketing and PR activities for the DriveMyCar website, for general working capital and to cover costs of the capital raising.

Date	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price and discount to Market Price on the date of issue ¹	Form of consideration	Use of funds or intended use of funds for remaining consideration
Issue: 9 June 2015 Appendix 3B: 9 June 2015	36,500,000	Quoted Options ³	Clients of DJ Carmichael Pty Limited and Foster Stockbroking Limited, including Mr Carosa as a related party	No issue price (non-cash consideration)	1-for-2 free attaching Option for participants in the capital raisings completed on 30 January 2015 and 9 June 2015. Current value ⁵ : \$328,500	
Issue: 27 August 2015 Appendix 3B: 28 August 2015	25,000,000	Shares ²	Sophisticated investors	\$0.02 per Share 5.00% discount to Market Price on the date of issue)	Cash Amount raised ⁴ : \$500,000 Amount spent: \$nil	The funds raised are intended to be applied to marketing campaigns for DriveMyCar and MyCaravan, recruitment of personnel to expand corporate partnership opportunities, further development of the PeerPass verification platform and to accelerate the conclusion of investment and acquisition opportunities.
Issue: 27 August 2015 Appendix 3B: 28 August 2015	12,500,000	Quoted Options ³	Sophisticated investors	No issue price (non-cash consideration)	1-for-2 free attaching Options for participants in the capital raising completed on 27 August 2015. Current value ⁵ : \$112,500	
Issue: 2 September 2015 Appendix 3B: 2 September 2015	2,925,244	Shares ²	Option holder who exercised listed options	\$0.02 per Share (5.00% premium to Market Price)	Cash Amount raised ⁴ : \$58,505 Amount spent: nil.	The funds will be used for working capital purposes.

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the trading day of the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: CL8 (terms are set out in the Constitution).
3. Quoted Options, exercisable at \$0.02 each, with an expiry date of 30 April 2017, ASX Code: CL8O (terms are set out in Schedule 1).
4. The cash balance of the Company on 1 December 2014 was approximately \$675,000. The aggregate amount raised from issues of Equity Securities listed in Schedule 3 is \$2,018,505. The cash balance of the Company as at the date of this Notice is approximately \$600,000. The amount spent since 1 December 2014 to the date of this Notice has been approximately \$2,093,505. These funds have been spent on continued development of Collaborate's business units. The amount raised from issues of Equity Securities listed in Schedule 3 that remains unspent as at the date of this Notice is \$600,000. It is proposed that these funds will be used, together with the Company's other cash reserves, for the development and marketing of the Company's proprietary trust and reputation platform, enabling the Company to launch into new peer-to-peer markets and support marketing and PR activities for the DriveMyCar and MyCaravan websites, to supplement the Company's working capital. This statement as it relates to the future use of funds is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
5. Based on the closing price of the Options (\$0.009) on the ASX on 22 October 2015.

SCHEDULE 3

Key Terms and Conditions of the Employee Incentive Option Plan

- (a) **Eligibility:** Participants in the Plan may be:
- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (a), (b) or (c) above,
- who is declared by the Board to be eligible to receive grants of Options under the Plan (**Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Participant (including a Participant who has previously received an offer) to apply for up to a specified number of Options, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Options due to
- (i) the Participant ceasing to be a Participant due to death or total and permanent disability; or
 - (ii) a Change of Control occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in the Option;
 - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to vest the Option (eg due to death, total and permanent disability);
 - (iii) in respect of unvested Option only, a Participant ceases to be a Participant, unless the Board exercises its discretion to vest the Right (eg due to death, total and permanent disability) or allow the unvested Options to remain unvested after the relevant person ceases to be a Participant;
 - (iv) in respect of vested Options only, a relevant person ceases to be a Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be a Participant;

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- (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Participant;
 - (vi) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Option;
 - (vii) the expiry date of the Option; and
 - (viii) the 7 year anniversary of the date of grant of the Option.
- (h) **Not transferrable:** Options are only transferrable with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
 - (i) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer below) from the date of issue, rank on equal terms with all other Shares on issue.
 - (j) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.
 - (k) **Share Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant (or their eligible nominee) on exercise of those Options up to a maximum of seven (7) years from the grant date of the Options.
 - (l) **No Participation Rights:** There are no participating 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.
 - (m) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
 - (n) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Option granted under the Plan including giving any amendment retrospective effect.

Definitions: Capitalised terms used in the above summary are as defined in the Plan, including:

Change of Control means:

- a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

SCHEDULE 4

Terms and Conditions of Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- a) *Exercise Price*
- The exercise price per Option is 1.45 times the volume-weighted average market price for Shares on the five (5) trading days immediately prior to the issue of Options.
- b) *Entitlement*
- Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.
- c) *Option Period*
- The Options will expire at 5:00pm EST on the date that is three years after the date of grant of the Options (**Expiry Date**). Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically lapse on the Expiry Date.
- d) *Ranking of Share Allotted on Exercise of Option*
- Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of issue.
- e) *Voting*
- A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.
- f) *Transfer of an Option*
- Options are transferrable at any time prior to the Expiry Date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX.
- g) *Method of Exercise of an Option*
- (vii) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.
- (viii) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed.
- (ix) Subject to paragraph (g)(i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
- (x) Within 14 business days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
- (xi) The Company will within 3 business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
- (xii) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.
- h) *ASX Quotation*
- Application for quotation of the Options on the ASX will not be made.
- i) *Reconstruction*
- In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Corporations Act and ASX Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
- j) *Participation in New Share Issues*
- There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be such date required under the Listing Rules in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
- k) *No Change of Options' Exercise Price or Number of Underlying Shares*
- There are no rights to change the exercise price of the Options or the number of underlying Shares if there is a bonus issue to the holders of ordinary shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend investment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.

SCHEDULE 5

Material changes to the Constitution

All clause references referred to in this Schedule relate to the Proposed Constitution unless stated otherwise.

Minimum Shareholding (clause 3)

Clause 3 of the Proposed Constitution outlines how the Company can manage shareholdings which represent an “unmarketable parcel” of shares, being a shareholding that is less than \$500 based on the closing price of the Company’s Shares on ASX as at the relevant time.

The Proposed Constitution removes the requirement to provide a second notice to holders of less than a marketable parcel before the Company is entitled to sell those holdings. This is in line with the requirements for dealing with “less than marketable parcels” outlined in the ASX Listing Rules which only require one notice to be given, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution outlines in detail the process that the Company must follow for dealing with less than marketable parcels.

Dividends (clause 21)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- the company’s assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- the payment of the dividend is fair and reasonable to the company’s shareholders as a whole; and
- the payment of the dividend does not materially prejudice the company’s ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to “off-market transfers”.

The existing Constitution does not permit a fee to be charged. Clause 8.4 of the Proposed Constitution enables the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

P R O X Y F O R M

MR SAM SAMPLE
 UNIT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE WA 6060

1. Appointment of Proxy

I/We being a member/s of Collaborate Corporation Limited entitled to attend and vote at the Meeting hereby appoint

	the Chair of the Meeting	OR	
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PLEASE NOTE: Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the person so named or, if no person is named, the Chair, or the Chair’s nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 4:30 pm EDST on Monday, 30 November 2015 at The York & Conference Function Centre 95 – 99 York Street, Sydney, NSW 2000, and at any adjournment thereof.

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business in which the Chair is entitled to vote. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Authority for Chair to vote undirected proxies on remuneration-related resolution: Where I/we appoint the Chair of the Meeting as my/our proxy (or where the Chair of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of Resolutions 1, 5, 6, 7 and 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5, 6, 7 and 8 are connected directly or indirectly with the remuneration of a member of Key Management Personnel of Collaborate Corporation Limited, which may include the Chair. I/we acknowledge that if the Chair of the Meeting is my/our proxy and I/we have not marked any of the boxes opposite Resolutions 1 to 10, the Chair of the Meeting intends to vote my/our proxy in favour of Resolutions 1 to 10.

2. Items of Business

Please mark to indicate your voting directions.

	FOR	AGAINST	ABSTAIN
1. Non-Binding Resolution to Adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director – Mr Domenic Carosa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval and Ratification of the issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval to issue securities under an Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of issue of Options to Director – Mr Adrian Bunter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval of issue of Options to Director – Mr Domenic Carosa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Approval of issue of Options to Director – Mr Chris Noone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Approval of issue of Options to Company Secretary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Replacement of the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE NOTE: If you mark the **Abstain** box for an 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.

If two proxies are being appointed, the proportional voting rights this proxy represents is _____ %

3. Signature of Securityholder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Individual/ Sole Director and Sole Company Secretary	Director	Director/ Company Secretary

Contact Name	Contact Daytime Telephone	Date

HOW TO COMPLETE THE PROXY FORM

1. Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: If you are entitled to cast two or more votes you may appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. The appointment of a second proxy must be done on a separate copy of the Proxy Form. If a member appoints two proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded.

A duly appointed proxy need not be a securityholder of the company.

Attending the Meeting: Completion of a Proxy Form will not prevent you from attending the Meeting in person if you wish. Where you complete and lodge a valid Proxy Form and attend the Meeting in person, your proxy's authority to speak and vote for you is suspended while you are present at the Meeting.

2. Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities (or such lesser number as indicated by you on the proxy form) will be voted in accordance with your directions. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses subject to relevant laws. If you mark more than one box on an item your vote on that item will be invalid.

3. Signing Instructions

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

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: If you have not previously lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Lodgement of a Proxy

To vote by proxy, please complete and sign this Proxy Form and return by:

- (a) Post to Collaborate Corporation Limited, C/- PO Box 356, West Perth, WA 6872; or
- (b) Facsimile to the Company on facsimile number +61 8 9321 0721; or
- (c) Email to the Company at shareholder@collaboratecorp.com

This Proxy Form (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting.

Proxy Forms received after this time will be invalid.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from the Company Secretary.