



COLLABORATE CORPORATION LIMITED

ABN 60 066 153 982

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

Tuesday, 22 November 2016

Time of Meeting

3:00 pm (AEDT)

Place of Meeting

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

ANNUAL REPORT

The 2016 Annual Report is available from the Company's website via the following link: <http://collaboratecorp.com/wp-content/uploads/2016/08/CL8-2016-Annual-Report.pdf>

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Collaborate Corporation Limited (**Company** or **Collaborate**) is to be held on Tuesday, 22 November 2016, at Bligh Room, The York Conference & Function Centre, 95 – 99 York Street, Sydney, NSW 2000, commencing at 3:00 pm (AEDT).

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 2016 (no resolution required)

To receive and consider the Financial Report, the declaration of Directors, the Remuneration Report and the reports of the Directors and of the Auditor for the year ended 30 June 2016.

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 2016.”

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 Joshua Landau

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

“That Mr Landau, being a director of the Company who, having been appointed on 18 May 2016, retires in accordance with Clause 13.4 of the Company’s Constitution, Listing Rule 14.4 and for all other purposes, and being eligible and offering himself for re-election, be re-elected as a Director of the Company.”

Resolution 3 – Re-election of Director – Mr Adrian Bunter

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

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

Resolution 4 – Ratification of Prior Issue – Tranche 1 Shares under the Facilities

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, and for all other purposes, Shareholders approve and ratify the issue of 9,042,553 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by persons who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as

proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5 – Issue of Shares to related party – Dominet Digital Corporation Pty Ltd

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

"That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 5,319,149 Shares to Dominet Digital Corporation Pty Ltd, a company associated with former Director, Mr Domenic Carosa on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Dominet and any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 6 – 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, approval is given for the Company to issue up to that number of Equity Securities equal 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 otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution 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.

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 3:00 pm (AEDT) on Sunday, 20 November 2016.

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 7:00 pm (AEDT) on Sunday, 20 November 2016 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 3:00 pm (AEDT) on Sunday, 20 November 2016. Previously lodged powers of attorney will be disregarded by the Company.

**DATED THIS 21ST OF OCTOBER 2016
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 2016 (**2016 Annual Report**) at the Meeting. These reports, together with the declaration of Directors, are set out in the 2016 Annual Report. Shareholders who elected to receive a printed copy of annual reports should have received the 2016 Annual Report with this Notice of Annual General Meeting.

In accordance with section 314 (1AA)(c) of the Corporations Act, the Company advises the 2016 Annual Report is available from the Company's website: <http://collaboratecorp.com/wp-content/uploads/2016/08/CL8-2016-Annual-Report.pdf>.

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the 2016 Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2016.

There is no requirement for Shareholders to approve the 2016 Annual Report.

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

- (a) discuss the 2016 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.

1.5 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 Joshua Landau

ASX Listing Rule 14.4 provides that, a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Landau was appointed as a non-executive director by the Board on 18 May 2016. He retires in accordance with the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election.

Mr Landau holds Fellowships of the Australian Society of Certified Practising Accountants, the Financial Services Institute of Australasia, and the Australian Institute of Company Directors. He is also currently a chairman for the international CEO mentoring and coaching group, The Executive Connection Pty Ltd (ACN 002 922 956) (TEC) and a non-executive director of the Leading Technology Group Pty Ltd (ACN 152 056 347), Life Research Pty Ltd (ACN 137 816 267), elisakit.com Pty Ltd (ACN 154 377 894), Cardiobase Pty Ltd (formerly Magnus Medical Software Pty. Ltd.) (ACN 081,470 528), Financial Synergy Pty Ltd (ACN 005 484 391) and AquaConneXions Holdings Pty Ltd (ACN 065 724 610). In addition, he is a member of the advisory board of Adept Turnkey Pty Ltd (ACN 150 595 252) a leading provider of industrial camera systems and services.

The Company has undertaken the appropriate searches from government authorities and no exceptions were noted. The Board has prepared a skills matrix which is included in the Company's Corporate Governance Statement and considers that Mr Landau possesses the required broad based skills to help drive the Company's performance.

The Board has considered Mr Landau's independence and considers that he is an independent Director.

2.1 Board Recommendation

The Board (other than Mr Landau) 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 – Re-election of Director – Mr Adrian Bunter

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.

Mr Bunter, who has served as a director since 19 February 2014, retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Bunter has over 20 years' experience in accounting, finance and a broad range of corporate advisory roles ranging from mergers and acquisitions, divestments of businesses, debt/equity raisings and strategy development and execution. He is an executive director of Venture Advisory Pty Ltd (ACN 145 802 302), a specialist telecommunications, media and technology financial advisory firm operating out of Australia and the Asia Pacific region. Mr Bunter is a Chartered Accountant, a Senior Associate of Finsia and has completed a Bachelor of Business and a Graduate Diploma in Applied Finance. Mr Bunter is a member of the Executive Committee of Australia's leading angel investing group, Sydney Angels.

Mr Bunter is a non-executive director of 8common Limited (ACN 168 232 577).

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

3.1 Board Recommendation

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

3.2 Voting Intention

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

4. Background to Resolutions 4 and 5

4.1 Entry into Facility Agreements

On 27 June 2016, the Company announced that it had entered into facility agreements to raise up to a total of \$2,250,000 (**Facilities**) from a number of unrelated existing sophisticated investors in the Company (**Subscribers**) and Dominet Digital Corporation Pty Ltd (**Dominet**).

Of the total \$2,250,000 to be raised under the Facilities, Dominet, a company controlled by recently retired Director, Mr Domenic Carosa agreed to provide up to a total of \$850,000 (**Dominet Facility Agreement**).

The material terms of the Dominet Facility Agreement are set out in Schedule 1 to this Explanatory Memorandum. The remaining Facilities are available from the Subscribers on comparable terms as the Dominet Facility Agreement.

On 18 July 2016, the Company announced that it had issued notices to raise a total of \$270,000 under the first draw down under the Facilities (**First Draw Down**), of which the Company has received \$170,000 and is seeking:

- (a) ratification of the prior issue under Resolution 4 of 9,042,553 Shares at an issue price of \$0.0188 per Share which raised \$170,000 from the Subscribers on 18 July 2016 (**Tranche 1 Shares**); and
- (b) Shareholder approval pursuant to Resolution 5 to issue 5,319,149 Shares to Dominet at an issue price of \$0.0188 per Share to raise \$100,000 (**Tranche 2 Shares**).

For the avoidance of doubt, the Tranche 1 Shares were issued to the Subscribers which did not include Dominet or any other related parties of the Company.

4.2 Entry into Loan Agreement

As announced on 30 September 2016, the Company entered into a loan agreement with Dominet, pursuant to which Dominet agreed to provide an advance of up to \$100,000 to the Company (**Loan Agreement**).

Summary details of the Loan Agreement were set out in the Company's announcement dated 30 September 2016.

Pursuant to the terms of the Loan Agreement, funds drawn down are to be offset against Dominet's existing obligations under the Dominet Facility Agreement. Accordingly, the \$100,000 currently drawn down under the Loan Agreement is to be offset against the amount payable by Dominet for the Tranche 2 Shares noted above.

5. Resolution 4 - Ratification of Prior Issue – Tranche 1 Shares under the Facilities

5.1 General

As set out in section 4 above, on 18 July 2016, the Company issued the Tranche 1 Shares to the Subscribers to raise \$170,000 pursuant to the First Draw Down under the Facilities.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Tranche 1 Shares (**Ratification**).

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 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If the issue of the Tranche 1 Shares is ratified by this Resolution then the issue of these securities will not count towards the Company's placement capacity for the purposes of Listing Rule 7.1.

5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 9,042,553 Shares were issued;
- (b) The deemed issue price was \$0.0188 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to the Subscribers. None of the Subscribers were related parties of the Company; and
- (e) the funds raised from the issue were principally used to drive growth of Collaborate's peer-to-peer marketplaces through marketing, PR and product development activities and to pursue investment opportunities that align with the Company's peer-to-peer strategy in addition to providing further working capital.

5.3 Directors' Recommendation

The Directors recommend Shareholders vote in favour of the Resolution.

5.4 Voting Intention

The Chairman of the Meeting intends to vote all available proxies in favour of the Resolution.

6. Resolution 5 - Issue of Shares to related party – Dominet

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue the Tranche 2 Shares to Dominet under the Dominet Facility Agreement, as set out in section 4 above.

Resolution 5 seeks Shareholder approval for the issue of the Tranche 2 Shares to Dominet.

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The approval for the issue of the Tranche 2 Shares to Dominet under the Dominet Facility Agreement will result in the issue of Shares which constitutes giving a financial benefit and Dominet is a related party of the Company by virtue of being an entity controlled by a former Director of the Company, Mr Domenic Carosa who resigned on 18 May 2016.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Tranche 2 Shares to Dominet because the Dominet Facility Agreement was negotiated on an arm's length basis and the Dominet Facility Agreement has the same terms as the Facilities negotiated with the other Subscribers who are non-related parties of the Company.

6.3 Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of Tranche 2 Shares to Dominet involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

6.5 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Tranche 2 Shares will be issued to Dominet;
- (b) a maximum of 5,319,149 Shares will be issued;
- (c) the Tranche 2 Shares will be issued no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Tranche 2 Shares will be issued on one date;
- (d) the Tranche 2 Shares will be issued at a deemed issue price of \$0.0188 per Share, being the same as all other Shares issued under the First Draw Down;
- (e) the Tranche 2 Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) As set out in section 6.4 above, Dominet's application for the Tranche 2 Shares will be offset against the amounts owed to it under the Loan Agreement. Any residual funds received will be used for the same purposes as all other funds raised under the December 2015 Placement as set out in section 5.2(e) of this Explanatory Memorandum.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Tranche 2 Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Tranche 2 Shares to Dominet will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

7. Resolution 6 – Approval of 10% Placement Capacity

7.1 Background

Listing Rule 7.1A enables an Eligible Entity (as defined below) to issue Equity Securities (as defined below) 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**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on deferred settlement basis); and
- (b) 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 less than \$300 million.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

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 two classes of quoted Equity Securities on issue, being the Shares (ASX: CL8) and Options (ASX: CL8O).

If Shareholders approve Resolution 6, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 6 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.

7.3 Specific Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the information is provided below in relation to Resolution 6:

- (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 12 October 2016, being \$0.018, (**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		
		\$0.009	\$0.018	\$0.036
		Issue Price at half the current market price	Issue Price at current market price	Issue Price at double the current market price
Current Variable A 403,346,662 Shares	Shares issued	40,334,666	40,334,666	40,334,666
	Funds raised	\$363,012	\$726,024	\$1,452,048
50% increase in current Variable A 605,019,993 Shares	Shares issued	60,501,999	60,501,999	60,501,999
	Funds raised	\$ 544,518	\$1,089,036	\$2,178,072
100% increase in current Variable A 806,693,324 Shares	Shares issued	80,669,332	80,669,332	80,669,332
	Funds raised	\$726,024	\$1,452,048	\$2,904,096

*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. There are currently 403,346,662 Shares on issue, comprising:
 - i. 398,027,513 existing Shares as at the date of this Notice of Meeting; and
 - ii. 5,319,149 Shares which will be issued if Resolution 5 is passed at this Meeting.
 - iii. The issue price set out above is the closing price of the Shares on the ASX on 12 October 2016.
 - iv. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
 - v. The Company has not issued any Equity Securities in the 12 months prior to 12 October 2016 that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 or 7.4.
 - vi. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
 - vii. 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.
 - viii. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
 - ix. 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%.
 - x. 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) the Equity Securities may be issued under the 10% Placement Capacity commencing from the date of the Annual General Meeting until 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) (after which date, an approval under Listing Rule 7.1A ceases to be valid).

(10% Placement Capacity Period).

- (d) The Company may issue the Equity Securities under the 10% Placement Capacity 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 or the acquisition of complimentary assets and investments. 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.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- i. the purpose of the issue;
- ii. 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 may participate;
- iii. the effect of the issue of the Equity Securities on the control of the Company;
- iv. the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issue of Equity Securities;
- v. the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
- vi. advice from professional advisers, including corporate, financial and broking advisers (if applicable).

(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 30 November 2015 (**Previous Approval**).
- ii. Pursuant to the Previous Approval, the Company issued:
 - 28,142,857 Shares on 22 December 2015 at an issue price of \$0.021 per Share to institutional and sophisticated investors; and
 - 5,500,000 Shares on 4 May 2016 at an issue price of \$0.018 per Share to a sophisticated investor.
- iii. During the 12-month period preceding the date of the Meeting, the Company also issued a further 22,534,616 Shares and 26,846,439 Options. This, together with the Shares issued under the Previous Approval, represents approximately 16.35% of the total diluted post-consolidation number of Equity Securities on issue in the Company at the commencement of that 12-month period.
- iv. 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) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

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.

7.4 Voting Exclusion

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no Shareholder will be excluded from voting on Resolution 6.

7.4 Board recommendation

The Board recommends Shareholders vote in favour of the Resolution.

7.5 Voting intention

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

GLOSSARY

\$ means an Australian dollar.

10% Placement Capacity has the meaning given in Section 7.1.

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

Annual Report has the same meaning as Financial Report.

AEDT means Australian Eastern Daylight Time.

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.

Dominet means Dominet Digital Corporation Pty Ltd (ACN 086 657 561).

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

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.

Facilities has the meaning given in section 4 of the Explanatory Memorandum.

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.

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 2016.

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.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

SCHEDULE 1

Key terms of the Dominet Facility Agreement

(a) Dominet Facility

The Dominet Facility may be drawn upon by Collaborate as follows:

- (i) Minimum subscription of \$50,000;
- (ii) Maximum subscription of \$100,000;

per subscription (**Subscription**) drawn no earlier than 20 business days after completion of the previous Subscription and up to 24 months after execution of the Agreements, up to a total of \$850,000 across all Subscription drawdowns. The Company can issue a compulsory drawdown notice to require Dominet to invest an amount between the minimum and maximum subscription amounts referred to above.

(b) Issue Price

The issue price of the fully paid ordinary shares (**Shares**) will be based on a discount of no more than 15% to the volume weighted average price (**VWAP**) of the Company's Shares for the ten (10) trading days prior to the Company giving notice to Dominet to draw down on the Dominet Facility. Where a compulsory drawdown notice is issued to Dominet the issue price of the Shares will be a 15% discount to the VWAP of the Company's Shares for the ten (10) trading days prior to the Company giving notice to Dominet to draw down on the Dominet Facility.

(c) Conditions to Draw down

The Company's ability to draw down under the Dominet Facility Agreement is subject to receipt by the Company in relation to each separate draw down of all regulatory and shareholder approvals, each party confirming in writing that their respective warranties and representations given in the Dominet Facility Agreement remain true and correct, and Dominet having provided an application form and paid the amount owing (subject to any rights to waive those conditions).

Dominet is not required to subscribe under the Dominet Facility Agreement if to do so would increase its voting power in the Company above 19.99%.

(d) Facility Fee

The Company granted Dominet a total of 1.7 million unlisted options with an expiry date of 31 May 2019 and an exercise price of \$0.03 per option.

(e) Limitations on the ability of Dominet to deal in Shares issued pursuant to the Dominet Facility

The Agreements provide limitations on Dominet's ability to sell the Shares issued pursuant to the Dominet Facility.

(f) Pre-emptive right

If at any time prior to termination of the Dominet Facility Agreement the Company proposes to issue Shares, the Company is required to offer at least 32.5% of the proposed Shares to be issued to Dominet, which Dominet may accept within 5 business days of the date of the receipt of the offer, as well as making offers to all other parties that have entered into facility agreements on similar terms to the Dominet Facility Agreement. The Pre-emptive right does not apply to an issue of Shares due to the exercise of any options, securities issued under an approved employee share plan, an issue of Shares to shareholders under an equal access offer arrangement (e.g. share purchase plans or rights issues), or an issue of Shares in relation to any acquisition by the Company.

(g) Termination

The Dominet Facility Agreement may be terminated at the election of Dominet upon the occurrence of a change of control event. The Company or Dominet may terminate the Dominet Facility Agreement at any time (by mutual consent of Collaborate and Dominet). The Dominet Facility Agreement will also terminate at the earlier of 28 June 2018, or once \$850,000 has been drawn down across all Subscription drawdowns.

SCHEDULE 2

Issues of Equity securities since 1 December 2015:

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: 1 December 2015 Appendix 3B: 1 December 2015	5,000,000	Unquoted Officer Options ⁴	Officers of the Company, including related parties: Chris Noone Adrian Bunter Domenic Carosa Karen Logan	No issue price (non-cash consideration)	Issued to directors and company secretary as a cost effective and efficient reward and incentive for services to be provided to the Company. Current value ⁹ : \$84,500	Not applicable.
Issue: 22 December 2015 Appendix 3B: 22 December 2015	28,142,857 (issued under ASX Listing Rule 7.1A)	Shares ²	Sophisticated investors. Unrelated parties.	\$0.021 per Share (4.55% discount to closing Market Price on the date of issue)	Cash Amount raised ⁷ : \$591,000 Amount spent: \$591,000	The funds raised were to be used 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 and pursuing investment opportunities that align with the Company's peer-to-peer strategy, for general working capital and to cover costs of the capital raising.
Issue: 22 December 2015 Appendix 3B: 22 December 2015	9,380,954	Quoted Options ³	Sophisticated investors. Unrelated parties.	No issue price (non-cash consideration)	1-for-3 free attaching Option for participants in the capital raising completed on 22 December 2015. Current value ⁸ : \$28,143	Not applicable.

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: 11 May 2016 Appendix 3B: 11 May 2016	5,500,000 (issued under ASX Listing Rule 7.1A)	Shares ²	Sophisticated investors	\$0.02 per Share (5.26% discount to closing Market Price on the date of issue)	Cash Amount raised ⁷ : \$99,000 Amount spent: \$99,000	The funds raised were to be used to grow Collaborate's peer-to-peer marketplaces through marketing, PR and product development activities and supplement the Company's general working capital.
Issue: 28 June 2016 Appendix 3B: 28 June 2016	2,800,000	Unquoted Facility Options ⁵	Sophisticated investors	No issue price (non-cash consideration)	Issued to non-related party subscribers to agreements for equity facilities, the terms of which were announced on 28 June 2016. Current value ¹⁰ : \$36,401	Not applicable.
Issue: 18 July 2016 Appendix 3B: 18 July 2016	9,042,553	Shares ²	Sophisticated investors	\$0.0188 per Share (14.55% discount to closing Market Price on the date of issue)	Cash Amount raised ⁷ : \$170,000 Amount spent: \$170,000	The funds raised were to be used to drive growth of the peer-to-peer marketplaces through marketing, PR and product development activities and to pursue investment opportunities that align with the Company's peer-to-peer strategy and supplement the Company's general working capital.
Issue: 12 August 2016 Appendix 3B: 12 August 2016	1,833,333	Quoted Options ³	Sophisticated investor	No issue price (non-cash consideration)	1-for-3 free attaching Options for participant in the capital raising completed on 11 May 2016. Current value ⁸ : \$5,500	Not applicable

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: 12 August 2016 Appendix 3B: 12 August 2016	2,380,952	Shares ²	Dominet Digital Corporation Pty Ltd, a related party of the Company.	\$0.021 per Share (5.00% discount to closing Market Price on the date of issue)	Cash Amount raised ⁷ : \$50,000 Amount spent: \$50,000	The funds raised were to be used 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, for general working capital and to cover costs of the placement.
Issue: 12 August 2016 Appendix 3B: 12 August 2016	793,651	Quoted Options ³	Dominet Digital Corporation Pty Ltd, a related party of the Company.	No issue price (non-cash consideration)	1-for-3 free attaching Options for participant in the capital raising completed on 12 August 2016. Current value ⁸ : \$2,381	Not applicable
Issue: 12 August 2016 Appendix 3B: 12 August 2016	11,111,111	Shares ²	Dominet Digital Corporation Pty Ltd, a related party of the Company.	\$0.018 per Share (10.00% discount to closing Market Price on the date of issue)	Cash Amount raised ⁷ : \$200,000 Amount spent: \$100,000	The funds raised will principally be used to grow Collaborate's peer-to-peer marketplaces through marketing, PR and product development activities and supplement the Company's general working capital.
Issue: 12 August 2016 Appendix 3B: 12 August 2016	3,703,704	Quoted Options ³	Dominet Digital Corporation Pty Ltd, a related party of the Company.	No issue price (non-cash consideration)	1-for-3 free attaching Options for participant in the capital raising completed on 12 August 2016. Current value ⁸ : \$11,111	Not applicable

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: 12 August 2016 Appendix 3B: 12 August 2016	1,700,000	Unquoted Facility Options ⁵	Dominet Digital Corporation Pty Ltd, a related party of the Company.	No issue price (non-cash consideration)	Issued to related party pursuant to Dominet Facility Agreement, the terms of which were announced on 28 June 2016. Current value ¹¹ : \$23,085	Not applicable.
Issue: 1 September 2016 Appendix 3B: 1 September 2016	1,634,797	Unquoted Employee Options ⁶	Employees of the Company	No issue price (non-cash consideration)	Issued to employees of the Company under Collaborate's Employee Incentive Option Plan (Plan). The Plan was approved by shareholders at the AGM held on 30 November 2015. Current value ¹² : \$21,295	Not applicable.

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. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 10 August 2016.
4. Officer Options, exercisable at \$0.035 each, with an expiry date of 30 November 2018, unquoted. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 30 November 2015.
5. Facility Options, exercisable at \$0.03 each, with an expiry date of 31 May 2019, unquoted. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 10 August 2016.
6. Employee Options, exercisable at \$0.0225 each, with an expiry date of 1 September 2019, unquoted. The terms and conditions were disclosed in the ASX announcement dated 1 September 2016
7. The cash balance of the Company on 1 December 2015 was approximately \$400,000. The aggregate amount raised from issues of Equity Securities listed in Schedule 2 is \$1,110,000. The cash balance of the Company as at the date of this Notice is approximately \$100,000. The amount spent since 1 December 2015 to the date of this Notice has been approximately \$1,410,000. These funds have been spent on continued development of Collaborate's business units. The amount raised from issues of Equity Securities listed in Schedule 2 that remains unspent as at the date of this Notice is \$100,000. 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.
8. In respect of the Quoted Options, the value is based on the closing price of the Options (\$0.003) on the ASX on 12 October 2016.
9. In respect of the Officer Options, the valuation was prepared internally and based on the Black-Scholes methodology.
10. In respect of the Facility Options issued on 28 June 2016, the valuation was prepared internally and based on the Black-Scholes methodology.
11. In respect of the Facility Options issued on 12 August 2016, the valuation was prepared internally and based on the Black-Scholes methodology.
12. In respect of the Employee Options, the valuation was prepared internally and based on the Black-Scholes methodology.

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 3:00 pm AEDT on Tuesday, 22 November 2016 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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is 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 6, the Chair of the Meeting intends to vote my/our proxy in favour of Resolutions 1 to 6.

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 Joshua Landau	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Director – Mr Adrian Bunter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Prior Issue – Tranche 1 Shares under the Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Shares to related party – Dominet Digital Corporation Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of 10% Placement Capacity	<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

Individual/ Sole Director and
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

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.