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**ESPORTS MOGUL LIMITED**

**ACN 148 878 782**

**NOTICE OF GENERAL MEETING**

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**TIME:** 10:00am Melbourne time

**DATE:** Friday 11 October 2019

**PLACE:** Chartered Accountants Australia and New Zealand  
Level 18 Bourke Place  
600 Bourke Street  
Melbourne Victoria 3000

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

***If you wish to discuss the matters in this Notice of Meeting, please contact the Company Secretary on (+61 8) 9429 8875.***

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## **NOTICE OF GENERAL MEETING**

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Notice is hereby given that a General Meeting (**Meeting**) of eSports Mogul Limited ACN 148 878 782 (**Company**) will be held at:

Chartered Accountants Australia and New Zealand  
Level 18 Bourke Place  
600 Bourke Street  
Melbourne Victoria 3000  
at 10:00am (Melbourne time) on Friday 11 October 2019

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## **IMPORTANT INFORMATION**

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### **YOUR VOTE IS IMPORTANT**

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

### **INTERPRETATION**

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

References to time in this Notice and Explanatory Statement relate to the time in Melbourne, Victoria.

### **VOTING EXCLUSION STATEMENTS**

Certain voting restrictions apply to the Resolutions as detailed beneath each Resolution in the Business of the Meeting section of this Notice.

### **VOTING ELIGIBILITY**

The persons eligible to vote at the Meeting are those who are registered holders of shares in the Company at 10:00am (Melbourne time) on 9 October 2019.

A member can vote at the meeting:

- in person;
- by proxy;
- by attorney; or
- by corporate representative (if they are a corporate Shareholder).

### **VOTING IN PERSON**

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

### **VOTING BY PROXY**

A member entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on behalf of the member. The person appointed as proxy may, but does not need to be, a member of the Company.

A member may appoint two proxies if they are entitled to cast two or more votes. Each proxy will require a separate proxy form. The member may specify the proportion or number of votes each proxy is appointed to exercise. If the proxy appointments do not specify a proportion or number, each proxy may exercise one-half of the member's votes.

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

Where a proxy form is executed under a power of attorney, the original or an attested copy of the power of attorney or other authority (if any) under which it is signed must also be lodged with the Company.

### **HOW THE CHAIRPERSON WILL VOTE UNDIRECTED PROXIES**

The Chairperson will vote undirected proxies held by him in favour of all Resolutions.

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## **BUSINESS OF THE MEETING**

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### **1. RESOLUTION 1 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – GERNOT ABL**

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

*“That, for the purposes of Section 195(4) and Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 40,000,000 Performance Rights to Gernot Abl (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** *The Company will disregard any votes cast in favour of this Resolution 1 by or on behalf of:*

- *Mr Gernot Abl and his nominees or any associates of those persons.*

*However, the Company need not disregard a vote if:*

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

### **2. RESOLUTION 2 – ISSUE OF OPTIONS TO RELATED PARTY – GERNOT ABL**

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

*“That, for the purposes of Section 195(4) and Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Options to Gernot Abl (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** *The Company will disregard any votes cast in favour of this Resolution 2 by or on behalf of:*

- *Mr Gernot Abl and his nominees or any associates of those persons.*

*However, the Company need not disregard a vote if:*

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

**DATE: 4 SEPTEMBER 2019**

**BY ORDER OF THE BOARD**

**GEORGE LAZAROU  
COMPANY SECRETARY  
ESPORTS MOGUL LIMITED**

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## EXPLANATORY STATEMENT

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**THIS EXPLANATORY STATEMENT HAS BEEN PREPARED TO PROVIDE INFORMATION WHICH THE DIRECTORS BELIEVE TO BE MATERIAL TO SHAREHOLDERS IN DECIDING WHETHER OR NOT TO PASS THE RESOLUTIONS WHICH ARE THE SUBJECT OF THE BUSINESS OF THE MEETING.**

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### 1. RESOLUTIONS 1 AND 2 – ISSUE OF PERFORMANCE RIGHTS AND OPTIONS

#### 1.1 Background

The Company proposes to issue 40,000,000 Performance Rights and 10,000,000 Options to the Company's Managing Director. The primary purpose of the grant of the Performance Rights and Options is to provide a performance linked incentive component in the remuneration package to motivate and reward the performance of the holder in their role as Managing Director.

The Performance Rights vest as follows:

- (a) 50% on achieving Annualised Recurring Revenue being at least A\$2,000,000 in any six-month period commencing 1 January 2020 to 1 January 2022. (**Tranche 1**).
- (b) 50% on achieving Annualised Recurring Revenue being at least A\$6,000,000 in any six-month period commencing 1 January 2020 to 1 January 2024. (**Tranche 2**).

Annualised Recurring Revenue is defined as the amount of gross recurring revenue forecast to be generated during a 12-month period, which will be calculated based on each six-month period within the term of the Performance Rights (being 2 times the six-month Recurring Revenue).

Any Performance Rights that have not vested, automatically lapse on cessation of employment.

The Options proposed to be issued are as follows:

- (a) 5,000,000 Options vest on 1 July 2020 and are exercisable at \$0.02 per Option on or before 21 August 2021. The Options will be unquoted.
- (b) 5,000,000 Options vest on 1 July 2021 and are exercisable at \$0.02 per Option on or before 21 August 2021. The Options will be unquoted.

Any Options that have not vested, automatically lapse on cessation of employment.

The proposed issue of securities to the Company's Managing Director or their nominees requires Shareholder approval under both Chapter 2E of the Corporations Act and ASX Listing Rule 10.11.

#### 1.2 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 grant of Performance Rights and Options constitutes giving a financial benefit and Mr Abl is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Abl who has a material personal interest in Resolutions 1 and 2) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Performance Rights and Options because the agreement to grant the Related Party Performance Rights and Options, reached as part of the remuneration package for Mr Abl, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

### **1.3 ASX 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 grant of the Performance Rights and Options pursuant to Resolutions 1 and 2 involves the issue of securities 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.

### **1.4 Information required by ASX Listing Rule 10.13**

For the purposes of ASX Listing Rule 10.13, the following information is provided about the proposed issues the subject of Resolutions 1 and 2:

- (1) Pursuant to Resolutions 1 and 2, the Performance Rights and Options will be issued to Gernot Abl, the Managing Director of the Company, or his nominee.
- (2) The maximum number of Performance Rights and Options to be issued to the Related Party:
  - (1) under Resolution 1 is 40,000,000 Performance Rights to Gernot Abl; and
  - (2) under Resolution 2 is 10,000,000 Options to Gernot Abl.
- (3) The Performance Rights and Options will be issued for nil cash consideration. Accordingly, no funds will be raised from the issues the subject of Resolutions 1 and 2.
- (4) The Performance Rights and Options the subject of Resolutions 1 and 2 will be issued no later than 1 month after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue will occur on the same date.
- (5) The terms of the Performance Rights are set out in Annexure A.
- (6) The terms of the Options are set out in Annexure B.
- (7) A voting exclusion statement is included in the Notice.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Performance Rights and Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of the Performance Rights and Options to Mr Abl (or his nominee) under Resolutions 1 and 2 will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

## **1.5 Directors' recommendation**

Mr Abl declines to make a recommendation to Shareholders in relation to Resolutions 1 and 2 as he has a material personal interest in the outcome of Resolutions 1 and 2. Mr Abl and his Associates will not be entitled to vote on Resolutions 1 and 1. The Directors other than Mr Abl recommend that Shareholders vote in favour of Resolutions 1 and 2 for the reasons set out in section 1.1.

In forming their recommendations, each Director considered the experience of Mr Abl, the current market price of Shares, the current market practices when determining the number of Performance Rights and Options to be granted as well as the exercise price and expiry date of those Performance Rights and Options.

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## GLOSSARY

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In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

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

**ASIC** means Australian Securities and Investments Commission.

**Associate** has the meaning set out in sections 11 to 17 of the Corporations Act, and where applicable as applied in accordance with the Note to ASX Listing Rule 14.11.

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

**ASX Listing Rules** means the official Listing Rules of ASX, as amended from time to time.

**Board** means the current board of directors of the Company.

**Business Day** means a day (not being a Saturday, Sunday or public holiday) in Perth, Western Australia.

**Chair or Chairperson** means the chair of the Meeting.

**Company** means Esport Mogul Limited (ACN 148 878 782).

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

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

**Options** means an option on the terms set out Annexure B to acquire a Share.

**Performance Rights** means a right to be issued a Share on the terms set out in Annexure A of this Explanatory Statement and which vest as set out in section 1.1 of this Explanatory Statement.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Party** has the meaning given to that term in the Corporations Act.

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

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

**Shareholder** means a holder of a Share.

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

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## ANNEXURE A – PERFORMANCE RIGHTS TERMS AND CONDITIONS

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The key terms of the Performance Rights are as follows:

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<b>Performance Rights</b>	<p>Upon satisfaction of any vesting conditions, each Performance Right will convert to a Share on a one-for-one basis (subject to adjustment for reconstructions of the capital of the Company).</p> <p>Performance Rights do not carry any voting rights or dividend entitlements.</p>
<b>Shares</b>	<p>Shares issued upon vesting of Performance Rights will rank equally with the other issued Shares. Depending on the terms of issue, the Shares may be subject to disposal restrictions, which means that they may not be disposed or dealt with for a period of time.</p> <p>Shares allocated on vesting or exercise of a Performance Right carry the same rights and entitlements as other issued Shares, including dividend and voting rights.</p>
<b>Quotation</b>	<p>Performance Rights will not be quoted on the ASX. If the Shares are officially quoted on the ASX at the time of Performance Rights vesting, the Company will apply for official quotation of such Shares, in accordance with the ASX Listing Rules and having regard to any disposal restrictions in place.</p>
<b>Cessation of employment</b>	<p>If a holder ceases to hold office of, or be employed by, the Company, all unvested Performance Rights automatically lapse. However, the Board may elect to accelerate the vesting of any Performance Rights if a holder has died, suffered total and permanent disablement or been made redundant.</p>
<b>Change of control</b>	<p>The Board has the discretion to accelerate vesting of Performance Rights in the event of certain types of change of control transactions involving the Company. Unless the Board determines to exercise that discretion, any unvested Performance Rights will lapse on a change of control of the Company.</p>
<b>Restrictions</b>	<p>Without the prior approval of the Board, or unless required by law, Performance Rights may not be sold, transferred, encumbered or otherwise dealt with.</p>
<b>Rights to participate in future issues and reorganisations</b>	<p>The Performance Rights do not entitle the holder to participate in new issues of Shares unless those Performance Rights have vested and the underlying Shares issued prior to any relevant record date. If a rights issue or any reorganisation of the Company's issued capital occurs, the number of Shares to which a holder of Performance Rights is entitled will be adjusted as determined by the Board (having regard to the requirements of any applicable ASX Listing Rules) in order to minimise or eliminate any material advantage or disadvantage to that holder resulting from the corporation action.</p>
<b>Amendments</b>	<p>To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of Performance Rights, provided that no amendment may reduce the accrued rights of holders unless (1) consented to by holders holding no less than 75% of the total number of Performance Rights issued, (2) required by law or ASX Listing Rules, (3) to correct any manifest error or mistake or (4) for certain tax reasons.</p>
<b>Other terms</b>	<p>The Performance Rights contains customary and usual terms having regard to Australian law for dealing with administration, variation, suspension and termination of Performance Rights.</p>

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## ANNEXURE B – OPTION TERMS AND CONDITIONS

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The terms and conditions of the Options are:

(i) **Entitlement**

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon exercise of the Option.

(ii) **Exercise Price**

Subject to paragraph (xii), the amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).

(iii) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 21 August 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(iv) **Exercise Period**

The Options are exercisable at any time on and from the date the relevant option vests in accordance with (v) (**Exercise Period**).

(v) **Vesting Conditions**

The Options will be subject to Vesting Conditions as detailed below:

- (a) 5,000,000 Options vest on 1 July 2020; and
- (b) 5,000,000 Options vest on 1 July 2021.

(vi) **Notice of Exercise**

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

(vii) **Exercise Date**

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

(viii) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

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

If a notice delivered under (vii)(B) for any reason is not effective to ensure that an offer for

sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(ix) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(x) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(xi) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed (including consolidation, subdivision, reduction or return), all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(xii) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(xiii) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(xiv) **Transferability**

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

**PROXY FORM**

**APPOINTMENT OF PROXY  
ESPORTS MOGUL LIMITED  
ACN 148 878 782**

**GENERAL MEETING**

I/We   
of

being a member of Esports Mogul Limited entitled to attend and vote at the General Meeting, hereby  
Appoint

Name of proxy  
OR  the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Meeting, 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 General Meeting of Esports Mogul Limited to be held at Chartered Accountants Australia and New Zealand, Level 18 Bourke Place, 600 Bourke Street, Melbourne Victoria 3000 on Friday, 11 October 2019 at 10.00am (Melbourne time) and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.** If you have appointed the Chair as your proxy (or the Chair becomes your proxy by default), and you wish to give the Chair specific voting directions on a Resolution, you should mark the appropriate box(es) opposite those Resolutions in the panel below (directing the Chair to vote for, against or to abstain from voting).

**Voting on Business of the General Meeting**

	FOR	AGAINST	ABSTAIN
Resolution 1 – Approval of Issue of Performance Rights to Related Party – Gernot Abl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Approval of Issue of Options to Related Party – Gernot Abl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**Signature of Member(s):**

**Date:**

**Individual or Member 1**

**Member 2**

**Member 3**

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

**ESPORTS MOGUL LIMITED**  
**ACN 148 878 782**

**Instructions for Completing Proxy Form**

1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at a General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate Proxy Form. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign. However, a Proxy Form signed by the member whose name appears first in the register but not by the other joint holder(s), will also be accepted as valid.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach the original or 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to PO Box 940, West Perth WA 6872; or
  - (b) facsimile to the Company on facsimile number +61 8 9429 8800; or
  - (c) email to the Company at [george.lazarou@mogul.gg](mailto:george.lazarou@mogul.gg) ,so that it is received not less than 48 hours prior to commencement of the General Meeting.

**Proxy forms received later than this time will be invalid. If the Proxy Form is signed under power of attorney, evidence of the authority must also be received by this time.**
6. A member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 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 will be disregarded.