



**Schrole Group Limited**  
**ACN 164 440 859**

## **Notice of General Meeting**

**The General Meeting of the Company will be held at  
2 July 2020 at 10am (WST).**

**SHAREHOLDERS WILL NOT BE ABLE TO ATTEND THE MEETING IN PERSON.**

Shareholders are urged to vote by lodging the proxy form attached to the Notice.

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

*As a precaution in relation to COVID-19, each resolution will be decided by poll, based on proxy votes and by votes at the General Meeting by Shareholders who have indicated that they intend to vote at the General Meeting in accordance with the instructions set out in this Notice. Shareholders are strongly encouraged to vote by lodging the proxy form attached to this Notice by no later than 30 June 2020.*

**Should you wish to discuss any matter, please do not hesitate to contact the  
Company Secretary by telephone on (08) 9482 0500**

**Shareholders are urged to attend or vote by lodging the proxy form attached to the  
Notice**

**Schrole Group Limited**  
**ACN 164 440 859**  
**(Company)**

## **Notice of General Meeting**

Notice is hereby given that a general meeting of Shareholders of Schrole Group Limited will be held at 2 July 2020 at 10am (WST) (**Meeting**).

Due to the current restrictions in place in relation to COVID-19, in particular the Australian Government's ban on public gatherings and social distancing measures, the Company is not able to allow shareholders to physically attend the Meeting. Accordingly, all resolutions at the Meeting will be decided by poll, based on votes submitted by proxy and at the Meeting by shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions set out below.

The Directors instruct all shareholders who would like to have their vote counted to either:

- **vote by lodging a proxy form prior to 30 June 2020 at 10.00am (WST) (Proxy Cut-Off Time) (recommended); or**
- **Shareholders who wish to participate and vote at the Meeting should contact the Company at [btucker@ventnorcapital.com](mailto:btucker@ventnorcapital.com) or by phone at (08) 9482 0500 prior to 10.00am (WST) on 30 June 2020, at which point the Company will email you a personalised poll form for the purpose of voting on a poll at the Meeting.**

How Shareholders can participate:

1. Shareholders are strongly urged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair of the Meeting must follow your instructions. Lodgement instructions (which include the ability to lodge proxies online) are set out in the Proxy Form attached to the Notice of Meeting. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the meeting.
2. Shareholders who intend to participate and vote on a poll at the Meeting must contact the Company at [btucker@ventnorcapital.com](mailto:btucker@ventnorcapital.com) or by phone at (08) 9482 0500 to notifying the Company that you intend to participate and vote on a poll at the Meeting by emailing the Company a poll form. You will also need to register and access the Meeting by teleconference to follow the meeting and timing of the poll (see item 5 below). After giving notice and following the Proxy Cut-Off Time, the Company will send you a personalised poll form. The personalised poll form must be completed and returned to the Company after the poll has been called and **prior to the close of polling**. During the Meeting, the Chair will notify you when and how you are able to complete and return the personalised poll form. The results of the Meeting will then be announced on the ASX later today.
3. Shareholders who have completed a proxy form but have not notified the Company that you intend to participate and vote on a poll at the Meeting will have an opportunity to participate in the meeting through the teleconference facility described in item 5 below. In this circumstance, the person you have appointed as proxy will cast your vote on your behalf.
4. Shareholders are encouraged to submit questions in advance of the Meeting to the Company by emailing the Company on [btucker@ventnorcapital.com](mailto:btucker@ventnorcapital.com) or by completing the relevant section

on the Proxy Form attached to the Notice of Meeting. Responses will be provided at the Meeting in respect of all valid questions received prior to the Proxy Cut-Off Time.

5. The Meeting will be accessible to all Shareholders via a live teleconference, which will allow a Shareholder to listen and observe the Meeting. To access the Meeting by teleconference Shareholders should join by clicking here or copy the following link to your web browser:

The teleconference details are:-

Link: <https://us02web.zoom.us/j/87967779708>

Telephone: +61 2 8015 6011 (Australia)

Find your local number: <https://us02web.zoom.us/j/87967779708>

Meeting ID: 879 6777 9708

The Company appreciates the understanding of its Shareholders as it navigates this difficult situation.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 30 June at 5.00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

ASX takes no responsibility for the contents of this Notice or the Explanatory Memorandum.

## Agenda

### 1 Resolution 1 – Approval to issue Convertible Notes

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

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 2,895,000 Convertible Notes as Equity Securities to Faria Education Limited (or its nominees) on the terms and conditions in the Explanatory Memorandum"*

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by or on behalf of Faria Education Limited (or its nominees) and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or their respective associates.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or

- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 2 Resolution 2 - Ratification of Tranche 1 Placement Shares

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve the issue of up to 133,249,243 Shares issued under Listing Rule 7.1 at an issue price of \$0.0106 on the terms and conditions in the Explanatory Memorandum"*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by or on behalf of a person who participated in the issue of the Tranche 1 Placement Shares or any of their respective associates.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### 3 **Resolution 3 - Approval to issue Tranche 2 Placement Shares**

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

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 66,750,757 Tranche 2 Placement Shares at \$0.0106 each on the terms and conditions in the Explanatory Memorandum"*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or any of their respective associates.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### 4 **Resolution 4 - Approval to issue Director Placement Shares to Mr James King**

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

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 754,717 Shares to Mr James King and/or his nominees at an issue price of \$0.0106 each, on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr James King and/or his nominees and any other person who will obtain a material benefit as a result of the issue of the Director Placement Shares (except a benefit solely by reason of being a Shareholder) or any of their respective associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**BY ORDER OF THE BOARD**

Brett Tucker  
Company Secretary  
Schrole Group Limited  
Dated: 2 June 2020

**Schrole Group Limited**  
**ACN 164 440 859**  
**(Company)**

## **Explanatory Memorandum**

### **1. Introduction**

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the 2<sup>nd</sup> July 2020 at 10am (WST).

Due to the current restrictions in place in relation to COVID-19, in particular the Australian Government's ban on public gatherings, the Company is not able to allow shareholders to physically attend the Meeting. Please refer to pages 1 to 2 of this Notice and Section 2 of this Explanatory Memorandum for further information regarding the Meeting Procedures.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Resolution 1 – Approval to issue Convertible Notes
Section 4	Resolution 2 - Ratification of Tranche 1 Placement Shares
Section 5	Resolution 3 - Approval to issue Tranche 2 Placement Shares
Section 6	Resolution 4 - Approval to issue Director Placement Shares to Mr James King
Schedule 1	Definitions
Schedule 2	Material terms and conditions of Convertible Notes

A Proxy Form is located at the end of the Explanatory Memorandum.

## **2. Action to be taken by Shareholders**

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### **2.1 Meeting Procedure**

Shareholders who wish to participate in or ask questions at the Meeting should refer to pages 1 to 2 of this Notice for further information regarding the Meeting Procedures and how to access the Meeting via teleconference.

### **2.2 No voting in person**

Given the current circumstances surrounding the COVID-19 pandemic and in the interests of public health and safety of our Shareholders, the Company is not able to allow Shareholders to physically attend the Meeting. Please refer to the information below on how Shareholders can participate in the Meeting.

### **2.3 Voting using poll form**

Shareholders who do not wish to vote using the Proxy Form may vote during the Meeting by requesting a polling form from the Company prior to 30 June 2020 by emailing the Company Secretary at [btucker@ventnorcapital.com](mailto:btucker@ventnorcapital.com). Further instructions are set out above on pages 1 to 2.

### **2.4 Voting by proxy**

Shareholders are encouraged to complete a Proxy Form to provide specific instructions to the Chair on how the Shareholder's vote is to be exercised on each item of business. The Chair must follow your instructions. Shareholders will not be permitted to appoint any other person as their proxy for the purposes of the Meeting.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Meeting.

### **2.5 Chair's voting intention**

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

### **2.6 Submitting questions**

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at [btucker@ventnorcapital.com](mailto:btucker@ventnorcapital.com) by 30 June 2020.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each (including any submitted in advance of the Meeting). The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).



### 3. Resolution 1 – Approval to issue Convertible Notes

#### 3.1 General

As announced on 13 May 2020, the Company has entered into a convertible note agreement (**Convertible Note Agreement**) with Faria Education Limited (**Faria**) to raise up to \$2,895,000 (before costs) through the issue of 2,895,000 convertible notes (**Convertible Notes**). Each Convertible Note has a face value of \$1.00. The issue of the Convertible Notes is subject to shareholder approval. The material terms of the Convertible Notes are set out in Schedule 2.

The funds raised from the Convertible Notes will be applied in conjunction with the funds raised under the Placement for the following purposes:

	Convertible Note	Tranche 1 Placement	Tranche 2 Placement and 10.11 Issue
Hiring of additional development staff	1,620,000	600,000	0
Hosting and support platform architecture upgrades	150,000	150,000	150,000
Additional sales and marketing staff post development of newly integrated platform	708,000	120,000	250,000
New Hardware	100,000	100,000	0
General working capital and corporate administration	407,000	440,000	310,000
<b>TOTAL</b>	<b>2,985,000</b>	<b>1,410,000</b>	<b>710,000</b>

(together, the **Use of Funds**).

Shareholders should note that the above estimate expenditures are based on the Directors' intention as at the date of the Notice and are subject to modification on an ongoing basis depending on the results obtained from the Company's activities. The figures are subject to rounding.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.1 of the Corporations Act for the issue of up to 2,895,000 Convertible Notes to Faria (or its nominee).

Resolution 1 is an ordinary resolution. The Board recommends that Shareholders vote in favour of resolution 1.

### 3.2 **Listing rule 7.1**

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

The effect of Resolution 1 will be to allow the Company to issue the Convertible Notes during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Convertible Notes. In addition, the issue will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Convertible Notes and will not be able to raise the funds under the Convertible Note Agreement.

### 3.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Tranche 2 Placement Shares:

- (a) the Convertible Notes will be issued to Faria Education Limited, which is not considered to be a "material investor" for the purposes of ASX Guidance Note 21, paragraph 7.2 but will become a substantial shareholder upon conversion of the Convertible Notes;
- (b) a maximum of 2,895,000 Convertible Notes are to be issued, upon conversion of the Convertible Notes, the Company will issue a maximum of 273,113,208 Shares;
- (c) the material terms of the Convertible Notes are set out in Schedule 2;
- (d) the shares issued on conversion of the Convertible Notes will be issued as fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (e) the Convertible Notes will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (f) it is intended that the Convertible Notes will be issued on the date 5 Business Days after the Meeting and, in any event and in accordance with paragraph (e), no later than 3 months after the date of the Meeting;
- (g) the Convertible Notes will be issued at \$1.00 per Convertible Note, the Convertible Notes will convert into Shares, subject to the terms of the Convertible Note Agreement at a conversion price of \$0.0106 under ASX Listing Rule 7.2, exception 9;
- (h) the Company intends to use the proceeds from the issue of the Convertible Notes in accordance with the table set out in Section 3.1;

- (i) the Convertible Notes are to be issued pursuant to the Convertible Note Agreement, the material terms of the Convertible Note Agreement are set out in Schedule 2;
- (j) the Convertible Notes are not being issued under or to fund a reverse takeover; and
- (k) a voting exclusion statement is included in the Notice.

## 4. **Resolution 2 - Ratification of Tranche 1 Placement Shares**

### 4.1 **General**

On 13 May 2020, the Company announced that it was undertaking a two tranche placement to raise approximately \$2,120,000 (before costs) through the issue of

- (a) 133,249,243 Shares (**Tranche 1 Placement**); and
- (b) 66,750,757 Shares (**Tranche 2 Placement**),

(together, the **Placement**).

This Placement was undertaken to raise funds to be applied to the Use of Funds set out in Section 3.1.

Henslow Pty Ltd acted as the lead manager to the Placement.

On 21 May 2020 (**Issue Date**), the Company issued 133,249,243 Shares under the Tranche 1 Placement at an issue price of \$0.0106 (**Tranche 1 Placement Shares**) pursuant to Listing Rule 7.1.

Resolution 2 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Tranche 1 Placement Shares.

Resolution 2 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

### 4.2 **Listing Rule 7.1 and 7.4**

A summary of Listing Rule 7.1 is contained above in Section 3.2.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Tranche 1 Placement Shares do not fit with any of these exceptions and, as it has not yet been approved by the Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 allows the Shareholders of a listed Company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 2 seeks Shareholder ratification for such issues under Listing Rule 7.1, pursuant to Listing Rule 7.4.

#### 4.3 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Tranche 1 Placement Shares:

- (a) the Tranche 1 Placement Shares were issued to participants of Tranche 1 Placement, none of whom is a related party of the Company. The participants of the Tranche 1 Placement were introduced by Henslow Pty Ltd (**Henslow**) or were prospective investors already known to the Board. Henslow received a management fee of 2% of the Tranche 1 Placement proceeds and a selling fee of 4% of the funds raised from parties introduced by Henslow under the Tranche 1 Placement. Of the Tranche 1 Placement participants who acquired 1% or more of the Shares, only Capital H, which was issued 20,000,000 Tranche 1 Placement Shares, is a substantial shareholder of the Company. The remaining Tranche 1 Placement participants are not considered to be "material investors" for the purposes of ASX Guidance Note 21, paragraph 7.2. Henslow Pty Ltd was appointed as lead manager to undertake the Placement;
- (b) a total of 133,249,243 Tranche 1 Placement Shares were issued;
- (c) the Tranche 1 Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Tranche 1 Placement Shares were issued at \$0.0106 each on 21 May 2020;
- (e) the proceeds from the issue of the Tranche 1 Placement Shares are intended to be used as set out in Section 3.1;
- (f) the Tranche 1 Placement Shares are not being issued under an agreement; and
- (g) a voting exclusion statement is included in the Notice.

### 5. **Resolution 3 - Approval to issue Tranche 2 Placement Shares**

#### 5.1 **General**

The Company does not currently have sufficient placement capacity under Listing Rule 7.1 Capacity to issue the remaining 66,750,757 Shares under the Placement (**Tranche 2 Placement Shares**).

Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 7.1 for the issue of up to 66,750,757 Tranche 2 Placement Shares to participants of the Tranche 2 Placement to raise a further approximately \$707,558 (before costs).

Resolution 3 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 3.

## 5.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is contained in Section 3.2 above.

The effect of Resolution 3 will be to allow the Company to issue the Tranche 2 Placement Shares during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares. In addition, the issue will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares and will not receive the funds associated with the Tranche 2 Placement Shares.

## 5.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Tranche 2 Placement Shares:

- (a) the Tranche 2 Placement Shares will be issued to Tranche 2 Placement participants, none of whom will be a related party of the Company. The Tranche 2 Placement participants were introduced by Henslow Pty Ltd or were prospective investors already known to the Board. Henslow will receive a management fee of 2% of the Tranche 2 Placement proceeds and a selling fee of 4% of the funds raised from parties introduced by Henslow under the Tranche 2 Placement. Of the Tranche 2 Placement participants who acquired 1% or more of the Shares, only Capital H, which has subscribed for 17,735,849 Tranche 2 Placement Shares, is a substantial shareholder of the Company. The remaining Tranche 2 Placement participants are not considered to be "material investors" for the purposes of ASX Guidance Note 21, paragraph 7.2 (excluding Director Mr James King, the subject of Resolution 4). Henslow Pty Ltd has been appointed to lead manager the Placement;
- (b) a maximum of 66,750,757 Shares are to be issued as Tranche 2 Placement Shares;
- (c) the Tranche 2 Placement Shares will be issued as fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Tranche 2 Placement Shares will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) it is intended that the Tranche 2 Placement Shares will be issued on or around the date of the Meeting, and in any case and in accordance with paragraph (d), no later than 3 months after the date of the Meeting; and
- (f) the Tranche 2 Placement Shares will be issued at \$0.0106 per Share;
- (g) the Company intends to use the proceeds from the issue of the Tranche 2 Placement Shares as set out in Section 4.1;

- (h) the Tranche 2 Placement Shares are not being issued under an agreement;
- (i) the Tranche 2 Placement Shares are not being issued under, or to fund, a reverse takeover; and
- (j) a voting exclusion statement is included in the Notice.

## 6. **Resolution 4 - Approval to issue Director Placement Shares to Mr James King**

### 6.1 **Background**

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 754,717 Shares each at an issue price of \$0.0106 to Mr James King (**Director Placement Shares**), a Director and related party of the Company, and/or his nominees to raise gross proceeds of \$8,000.

The terms and conditions upon which Mr King will subscribe for the Director Placement shares will be on the same terms as the other investors in the Placement.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

The Board (other than Mr King who has a material personal interest in the outcome of the resolution) recommends that Shareholders vote in favour of Resolution 4.

### 6.2 **Listing Rule 10.11**

Listing Rule 10.11 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 Listing Rule 10.12 applies.

Mr King is a related party of the Company as he is a Director. As the issue of Director Placement Shares involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions in Listing Rule 10.12 do not apply in the current circumstances.

If Shareholder approval is obtained under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 2 will be to allow the Company to issue up to 754,717 Shares to Mr King (and/or his nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolution 2, the Company will not issue the Director Placement Shares to Mr King (and/or his nominees).

### 6.3 **Specific information required by Listing Rule 10.13**

Listing Rule 10.13 requires that the following information be provided to Shareholders:

- (a) up to 754,717 Director Placement Shares will be issued to Mr James King and/or his nominees;
- (b) Mr King is a Director and therefore a related party of the Company under Listing Rule 10.11.1;
- (c) the maximum number of securities the Company can issue pursuant to this Resolution is 754,717 Director Placement Shares;
- (d) the Director Placement Shares to be issued to Mr King and/or his nominees are ordinary fully paid shares and rank equally with the Company's existing Shares;
- (e) the Company will issue up to 754,717 Director Placement Shares to Mr King, and/or his nominees no later than one month after the date of the Meeting;
- (f) the Director Placement Shares to be issued to Mr King and/or his nominees will each be allotted at an issue price of \$0.0106 per Director Placement Share;
- (g) the Company intends to apply the \$8,000 from the issue of the Director Placement Shares to the Use of Funds as set out in Section 3.1 in conjunction with the funds raised under the Convertible Notes and Placement;
- (h) the issue of the Director Placement Shares is not intended to remunerate or incentivise Mr King;
- (i) the Director Placement Shares are not being issued under an agreement and are being issued on the same terms as the Tranche 2 Placement Shares; and
- (j) a voting exclusion statement is included in the Notice for Resolution 4.

#### 6.4 **Chapter 2E of Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 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 issue of the Director Placement Shares to Mr King constitutes giving a financial benefit and Mr King is a related party of the Company by virtue of being a director.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required as the exception in section 210 of the Corporations Act applies. The Director Placement Shares will be issued to Mr King on the same terms as non-related party participants in the Placement and as such the giving of the financial benefit to Mr King will be on arm's length terms.

## Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

<b>\$ or A\$</b>	means Australian Dollars.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Board</b>	means the board of Directors of the Company.
<b>Business Days</b>	has the meaning given to that term in the Listing Rules.
<b>Capital H</b>	means Capital H Management Pty Ltd ACN 600 127 930 and its nominees.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Company</b>	means Schrole Group Ltd ACN 164 440 859.
<b>Constitution</b>	means the current Constitution of the Company.
<b>Conversion Shares</b>	means Shares issued on conversion of the Convertible Notes
<b>Convertible Note</b>	has the meaning given in Section 3.1.
<b>Convertible Note Agreement</b>	has the meaning given in Section 3.1.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of the Company.
<b>Director Placement Shares</b>	has the meaning given in Section 6.1.
<b>Equity Security</b>	has the same meaning as in the Listing Rules and <b>Equity Securities</b> has the corresponding meaning.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.
<b>Face Value</b>	means for each Note, A\$1.00
<b>Faria</b>	means Faria Education Limited, a company incorporated in the United Kingdom.
<b>Henslow</b>	means Henslow Pty Ltd ACN 605 393 137.



<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>Noteholder</b>	means the holder of a Note.
<b>Notice</b>	means this notice of annual general meeting.
<b>Placement</b>	has the meaning given in Section 4.1.
<b>Proxy Form</b>	means the proxy form attached to the Notice.
<b>Relevant Interest</b>	has the meaning it has in the Corporations Act.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Shareholder Approval</b>	means shareholder approval for the purposes of Listing Rule 7.1 to permit the Company to issue the Convertible Notes as Equity Securities under the Listing Rules.
<b>Tranche 1 Placement</b>	has the meaning given in Section 4.1.
<b>Tranche 1 Placement Shares</b>	has the meaning given in Section 4.1.
<b>Tranche 2 Placement</b>	has the meaning given in Section 4.1.
<b>Tranche 2 Placement Shares</b>	has the meaning given in Section 5.1.
<b>Use of Funds</b>	has the meaning given in Section 3.1.
<b>WST</b>	means Australian Western Daylight Time, being the time in Perth, Western Australia.

## Schedule 2      Material terms and conditions of Convertible Notes

<b>1. Noteholder</b>	Faria Education Limited
<b>2. Principal Amount</b>	Up to \$2,895,000
<b>3. Face Value</b>	Each Convertible Note has a face value of \$1.00.
<b>4. Shareholder Approval</b>	The Company must seek shareholder approval for the purposes of ASX Listing Rule 7.1 to permit the issue of the Convertible Notes ( <b>Shareholder Approval</b> ).
<b>5. Conditions Precedent / Conversion Conditions</b>	<p>(a) As above, Shareholder Approval must be obtained prior to the issue of the Convertible Notes.</p> <p>(b) There are no other conditions precluding the Noteholder from electing to convert the Convertible Notes.</p>
<b>6. Conversion</b>	<p>Subject to shareholders approving the issue of Convertible Notes, the Convertible Notes once issued will convert into fully paid ordinary shares in the Company upon:</p> <p>(c) the Noteholder electing to issue a conversion notice;</p> <p>(d) the Company's 60 day VWAP equalling or exceeding \$0.0137; or</p> <p>(e) Maturity.</p>
<b>7. Term / Maturity</b>	The Convertible Notes will remain on issue for up to 3 years from the subscription date ( <b>Maturity</b> ).
<b>8. Conversion Price</b>	\$0.0106
<b>9. Conversion Limit</b>	<p>(f) The Convertible Notes will be subject to a conversion limit, such that the maximum number of Convertible Notes that may convert is that number of Convertible Notes that will give the Noteholder, on conversion, a Relevant Interest in the Company of no greater than 19.99%.</p> <p>(g) To the extent that, as result of the Conversion Limit, not all of the Convertible Notes convert, the balance of the Convertible Notes will remain on issue subject to the terms contained herein.</p>
<b>10. Maximum Dilution</b>	<p>(h) The maximum number of Shares that may be issued on conversion of the Convertible Note is 273,113,208.</p> <p>(i) However, the Conversion Limit may result in a lower number of Convertible Notes converting into Shares.</p>

<b>11. Interest</b>	<p>(j) Interest accrues on the outstanding Face Value at 8.0% per annum.</p> <p>(k) No interest will be payable if the Shares are issued to the Noteholder within 6 months of its subscription for the Notes.</p> <p>(l) Interest will be payable in cash.</p> <p>(m) No interest will be payable if the Shares are issued to the Noteholder within six months of its subscription for the Convertible Notes.</p>
<b>12. Escrow</b>	<p>Shares issued on conversion of the Convertible Note will be subject to voluntary escrow for a period of 12 months from issue.</p>
<b>13. Board Nomination</b>	<p>On and from the conversion date, provided that the Noteholder's Relevant Interest (as defined in the Corporations Act) in the Shares is not less than 10%; the Noteholder has the right, but not the obligation, to nominate one director to the Board as a non-executive director.</p>
<b>14. Event of Default</b>	<p>The Convertible Notes are subject to standard events of default and a financial covenant.</p> <p>If an Event of Default occurs, the Noteholder may give the Company a Noteholder Repayment Notice. On receipt of this Notice, the Company must repay the Repayment Amount within 15 Business Days following receipt of such declaration.</p>
<b>15. Voting and other rights</b>	<p>The Convertible Notes do not confer on the Noteholder the right to attend and vote at shareholder meetings, or receive dividends.</p>


## LODGE YOUR VOTE

 **ONLINE**  
www.linkmarketservices.com.au

 **BY MAIL**  
Schrole Group Ltd  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**  
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a member(s) of Schrole Group Ltd and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chair of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10:00am (WST) on Thursday, 2 July 2020 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Directors instruct all shareholders who would like to have their vote counted to either:

- vote by lodging a proxy form prior to 30 June 2020 at 10.00am (WST) (Proxy Cut-Off Time) (recommended); or
- Shareholders who wish to participate and vote at the Meeting should contact the Company at btucker@ventnorcapital.com or by phone at (08) 9482 0500 prior to 5.00pm (WST) on 30 June 2020, at which point the Company will email you a personalised poll form for the purpose of voting on a poll at the Meeting.

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

### VOTING DIRECTIONS

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.**

**Please read the voting instructions overleaf before marking any boxes with an .**

#### Resolutions

	For	Against	Abstain*
1 Approval to issue Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Tranche 1 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to issue Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to issue Director Placement Shares to Mr James King	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

STEP 3



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

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

### APPOINTMENT OF PROXY

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

### DEFAULT TO CHAIR OF THE MEETING

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

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

Shareholders are strongly urged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair of the Meeting must follow your instructions. Lodgement instructions (which include the ability to lodge proxies online) are set out in the Proxy Form attached to the Notice of Meeting. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the meeting.

### APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (WST) on Tuesday, 30 June 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.



#### ONLINE

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

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



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

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



#### BY FAX

+61 2 9287 0309



#### BY HAND

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

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



### COMMUNICATIONS PREFERENCE

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



#### ONLINE

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

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