
ADG GLOBAL SUPPLY LIMITED
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ACN 082 341 197
NOTICE OF GENERAL MEETING

TIME: 10:00 am (WST)
DATE: 20 June 2016
PLACE: RSM
8 St Georges Terrace, Perth WA 6000

This Notice of Meeting 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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Deed Administrators on +61 8 9216 7600.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:00am (WST) on 20 June 2016 at:

RSM, 8 St Georges Terrace, Perth WA 6000

Your vote is important

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

Voting eligibility

The Deed Administrators 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 Shareholders at 10:00am (WST) on 18 June 2016.

Voting in person

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

Voting by proxy

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

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the 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 (ie 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 (ie. 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 (ie. 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.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

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

“That, subject to all Essential Resolutions being passed, pursuant to section 254H(1) of the Corporation Act, ASX Listing Rules 7.20 and for all other purposes, Shareholders approve and authorise the Company to consolidate the issued capital of the Company on the basis that every two (2) Shares be consolidated into one (1) Share and otherwise on the terms and conditions set out in the Explanatory Statement.”

2. RESOLUTION 2 – ISSUE OF PROMOTER SHARES

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

“That, subject to all Essential Resolutions being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 35,000,000 Shares (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a 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 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.

3. RESOLUTION 3 – ISSUE OF GENERAL PLACEMENT SHARES

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

“That, subject to all Essential Resolutions being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 75,000,000 Shares (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a 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 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.

4. RESOLUTION 4 – ISSUE OF PROMOTER OPTIONS

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

"That, subject to all Essential Resolutions being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 35,000,000 unquoted Options (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a 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 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.

5. RESOLUTION 5 – ELECTION OF DIRECTOR – ERIC DE MORI

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

"That, subject to all Essential Resolutions being passed, for all purposes, Eric de Mori, having been nominated and given his consent to act, be elected as a director of the Company with effect from Completion."

6. RESOLUTION 6 – ELECTION OF DIRECTOR – NICHOLAS YOUNG

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

"That, subject to all Essential Resolutions being passed, for all purposes Nicholas Young, having been nominated and given his consent to act, be elected as a director of the Company with effect from Completion."

7. RESOLUTION 7 – ELECTION OF DIRECTOR – SCOTT MISON

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

"That, subject to all Essential Resolutions being passed, for all purposes Scott Mison, having been nominated and given his consent to act, be elected as a director of the Company with effect from Completion."

8. RESOLUTION 8 – ISSUE OF SHARES AND OPTIONS TO ERIC DE MORI

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

"That, subject to all Essential Resolutions being passed, 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 up to:

- (a) 20,000,000 General Placement Shares (on a post-Consolidation basis);*
- (b) 10,000,000 Promoter Shares (on a post-Consolidation basis); and*
- (c) 10,000,000 Promoter Options (on a post-Consolidation basis),*

to Eric de Mori (a Proposed Director of the Company) (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Eric de Mori (or his nominee) and any of their 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.

9. RESOLUTION 9 – ISSUE OF SHARES AND OPTIONS TO NICHOLAS YOUNG

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

"That, subject to all Essential Resolutions being passed, 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 up to:

- (a) 20,000,000 General Placement Shares (on a post-Consolidation basis);*
- (b) 10,000,000 Promoter Shares (on a post-Consolidation basis); and*
- (c) 10,000,000 Promoter Options (on a post-Consolidation basis),*

to Nicholas Young (a Proposed Director of the Company) (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Nicholas Young (or his nominee) and any of their 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.

10. RESOLUTION 10 – ISSUE OF SHARES AND OPTIONS TO SCOTT MISON

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

"That, subject to all Essential Resolutions being passed, 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 up to:

- (a) 20,000,000 General Placement Shares (on a post-Consolidation basis);*
- (b) 10,000,000 Promoter Shares (on a post-Consolidation basis); and*
- (c) 10,000,000 Promoter Options (on a post-Consolidation basis),*

to Scott Mison (a Proposed Director of the Company) (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Scott Mison (or his nominee) and any of their 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.

11. RESOLUTION 11 – REPLACEMENT OF CONSTITUTION

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

Dated: 18 May 2016

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Proposed Directors and the Deed Administrators believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

Please note, the Deed Administrators are not responsible for the contents of this Notice of Meeting and do not accept any further responsibility for any disclosure in or failure to include any disclosure in this document.

Resolutions 1 to 11 (inclusive) are referred to as **Essential Resolutions** throughout this Notice.

Purpose of the Meeting

At the Company's 2015 Annual General Meeting, Shareholders approved, among other things, the Recapitalisation Proposal as agreed between Otsana and the Deed Administrators (please refer to the Notice of AGM as announced on the ASX on 29 December 2015 for full details of the original proposal). The Company has since been unable to complete the Recapitalisation Proposal in accordance with the time periods permitted by the ASX and has been unsuccessful in seeking an extension from the ASX.

As a result, in order to reinstate the Company's securities to the ASX, the Company intends to undertake a full re-compliance under Chapters 1 and 2 of the ASX Listing Rules. Details of the Company's future intentions to achieve reinstatement of its securities will be released to the market following Shareholders approving the Resolutions at the General Meeting.

In the meantime, the Company proposes to undertake (among other things) the following:

- (a) completion and effectuation of the DOCA, that is, take the Company out of administration, releasing it from all prior claims with creditors and handing over effective control of the Company to the proposed new Board;
- (b) seek approval to further consolidate the Company's share capital (this time on a 2:1 basis) should the Company decide to undertake a full re-compliance under the Listing Rules (which would require a minimum capital raising share price of \$0.02); and
- (c) seek re-approval (as previously contemplated and approved at the 2015 AGM) for:
 - (i) the issue Promoter Securities to Otsana (or its nominees);
 - (ii) the issue of General Placement Shares to investors; and
 - (iii) the proposed new Board to be able to participate under the General Placement and to receive Promoter Securities,

which will allow the Company to raise funds (\$750,350) in order to meet the costs to the administrators and to creditors pursuant to the DOCA, outstanding legal and accounting fees and for general working capital purposes.

Please note, no Promoter Securities or General Placement Shares have yet been issued by the Company since approval at the last AGM.

Pursuant to this Notice, the Company also seeks approval for the appointment of the proposed new Board of directors and approval for an updated constitution. Although both of these resolutions were previously approved at the last AGM as part of the Recapitalisation Proposal, given the Company will no longer proceed with its original proposal, it has decided to seek re-approval of these resolutions as a matter of good practice and corporate governance.

Reinstatement to Official Quotation

The Company's securities have been suspended from quotation since 10 December 2014.

The completion of the DOCA and subsequent exit from external administration will not place the Company in a position to seek reinstatement of its securities to the Official List; the Company will first be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

The Company will focus on assessing and acquiring a new project or projects following completion of the DOCA. The Company will initially operate with a very broad mandate and consider businesses and assets at various stages of development. Otsana, as proponent of the original Recapitalisation Proposal, has already commenced reviewing various businesses and assets with the aim of recommending the acquisition of a new undertaking to the Company shortly following completion of the DOCA.

The acquisition of a new undertaking will first require shareholder approval, following which the Company will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if the Company were being admitted for the first time.

As part of this process, the Company will likely be required to undertake a further capital raising prior to reinstatement of its securities to the Official List and/or issue securities to vendors of the new undertaking. Shareholders should therefore expect their holdings to be further diluted as part of the re-compliance process.

Should the Company be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules, the securities to be issued the subject of this Notice are likely then to be subject to the escrow provisions of the ASX.

Effect of passing the Essential Resolutions and completion of the DOCA

For the purposes of this Explanatory Memorandum, the information below is provided for the consideration of Shareholders.

The Company's shares were last traded on the ASX on 2 December 2014 and a voluntary administrator was appointed to the Company on 6 January 2015. Accordingly, historic ASX share trading prices for the Company are not considered a reliable basis to assess the value of the new Shares issued under the Essential Resolutions.

Due to the Company's current state of affairs, the lack of profit history and the immediate lack of a reliable future cash flow from the remaining assets, maintainable earnings are not considered a reliable basis to assess the value of the Company's shares.

The Deed Administrators' estimate that, on a liquidation basis, there is a deficiency of funds and the Creditors may receive a nil return if the DOCA is not effectuated (an no alternative proposal is received or the DOCA varied). Therefore, on a liquidation basis, the Shareholders' return from the Company is most likely to be nil. Accordingly, the current implicit value of the Company's Shares as at the date of this Notice is nil.

The advantages of passing the Essential Resolutions and subsequent completion of the DOCA include:

- (a) a cash injection of up to \$750,000;
- (b) the provable debts of the Company to its creditors being extinguished and released. This will leave the Company with negligible liabilities; and
- (c) the Company's ability to seek reinstatement of its shares to quotation on the Official List being enhanced. Once the Company obtains reinstatement to trading Shareholders will be offered liquidity to sell their post-Consolidation shareholdings on the ASX.

The principal disadvantage is that existing Shareholders will have their holdings diluted following the Consolidation on a 2 for 1 basis and the issue of the Promoter and General Placement Shares pursuant to Resolutions 2 and 3. However this must be balanced with the fact that the existing Shares currently have nil value and should completion not occur under the DOCA, the Company may be placed into liquidation. Following completion of the DOCA and passing of the Essential Resolutions, the existing Shareholders' reduced holdings will have a value based on the cash injection to the Company. Once the Company's securities are reinstated to trading on the ASX (following re-compliance with Chapters 1 and 2 of the ASX Listing Rules), existing Shareholders' reduced holdings will also return to liquidity.

If Shareholders do not approve the Essential Resolutions and the DOCA is not completed in accordance with its terms, then the Deed Administrator will, in the absence of any other deed of company arrangement proposal or a variation to the terms of the DOCA, have no other option but to recommend to Creditors that the Company be put into liquidation.

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

1.1 Background

Resolution 1 seeks Shareholder approval for the Company to undertake a consolidation of its capital (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward and notably, to allow the Company the ability to re-comply with Chapters 1 and 2 of the ASX Listing Rules, which requires a minimum capital raising share price of \$0.02.

Resolution 1 is subject to all Essential Resolutions being approved by Shareholders.

1.2 Legal requirements

Section 254H(1) of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

ASX Listing Rule 7.22 also require that in respect of options, the number of options must be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio.

The Company currently has no Options on issue, and, if approved by Shareholders, the Promoter Options to be issued pursuant to Resolution 4 will be issued on a post-Consolidation basis.

1.3 Fractional entitlements

Not all Shareholders will hold that number of Shares which can be evenly divided by 2. Any fractional entitlements of Shareholders as a consequence of the Consolidation will be rounded up to the nearest whole Share.

1.4 Effect on capital structure

The effect of the Consolidation on the capital structure of the Company (excluding additional issues contemplated in this Notice), is that each holding of Shares will be reduced by 2 times its current level (subject to rounding). However, each Shareholder's proportional interest in the Company's capital will remain unchanged as a result of the Consolidation.

Securities	Shares	Options
Currently on issue	7,911,405	Nil
Post Consolidation (1:2)	3,955,703	-
Promoter Shares and Promoter Options	35,000,000 ¹	35,000,000 ²
General Placement Shares	75,000,000 ³	-
TOTAL	113,955,703	35,000,000

Notes:

1. Promoter Shares issued at \$0.00001 (on a post-Consolidation basis) and subject to ASX restriction requirements.
2. Unquoted Promoter Options exercisable at \$0.02 each (on a post-Consolidation basis) on or before the date which is 4 years after the date of issue and subject to ASX restriction requirements.
3. General Placement Shares issued at \$0.01 (on a post-Consolidation basis) and subject to ASX restriction requirements.

1.5 Taxation implications

It is not considered that any taxation implications will exist for Shareholders arising from the Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Consolidation. Neither the Company, Otsana nor the Deed Administrators (or any of their advisors) accept any responsibility for the individual taxation implications arising from the Consolidation.

1.6 Holding statements and certificates

From the date the Consolidation is approved by Shareholders all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange, in accordance with the timetable set out below, for new holding statements for Shares to be issued to Shareholders.

It is the responsibility of each Shareholder to check the number of Shares held prior to disposal or exercise.

1.7 Indicative Timetable

If Resolution 1 is passed and all other Essential Resolutions are passed, the Consolidation will take effect from the date on which this Resolution 1 is passed pursuant to the timetable set out below and in accordance with the timetable set out in Appendix 7A (paragraph 8) of the ASX Listing Rules.

	Indicative Timing*
General Meeting of Shareholders. ASX notified whether Shareholders' approval has been granted for the Essential Resolutions	20 June 2016
Offers open for the General Placement, following notification to ASX that the Essential Resolutions were approved by Shareholders	20 June 2016
Date that would ordinarily be the last day for trading in pre-Consolidation Securities	21 June 2016
Offers close for the General Placement	21 June 2016
Date that Securities would ordinarily commence trading on a deferred settlement (post-Consolidation) basis	22 June 2016
Last day to register transfers on a pre-Consolidation basis (although the Company is anticipated to remain suspended at this stage)	23 June 2016
Record Date for the Consolidation	23 June 2016
First day for the Company to send notice to each Securityholder of the change in their details of holdings First day for the Company to register Securities on a post-Consolidation basis First day for issue of new holding statements and certificates	24 June 2016
Dispatch date – deferred settlement market ends Last day for the Company to send notice to each Securityholder of the change in their details of holdings. Last day for despatch of new holding statements	30 June 2016
Issue of Promoter Shares and Promoter Options together with holding statements	30 June 2016
Issue of General Placement Shares together with holding statements	23 July 2016

2. RESOLUTION 2 – ISSUE OF PROMOTER SHARES

2.1 General

Resolution 2 seeks Shareholder approval for the issue of up to 35,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.00001 per Share to raise up to \$350 (**Promoter Shares**).

Resolution 2 is subject to all Essential Resolutions being approved by Shareholders.

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

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

The issue of the Promoter Shares is not dependant on the issue of the Promoter Options and General Placement Shares.

2.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Promoter Shares:

- (a) the maximum number of Promoter Shares to be issued is 35,000,000 (on a post-Consolidation basis);
- (b) the Promoter Shares will be issued at Completion, but in any event no later than 3 months 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 of the Promoter Shares will occur on the same date;
- (c) the issue price will be \$0.00001 per Promoter Share (on a post-Consolidation basis);
- (d) the Promoter Shares will be issued to the Promoter Nominees and the proposed new Board (refer to Resolutions 8 to 10). Other than as contemplated by Resolutions 8 to 10, none of these subscribers will be related parties of the Company;
- (e) the Promoter 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; and
- (f) the Company intends to use the funds raised from the issue of the Promoter Shares (\$350) as described in "Purpose of the Meeting" section on page 7 of this Explanatory Statement on page.

3. RESOLUTION 3 – ISSUE OF GENERAL PLACEMENT SHARES

3.1 General

Resolution 3 seeks Shareholder approval for the issue of up to 75,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.01 per Share to raise up to \$750,000 (**General Placement Shares**).

The Company proposes to issue the General Placement Shares to sophisticated and professional investors which qualify under the s708 disclosure exemption provisions under the Corporations Act and to the proposed new Board (refer to Resolutions 8 to 10).

Resolution 3 is subject to all Essential Resolutions being approved by Shareholders.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

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

The issue of the General Placement Shares is not dependant on the issue of the Promoter Shares and Options.

3.2 Technical information required by ASX Listing Rule 7.3

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

- (a) the maximum number of General Placement Shares to be issued is 75,000,000 (on a post-Consolidation basis);
- (b) the General Placement Shares will be issued at Completion, but in any event no later than 3 months 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 the issue of the General Placement Shares will occur on the same date;
- (c) the issue price will be \$0.01 per General Placement Share (on a post-Consolidation basis);
- (d) the General Placement Shares will be issued to sophisticated and professional investors which qualify under the s708 disclosure exemption provisions under the Corporations Act and to the proposed new Board (refer to Resolutions 8 to 10). Other than to members of the proposed new Board, the identity of these parties is not yet known. Other than as contemplated by Resolutions 8 to 10, none of these subscribers will be related parties of the Company;
- (e) the General Placement 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; and
- (f) the Company intends to use the funds raised from the issue of the General Placement Shares (\$750,000) as described in "Purpose of the Meeting" section on page 7 of this Explanatory Statement on page.

4. RESOLUTION 4 – ISSUE OF PROMOTER OPTIONS

4.1 General

Resolution 4 seeks Shareholder approval for the issue of up to 35,000,000 unquoted Options (on a post-Consolidation basis) for nil cash consideration on the terms and conditions set out in Schedule 1 (**Promoter Options**).

Resolution 4 is subject to all Essential Resolutions being approved by Shareholders.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

The effect of Resolution 4 will be to allow the Company to issue the Promoter Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The issue of the Promoter Options is not dependent on the issue of Promoter Shares and General Placement Shares.

4.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue the Promoter Options:

- (a) the maximum number of Promoter Options to be issued is 35,000,000 (on a post-Consolidation basis);
- (b) the Promoter Options will be issued at Completion, but in any event no later than 3 months 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 the issue of the Options will occur on the same date;
- (c) the Promoter Options will be issued for nil cash consideration;
- (d) the Promoter Options will be issued to the Promoter Nominees. Other than as contemplated by Resolutions 8 to 10, none of these subscribers will be related parties of the Company; and
- (e) the Promoter Options will be issued on the terms and conditions set out in Schedule 1.

5. RESOLUTIONS 5 TO 7 – ELECTION OF DIRECTORS – ERIC DE MORI, NICHOLAS YOUNG AND SCOTT MISON

Resolutions 5 to 7 seek approval for the election of Eric de Mori, Nicholas Young and Scott Mison as directors with effect from the date of Completion under the DOCA.

With effect from Completion, the current Board will resign and the Proposed Directors and Proposed Company Secretary will be appointed to the Company.

Clause 13.3 of the Constitution allows a director to be appointed by shareholders at a general meeting.

A summary of the background and experience of the Proposed Directors is set out below. Resolutions 5 to 7 are subject to all Essential Resolutions being approved by Shareholders.

Eric de Mori – proposed Non-Executive Chairman

Mr de Mori specialises in natural resources, technology and biotechnology transactions with a focus on the ASX. He advises clients on M&A activity, capital raisings, Initial Public Offerings (IPO's) Reverse Take Over's (RTO) recapitalisation and restructure and DOCA process management.

Mr de Mori was previously a Non-Executive Director of Newera Resources Ltd, now Consolidated Zinc Ltd (ASX.CZL), and also held director positions with Incentive Ltd, now Hawkey Oil and Gas Limited (ASX.HOG) and Coventry Resources Ltd (ASX.CVY). He was also a Non-Executive Director of Alcyone

Resources Ltd (ASX.AYN) where he helped lead the company's corporate restructure and evolution into a successful silver producer. Mr de Mori was Corporate Advisor and major shareholder in Internet Resources Ltd, where he was instrumental in leading the acquisition of US HR tech company 1-Page, and subsequent \$8.5m backdoor listing (ASX:1PG).

Mr de Mori graduated from Murdoch University with a Bachelor of Arts, and holds a Diploma of Financial Services (RG146 compliance) with Financial Services Institute of Australasia (FINSIA)

Nicholas Young – proposed Non-Executive Director

Mr Young holds a Bachelor of Commerce, majoring in Accounting and Finance, is a Chartered Accountant and has completed the Insolvency Education Program at the Australian Restructuring Insolvency and Turnaround Association.

Mr Young commenced his career in the Corporate Restructuring division of an accounting firm and has gained valuable experience in Australia and Southern Africa, across a wide range of industries, including mining and exploration, mining services, renewable energy, professional services, manufacturing and transport.

Mr Young has been involved in the recapitalisation of various ASX-listed companies.

Scott Mison – proposed Non-Executive Director

Mr Mison holds a Bachelor of Business degree and is a Member of the Institute of Chartered Accountants in Australia and Chartered Secretaries Australia. Mr Mison has over 15 years' experience in finance and corporate compliance in Australia, UK, Central Asia and USA. He is currently a Director, CFO and Company Secretary of ASX and AIM listed Jupiter Energy Limited and ASX listed 1Page Limited and CFO and Company Secretary of Rift Valley Resources Ltd and IDM International Limited. Mr Mison is also a board member of Wheelchair Sports WA Inc.

6. RESOLUTIONS 8 TO 10 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTIES

6.1 General

Pursuant to Resolutions 2, 3 and 4 the Company is seeking Shareholder approval for the issue of up to:

- (a) 35,000,000 Promoter Shares (on a post-Consolidation basis) at an issue price of \$0.00001 per Share to raise \$350;
- (b) 75,000,000 General Placement Shares (on a post-Consolidation basis) at an issue price of \$0.01 per Share to raise up to \$750,000; and
- (c) 35,000,000 Promoter Options (on a post-Consolidation basis) for nil cash consideration,

(together, the **Capital Raising**).

Eric de Mori, Nicholas Young and Scott Mison (**Proposed Directors**) wish to participate in the Capital Raising.

Resolutions 8 to 10 seek Shareholder approval for the issue of up to:

- (a) 60,000,000 General Placement Shares (on a post-Consolidation basis);
- (b) 30,000,000 Promoter Shares (on a post-Consolidation basis); and
- (c) 30,000,000 Promoter Options (on a post-Consolidation basis),

to the Proposed Directors (or their respective nominees) arising from the participation by the Proposed Directors in the Capital Raising (**Participation**).

Resolutions 8, 9 and 10 are subject to all Essential Resolutions being approved by Shareholders.

6.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

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 Participation will result in the issue of Promoter Shares, General Placement Shares and Promoter Options which constitutes giving a financial benefit and the Proposed Directors are related parties of the Company by virtue of being proposed directors of the Company.

In addition, 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.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Additionally, approval of Resolutions 8 to 10 may result in the Proposed Directors having a "material personal interest" in the matters referred to in this Notice. The Directors may not be able to form a quorum at any meetings necessary to carry out the transactions contemplated by Resolutions 8 to 10. Accordingly, Shareholder approval is sought for the Participation.

6.3 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the related parties are Messrs Eric de Mori, Nicholas Young and Scott Mison and they are related parties by virtue of being proposed Directors of the Company;
- (b) the maximum number of Promoter Shares, General Placement Shares and Promoter Options (being the nature of the financial benefits being provided) to be issued to the Proposed Directors will be as follows:

- (i) up to 20,000,000 General Placement Shares, 10,000,000 Promoter Shares and 10,000,000 Promoter Options (all on a post-Consolidation basis) to Eric de Mori (or his nominee);
 - (ii) up to 20,000,000 General Placement Shares, 10,000,000 Promoter Shares and 10,000,000 Promoter Options (all on a post-Consolidation basis) to Nicholas Young (or his nominee); and
 - (iii) up to 20,000,000 General Placement Shares, 10,000,000 Promoter Shares and 10,000,000 Promoter Options (all on a post-Consolidation basis) to Scott Mison (or his nominee);
- (c) the maximum number of Promoter Shares, General Placement Shares and Promoter Options to be issued to the Proposed Directors is up to 60,000,000 General Placement Shares, 30,000,000 Promoter Shares and up to 30,000,000 Promoter Options (all on a post-Consolidation basis);
- (d) the Promoter Shares, General Placement Shares and Promoter Options will be issued to the Proposed Directors at Completion, but in any event 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 of the Promoter Shares, General Placement Shares and Promoter Options will occur on the same date;
- (e) the issue price will be:
 - (i) \$0.00001 per Promoter Share (on a post-Consolidation basis), being the same price as all other Promoter Shares issued under the Capital Raising;
 - (ii) \$0.01 per General Placement Share on a post-Consolidation basis), being the same price as all other General Placement Shares issued under the Capital Raising; and
 - (iii) nil cash per Promoter Option on a post-Consolidation basis), being the same as all other Promoter Options issued under the Capital Raising;
- (f) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as described in "Purpose of the Meeting" section on page 7 of this Explanatory Statement on page;
- (g) the Promoter Shares and General Placement Shares issued under the Capital Raising 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;
- (h) the Promoter Options will be issued on the same terms and conditions as all other Promoter Options issued under the Capital Raising, being those set out in Schedule 1;
- (i) the value of the financial benefit provided to each Proposed Director is calculated by the number of Securities being issued to that Proposed Director multiplied by the issue price under the General Placement and is set out below:

Securities	Value per Security	Financial Benefit
Eric de Mori		
10,000,000 Promoter Shares	\$0.00001	\$100
20,000,000 General Placement Shares	\$0.01	\$200,000
10,000,000 Promoter Options	\$0.0041	\$40,608
TOTAL		\$240,708
Nicholas Young		
10,000,000 Promoter Shares	\$0.00001	\$100
20,000,000 General Placement Shares	\$0.01	\$200,000
10,000,000 Promoter Options	\$0.0041	\$40,608
TOTAL		\$240,708
Scott Mison		
10,000,000 Promoter Shares	\$0.00001	\$100
20,000,000 General Placement Shares	\$0.01	\$200,000
10,000,000 Promoter Options	\$0.0041	\$40,608
TOTAL		\$240,708

The Company has been suspended from trading since 10 December 2014, with the last trading price of the Company prior to going into administration being \$0.011 on 2 December 2014.

However, pursuant to the General Placement, the Company will be issuing Shares at \$0.01, and the Proposed Directors therefore consider that \$0.01 is a more appropriate valuation for the cost of the Promoter Shares and General Placement Shares being issued pursuant to Resolutions 8, 9 and 10.

- (j) the value of the Promoter Options to be issued to the Proposed Directors and the valuation methodology is set out in Schedule 2;
- (k) the current relevant interests of the Proposed Directors in the Securities of the Company are set out below:

Related Party	Shares	Options¹
Eric de Mori	Nil	Nil
Nicholas Young	Nil	Nil

Scott Mison	Nil	Nil
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Notes:

1. The Company currently has no Options on issue, however, each Proposed Director's Optionholding will increase in the event Resolutions 8, 9 and 10 are approved by Shareholders.
- (l) the remuneration and emoluments from the Company to the Proposed Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Financial year ended 30 June 2015	Financial year ended 30 June 2016
Eric de Mori	Nil	\$36,000
Nicholas Young	Nil	\$36,000
Scott Mison	Nil	\$36,000

- (m) if the Promoter Shares, General Placement Shares and Promoter Options are issued to the Proposed Directors and the Promoter Options are exercised into Shares, a total of 120,000,000 Shares (on a post-Consolidation basis) would be issued. This will increase the number of Shares on issue from 3,955,703 (on a post-Consolidation basis) to 123,955,703 (assuming that no other Options are exercised and no Shares are issued), with the effect that the Shareholding of existing Shareholders would be diluted by an aggregate of 83.2%, comprising 27.7% by Mr Eric de Mori, 27.7% by Mr Nicholas Young and 27.7% by Mr Scott Mison.

The market price for Shares during the term of the Promoter Options would normally determine whether or not they are exercised. If, at any time any of the Promoter Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Promoter Options, there may be a perceived cost to the Company.

- (n) The Company's Securities were suspended from quotation on 10 December 2014 and remain in suspension. The last trading price of the Shares prior to the Company going into administration was \$0.011 on 2 December 2014;
- (o) the primary purpose of the issue of the Promoter Shares, General Placement Shares and Promoter Options is to allow the Proposed Directors to participate in the Capital Raising; and
- (p) none of the current Directors of the Company have an interest in the outcome of Resolutions 8 to 10. The current Directors do not make a recommendation because the Company is subject to a Deed of Company Arrangement. However, it is noted that:
- (i) the issue of Promoter Shares, General Placement Shares and Promoter Options pursuant to Resolutions 8 to 10 are on the same terms as the issue of Promoter Shares, General Placement Shares and Promoter Options under the Capital Raising; and
- (ii) the issue of Promoter Shares, General Placement Shares and Promoter Options to the Proposed Directors might be regarded

as aligning the interests of the Proposed Directors with those of Shareholders; and

- (q) the Proposed Directors and the Deed Administrators are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 8 to 10.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Promoter Shares, General Placement Shares and Promoter Options to the Proposed Directors (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTION 11– REPLACEMENT OF CONSTITUTION

7.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 11 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2008.

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

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

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.adgglobalsupply.com and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9329 5900). Shareholders are invited to contact the Company if they have any queries or concerns.

7.2 Summary of material proposed changes

Minimum Shareholding (clause 3)

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

The Proposed Constitution is in line with the requirements for dealing with “unmarketable parcels” outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

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

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

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

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

Dividends (clause 21)

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

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

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

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

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

more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 35)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, other than as set out in this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;

- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 11.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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 Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Capital Raising has the meaning given in Section 6.1.

Chair means the chair of the Meeting.

Company or **ADG** means ADG Global Supply Limited (Subject To Deed of Company Arrangement) (ACN 082 341 197).

Completion means settlement and completion of the DOCA.

Consolidation means the consolidation, on a one (1) for two (2) basis, of the Company's existing Securities.

Constitution means the Company's constitution.

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

Deed Administrators means Mr Simon Theobald and Ms Melissa Humann of PPB Advisory as joint and several administrators of the Company.

DOCA means the deed of company arrangement between the Company, Otsana and the Deed Administrators dated 25 September 2015, which embodies the Recapitalisation Proposal.

Directors means the current directors of the Company.

Essential Resolutions means Resolutions 1 to 11 (inclusive).

Explanatory Statement means the explanatory statement accompanying the Notice.

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

General Placement means the offer of up to 75,000,000 Shares (on a post-Consolidation basis) at an issue price of not less than \$0.01 each to raise up to \$750,000.

General Placement Shares means up to 75,000,000 Shares (on a post-Consolidation basis) at an issue price of not less than \$0.01 each.

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

Official List means the official list of the ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Otsana or **Promoter** means Otsana Pty Ltd (ACN 145 168 216) trading as Otsana Capital.

Promoter Nominees means Otsana, any sophisticated or professional investors nominated by Otsana to receive Promoter Securities and General Placement Shares, and their associates.

Promoter Options means up to 35,000,000 unquoted Options (on a post-Consolidation basis) to be issued for nil cash consideration to the Promoter Nominees, exercisable at \$0.02 each and expiring on the date that is 4 years after the date of issue.

Promoter Securities means the Promoter Shares and Promoter Options.

Promoter Shares means up to 35,000,000 Shares (on a post-Consolidation basis) to be issued to the Promoter Nominees at an issue price of \$0.00001 each, to raise up to \$350.

Proposed Company Secretary means Scott Mison.

Proposed Directors means Eric de Mori, Nicholas Young and Scott Mison.

Proxy Form means the proxy form accompanying the Notice.

Recapitalisation Proposal means the original proposal submitted by Otsana to the Company to reconstruct and recapitalise ADG in order that the Company can continue to operate as a going concern and seek reinstatement to trading on ASX (please refer to the Notice of AGM as announced on the ASX on 29 December 2015 for full details of the original proposal).

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

Security means a Share or Option as the context requires.

Securityholder means a holder of a Security.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF PROMOTER OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

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

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is 4 years after the date of their issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on any Option certificate issued to the holder (**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.

(f) **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**).

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

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) 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;
- (ii) 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

- (iii) 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 (g)(ii) 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.

(h) **Shares issued on exercise**

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

(i) **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.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reorganised or reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation or reconstruction.

(k) **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.

(l) **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.

(m) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**

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

SCHEDULE 2 – VALUATION OF PROPOSED DIRECTORS’ PROMOTER OPTIONS

The Promoter Options to be issued to the Proposed Directors pursuant to Resolutions 8, 9 and 10 have been independently valued.

Using the Black and Scholes option model and based on the assumptions set out below, the Promoter Options were ascribed the following value:

Assumptions:	
Valuation date	2 May 2016
Market price of Shares	\$0.01
Exercise price	\$0.02
Expiry date (length of time from issue)	4 years
Risk free interest rate	2.02%
Volatility (discount)	75%
Indicative value per Related Party Option	\$0.0041
Total Value of Related Party Options	\$121,823
- <i>Eric de Mori</i>	\$40,608
- <i>Nicholas Young</i>	\$40,608
- <i>Scott Mison</i>	\$40,608

Note: The valuation noted above is not necessarily the market price that the Promoter Options could be traded at and is not automatically the market price for taxation purposes.

APPOINTMENT OF PROXY FORM

ADG GLOBAL SUPPLY LIMITED
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ACN 082 341 197

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR:

the Chair of the Meeting as my/our proxy.

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 10:00am (WST), on 20 June 2016 at RSM, 8 St Georges Terrace, Perth WA 6000, 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. 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.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Promoter Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of General Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Promoter Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of Director – Eric de Mori	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Election of Director – Nicholas Young	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Election of Director – Scott Mison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Shares and Options to Eric de Mori	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Shares and Options to Nicholas Young	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Issue of Shares and Options to Scott Mison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Replacement of Constitution	<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 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 Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail: YES NO

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder 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 copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder'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 Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. 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 Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy 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. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to ADG Global Supply Limited (Subject to Deed of Company Arrangement), c/- PPB Advisory, GPO Box 7761, Cloisters Square PERTH WA 6850 ; or
 - (b) facsimile to the Company on facsimile number +61 8 9216 7699,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.