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## Notice of Annual General Meeting

eServGlobal Limited ACN 052 947 743

Monday 13 March 2017  
at 11.00am

Institute of Chartered Accountants  
Level 9  
33 Erskine Street  
Sydney NSW 2000

This document includes forward-looking statements. The words "believe", "anticipate", "expect", "intend", "aim", "plan", "predict", "continue", "assume", "positioned", "may", "will", "should", "shall", "risk" and any other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not historical facts. Shareholders should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Company's control. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance, and the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which it operates may differ materially from that made in or suggested by the forward-looking statements contained in this document. The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Company, or persons acting on its behalf, may issue. These forward-looking statements are made as of the date of this document and are not intended to give any assurances as to future results. Save as required by law or regulation the Company undertakes no obligation to update these forward-looking statements, and will not publicly release any revisions it may make to these forward-looking statements that may result from events or circumstances arising after the date of this document.

## Notes

### Determination of entitlement to attend and vote at the Annual General Meeting

The Company has determined, in accordance with the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, that for the AGM, Shares will be taken to be held by those persons recorded in the Company's register of members as at 11.00am in Sydney, Australia on 11 March 2017.

Current Depository Interest holders can attend the AGM but will not be permitted to vote at the meeting. For their votes to be counted DI Holders must submit their CREST Voting Instruction to Computershare UK by the required cut-off time below. Alternatively, DI Holders can vote using the form of instruction.

### Voting by proxy

A Shareholder who is entitled to attend and vote at the AGM may appoint a proxy to attend and vote at the AGM on behalf of that Shareholder. A proxy need not be a Shareholder of the Company. If a Shareholder is entitled to cast two or more votes at the AGM, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment does not specify the proportion or the number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of the Shareholder's votes on a poll.

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.

Proxies may be lodged with the Company's share registry Computershare Investor Services Pty Ltd:

<p>Australia (Proxy Forms)</p> <p>By mail: GPO Box 242 MELBOURNE VIC 3001 AUSTRALIA</p> <p>By facsimile: 1800 783 447 (inside Australia) +61 3 9473 2555 (outside Australia)</p>	<p>United Kingdom (CREST Voting Instruction)</p> <p>Holders of Depository Interests in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.</p> <p>In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "<b>CREST Voting Instruction</b>") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via <a href="http://www.euroclear.com/CREST">www.euroclear.com/CREST</a>).</p>
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To be effective, the Company must receive the completed proxy form and, if the form is signed by the Shareholder's attorney or authorised representative, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 11.00am AEDT on 11 March 2017.

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than 11:00 a.m. (GMT) 7 March 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. Holders of Depository Interests in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations

will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the Depository Interest holder concerned to take (or, if the Depository Interest holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time. In this connection, Depository Interest holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

### **Explanatory notes**

Shareholders should refer to the Explanatory Memorandum.

### **Interpretation**

Terms used in this Notice of Meeting have the meanings given to them in Glossary in the Explanatory Memorandum.

# Notice of Annual General Meeting

eServGlobal Limited ACN 052 947 743 (Company)

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Notice is given that the Annual General Meeting (**AGM**) of eServGlobal Limited (**Company**) will be held at 11.00am Sydney time on 13 March 2017 at the Institute of Chartered Accountants, Level 9, 33 Erskine Street, Sydney, NSW 2000

## Agenda

### 1 Financial Statements and Reports

To receive and consider the Company's Financial Statements, Directors' and Auditor's Reports for the financial year ended 31 October 2016.

### 2 Resolution 1- Remuneration Report

To consider and, if thought fit, to pass the following proposed resolution in accordance with section 250R(2) of the Corporations Act:

*'That the Remuneration Report for the financial year ended 31 October 2016, as set out in the Directors' report, be adopted.'*

NB: This resolution is advisory only. This resolution shall be determined under section 250R(2) of the Corporations Act. Votes must not be cast on this resolution by Key Management Personnel and closely related parties in contravention of section 250R or 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

### 3 Resolution 2- Re-election of Director – John Conoley

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

*'John Conoley, who retires in accordance with article 17.2 of the Company's constitution and, being eligible, offers himself for election, be re-elected as a director of the Company.'*

### 4 Resolution 3- Election of Director – Andrew Hayward

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

*'Andrew Hayward, who retires in accordance with article 16.4(b) of the Company's constitution and, being eligible, offers himself for election, be elected as a director of the Company.'*

### 5 Resolution 4- Issue of Options to John Conoley

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

*'That for the purposes of Listing Rule 10.14 and for all other purposes, the Company be authorised to issue to John Conoley 3,500,000 Options to purchase 3,500,000 Shares on payment of \$0.21 per Option on the terms set out in the Explanatory Memorandum accompanying this*

*Notice of Meeting, as an incentive for Mr Conoley's activities as a Director and executive of the Company and in addition to his remuneration in that office.'*

## **6 Resolution 5- Issue of Options to Andrew Hayward**

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

*'That for the purposes of Listing Rule 10.14 and for all other purposes, the Company be authorised to issue to Andrew Hayward 2,500,000 Options to purchase 2,500,000 Shares on payment of \$0.21 per Option on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting, as an incentive for Mr Hayward's activities as a Director and executive of the Company and in addition to his remuneration in that office.'*

## **7 Resolution 6- Issue of Employee Options**

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

*'That for the purposes of ASX Listing Rule 7.2- Exception 9(b), Section 260C(4) of the Corporations Act 2001 and for all other purposes the issue of up to 4,000,000 Options to purchase 4,000,000 Shares on payment of \$0.21 per Option be approved on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting to such employees of the Company or its wholly owned subsidiaries as determined by the Directors.'*

DATED 10 February 2017

By Order of the Board

A handwritten signature in black ink, consisting of a stylized initial 'T' followed by a long horizontal line that ends in a small flourish.

Tom Rowe  
Company Secretary  
eServGlobal Limited

# Explanatory Memorandum

eServGlobal Limited ACN 052 947 743 (Company)

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The information in this Explanatory Memorandum is provided to Shareholders of eServGlobal Limited (**Company** or **ESV**) in compliance with the Corporations Act, Listing Rules, AIM Rules and the Company's Constitution.

## Introduction

This Explanatory Memorandum is despatched with and forms part of the Notice of the Company's Annual General Meeting (**AGM**) to be held at 11.00am on 13 March 2017.

All Ordinary Shareholders should read this Explanatory Memorandum in full and if they have any questions, obtain professional advice before making any decisions in relation to the Resolutions to be put to Shareholders at the AGM.

Agenda item 1 is not a resolution.

Resolutions 1 to 6 are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders (in person or by proxy) entitled to vote on the resolution.

## Item 1 – Financial Statements and Reports

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The Corporations Act requires that the Directors' Report, Directors' Declaration, Independent Audit Report and the financial statements of the Company for the year ended 31 October 2016 be presented at the AGM. In addition, the Company's Constitution provides for such reports and statements to be received and considered at the meeting. Apart from matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders at the AGM on such reports or statements, however Shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the meeting. Shareholders may also ask questions about the management of the Company.

Shareholders may ask questions of the Company's Auditor which are relevant to:

- the content of the Auditor's Report to be considered at the meeting; or
- the conduct of the audit of the annual financial statements to be considered at the meeting.

In addition to asking questions at the meeting, Shareholders may address written questions to the Chairman. Any written questions must be submitted to the Company Secretary before 5.00pm 9 March 2017.

By mail to:

The Company Secretary  
eServGlobal Limited  
C/o Simpsons Solicitors  
Lvl 2, Pier 8/9  
23 Hickson Road

Millers Point NSW 2000

By facsimile to: 61 2 8014 5060

By email to: [trowe@capitalcorporatelaw.com.au](mailto:trowe@capitalcorporatelaw.com.au)

## **Resolution 1 – Remuneration Report**

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The Corporations Act requires that the section of the Directors' Report dealing with the remuneration of Directors and Key Management Personnel (**Remuneration Report**) be put to the vote of Shareholders for adoption by way of a non-binding vote.

The vote is relevant to Division 9 of Part 2G.2 of the Corporations Act. The Remuneration Report was unanimously rejected on a show of hands at the 2015 annual general meeting (**First Strike**) and failed on proxy votes at the 2016 annual general meeting (**Second Strike**). As a result of the Second Strike, a resolution was put to the meeting (**Spill Resolution**) at the 2016 annual general meeting that within 90 days a meeting be held (**Spill Meeting**) at which all Directors who were directors at the date of the Second Strike retire at the end of the Spill Meeting and the Shareholders elect persons to the vacated offices. The Spill Resolution did not pass.

If the Remuneration Report receives an against vote of at least 25% at this AGM, it will be a First Strike.

The Remuneration Report is contained in the Annual Report.

### **Voting Exclusion:**

The Company will disregard any votes cast on Resolution 1 in contravention of section 250R or 250BD of the Corporations Act:

- by or on behalf of a member of the Key Management Personnel whose remuneration is included in the Remuneration Report;
- by or on behalf of a Closely Related Party (such as close family members and any controlled companies) of a member of Key Management Personnel whose remuneration is included in the Remuneration Report; or
- as a proxy of any of the above.

However, the Company need not disregard a vote cast on Resolution 1 if it is cast as a proxy for a person who is entitled to vote, in accordance with the directions (For, Against or Abstain) on the proxy appointment, or is cast by the Chairman in accordance with the exceptions under the Corporations Act.

### **Directors' recommendation**

The Directors abstain from making a recommendation in relation to this Resolution.

## **Resolution 2– Re-election of John Conoley**

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Clause 17.1 of the Company's Constitution requires 1/3 of the Directors to retire at each annual general meeting. The order of retirement under Clause 17.1 is that the Directors who have been longest in office shall retire.

Clause 17.2 of the Company's Constitution requires each Director (excluding the Managing Director) to retire at the third annual general meeting following his or her last election or appointment by a general

meeting. Listing Rule 14.4 requires that a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

The Shareholders last appointed Mr Conoley as a Director at the 2014 Annual General Meeting. Mr Stephen Baldwin was last re-elected by Shareholders at the 2015 annual general meeting and Mr Tom Rowe was last re-elected by Shareholders at the 2016 annual general meeting. Mr Hayward's election as a Director is the subject of Resolution 3.

The details of Mr Conoley's qualifications and experience are contained in the Annual Report.

#### **Directors' recommendation**

The Directors, with Mr Conoley abstaining, unanimously recommend that Shareholders vote in favour of this Resolution.

### **Resolution 3– Election of Andrew Hayward**

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Clause 16.4 of the Company's Constitution and Listing Rule 14.4 requires each Director (excluding the Managing Director) who is appointed by the Directors to retire at the next annual general meeting following their appointment. The Director may then submit themselves for election by the Shareholders at the annual general meeting.

This AGM is the first annual general meeting since Mr Hayward was appointed as a Director by the Board on 21 December 2016.

The details of Mr Hayward's qualifications and experience are contained in the Annual Report.

#### **Directors' recommendation**

The Directors, with Mr Hayward abstaining, unanimously recommend that Shareholders vote in favour of this Resolution.

### **Resolutions 4 – Issue of Options to John Conoley**

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This resolution seeks Shareholder approval for the purposes of Listing Rule 10.11 in respect of the issue of Options to purchase Shares to Mr Conoley, the Executive Chairman, as an incentive for performance and in addition to his salary or other payments that would otherwise be payable in cash.

The proposed issue of Options is to be the long-term incentive component of Mr Conoley's remuneration package.

The potential issue of Options to purchase Shares is intended to further align his interests with those of the Company and its Shareholders.

The Options and any Shares issued on exercise of Options will not reduce the Company's capacity under Listing Rule 7.1 or 7.1A due to Listing Rule 7.1 Exception 9.

The Options have an exercise price of A\$0.21, which is the same price as the options approved to be issued to Mr Conoley at the 216 annual general meeting and the extraordinary general meeting held in July 2016.

Approval is sought for the grant of Options on the following terms and conditions:

<b>Vesting date</b>	The earlier of 13 March 2019 or the date of a Trigger Event.
<b>Vesting condition</b>	The Options will only vest if the Allottee is an employee or Director of the Company or a wholly owned subsidiary of the Company at the vesting date.
<b>Expiry Date</b>	The earlier of: <ol style="list-style-type: none"> <li>1. 13 March 2022;</li> <li>2. The date the Allottee ceases as an employee or Director of the Company or a wholly owned subsidiary of the Company due to: <ul style="list-style-type: none"> <li>• his resignation or,</li> <li>• in the case of his employment, termination for breach; or</li> </ul> </li> <li>3. 90 days following termination or his employment or engagement as a Director, or such longer period (not exceeding 13 March 2022) as determined by the Board, for any other reason than those stated in (2) above.</li> </ol>
<b>Exercise price</b>	A\$0.21
<b>Number of Options</b>	3,500,000
<b>Allottee</b>	John Conoley
<b>Maximum number of securities</b>	After the vesting date, each Option will entitle the holder to acquire one Share on payment of the exercise price. Subject to any reorganisation, the maximum number of Shares that may be acquired on exercise of the Options the subject of Resolution 4 is 3,500,000.
<b>Issue price</b>	No amount will be payable on the grant of an Option.
<b>Further issues</b>	If the Company makes an issue of Shares or other securities, including equity securities convertible into Shares, a holder of Options is not entitled to participate in such further issues unless the Options have been exercised on or before the relevant record date.
<b>Reorganisations</b>	If there is a reorganisation (including consolidation, sub-division, reduction or return) of the capital of the Company, the rights of each holder of Options issued will be changed to the extent necessary to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation (including the adjustment of the exercise price of the Option (if applicable) in accordance with Listing Rule 6.22).
<b>Ranking</b>	All Shares issued pursuant to the exercise of Options will, subject to the Constitution, rank in all respects (other than in respect of dividends, rights issues or bonus issues for which the record date for participation has passed) pari passu with the existing Shares at the date of issue and allotment.
<b>Quotation</b>	The Options will not be quoted on ASX. The Company intends to apply to ASX for quotation of any Shares issued on exercise of the Options.

### Additional Information

ASX Listing Rule 10.11 requires the approval of Shareholders for the issue of securities to a Director. Information required under Listing Rule 10.13 not otherwise specified above, together with other additional information is set out below:

<b>Maximum number of securities to be issued</b>	3,500,000 Options
<b>Terms of issue</b>	The Options are governed by the terms and conditions set out in the table above.

<b>Issue date</b>	The Options will be issued as soon as practicable following Shareholder approval, but in any event, not later than 1 month after the date of the Annual General Meeting.
<b>Intended use of funds</b>	If and when the Options are exercised, it is the current intention of the Board that the funds will be used for working capital. Total funds raised, assuming all of the Options vest and are exercised, will be AUD\$735,000.

### Related Party Transaction

Section 208(1) of the Corporations Act provides that a public company must not, without the approval of the Company's members, give a financial benefit to a Related Party unless an exception to the prohibition which are set out in sections 210 to 216 of the Corporations Act applies to the issue. As a Director of the Company, Mr Conoley is a Related Party of the Company for the purposes of section 228(2) Corporations Act. The issue of the Options will constitute the giving of a financial benefit to a Related Party for the purposes of section 229(3)(e) of the Corporations Act.

The Board, with Mr Conoley and Mr Hayward abstaining, has determined that the grant of the Options satisfies the "reasonable remuneration" exemption in Section 211(1) of the Corporations Act from the requirement for Shareholder approval under the Corporations Act.

In coming to this decision, the Board considered, amongst other matters, the following factors

<b>Total Remuneration Packages</b>	Excluding the Options the subject of Resolution 4, the total remuneration package of John Conoley is: Fixed: £260,000 per annum (A\$430,000 approx.) STI: Mr Conoley participates in the Company's corporate bonus plan for FY2017. His maximum entitlement under the STI for FY 2017, subject to Company performance, is 100% of his fixed remuneration less the value of his LTI benefit for FY2017. Pensions and Allowances: £9,400.
<b>Existing interests in Company</b>	Mr Conoley currently holds, directly and indirectly, a total of 1,900,411 Depository Interests in the Company. He also holds: <ul style="list-style-type: none"> <li>• 3,000,000 options with an exercise price of A\$0.21 expiring 14 March 2021; and,</li> <li>• 2,000,000 options with an exercise price of A\$0.21 expiring 8 August 2021.</li> </ul>
<b>Dilutionary Effect of Issue of Options</b>	The exercise of all the Options the subject of Resolution 4 would have an insignificant dilutionary effect on existing Shareholders voting power as the Shares that may be issued would comprise only 0.5% of the post exercise issued capital. There would be no dilution of voting power on issue of the Options. The economic dilution would be less than the dilution of voting power due to the requirement for Mr Conoley to pay A\$0.21 per Option to exercise.
<b>Value of LTI Benefit</b>	Utilising a <i>black scholes</i> model, the Options have been independently valued as at 30 January 2017 at A\$0.0544 per Option. Accordingly, his LTI benefit, if Resolution 4 is approved, is A\$190,400.

## Voting exclusion

The Company will disregard any votes cast on Resolution 4 by:

- a person who is to receive securities in relation to the entity;
- an associate of that person (or those persons);
- by a member of the Key Management Personnel as a proxy for a person who is entitled to vote;
- by a closely related party (such as close family members and any controlled companies) of a member of Key Management Personnel as a proxy for a person who is entitled to vote.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions (For, Against or Abstain) 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.

## Directors' recommendation

The Directors, with Mr Conoley and Mr Hayward abstaining, recommend that the Shareholders vote in favour of Resolution 4. The reasons for giving the recommendation are:

- The incentive represented by the issue of Options is a cost-effective and efficient incentive when compared to the alternative of cash incentives.
- The primary purpose of the Options is to reward performance and provide an incentive to Mr Conoley that is aligned to the increase of shareholder value. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in granting the Options, the subject of this resolutions.

## Resolutions 5– Issue of Options to Andrew Hayward

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Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 10.11 in respect of the issue of Options to purchase Shares to Mr Hayward, an Executive Director and the Chief Financial Officer of the Company as an incentive for performance and in addition to his salary or other payments that would otherwise be payable in cash.

The proposed issue of Options under Resolution 5 is to be the LTI component of Mr Hayward's remuneration package for FY2017.

The potential issue of Options to purchase Shares is intended to further align his interests with those of the Company and its Shareholders.

The Options and any Shares issued on exercise of Options will not reduce the Company's capacity under Listing Rule 7.1 or 7.1A due to Listing Rule 7.1 Exception 9.

The Options have an exercise price of A\$0.21, which is the same price as the employee options approved at the 2016 annual general meeting, the extraordinary general meeting held in July 2016 and the Options sought to be approved under Resolution 4.

Approval is sought for the grant of Options on the following terms and conditions:

<b>Vesting date</b>	The earlier of 13 March 2019 or the date of a Trigger Event.
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<b>Vesting condition</b>	The Options will only vest if the Allottee is an employee or Director of the Company or a wholly owned subsidiary of the Company at the vesting date.
<b>Expiry Date</b>	The earlier of: <ul style="list-style-type: none"> <li>4. 13 March 2022;</li> <li>5. The date the Allottee ceases as an employee or Director of the Company or a wholly owned subsidiary of the Company due to: <ul style="list-style-type: none"> <li>• his resignation or,</li> <li>• in the case of his employment, termination for breach; or</li> </ul> </li> <li>6. 90 days following termination or his employment or engagement as a Director, or such longer period (not exceeding 13 March 2022) as determined by the Board, for any other reason than those stated in (2) above.</li> </ul>
<b>Exercise price</b>	A\$0.21
<b>Number of Options</b>	2,500,000
<b>Allottee</b>	Andrew Hayward
<b>Maximum number of securities</b>	After the vesting date, each Option will entitle the holder to acquire one Share on payment of the exercise price. Subject to any reorganisation, the maximum number of Shares that may be acquired on exercise of the Options the subject of Resolution 5 is 2,500,000.
<b>Issue price</b>	No amount will be payable on the grant of an Option.
<b>Further issues</b>	If the Company makes an issue of Shares or other securities, including equity securities convertible into Shares, a holder of Options is not entitled to participate in such further issues unless the Options have been exercised on or before the relevant record date.
<b>Reorganisations</b>	If there is a reorganisation (including consolidation, sub-division, reduction or return) of the capital of the Company, the rights of each holder of Options issued will be changed to the extent necessary to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation (including the adjustment of the exercise price of the Option (if applicable) in accordance with Listing Rule 6.22).
<b>Ranking</b>	All Shares issued pursuant to the exercise of Options will, subject to the Constitution, rank in all respects (other than in respect of dividends, rights issues or bonus issues for which the record date for participation has passed) pari passu with the existing Shares at the date of issue and allotment.
<b>Quotation</b>	The Options will not be quoted on ASX. The Company intends to apply to ASX for quotation of any Shares issued on exercise of the Options.

### Additional Information

ASX Listing Rule 10.11 requires the approval of Shareholders for the issue of securities to a Director. Information required under Listing Rule 10.13 not otherwise specified above, together with other additional information is set out below:

<b>Maximum number of securities to be issued</b>	2,500,000 Options
<b>Terms of issue</b>	The Options are governed by the terms and conditions set out in the table above.

<b>Issue date</b>	The Options will be issued as soon as practicable following Shareholder approval, but in any event, not later than 1 month after the date of the Annual General Meeting.
<b>Intended use of funds</b>	If and when the Options are exercised, it is the current intention of the Board that the funds will be used for working capital. Total funds raised, assuming all of the Options vest and are exercised, will be A\$525,000.

### Related Party Transaction

Section 208(1) of the Corporations Act provides that a public company must not, without the approval of the Company's members, give a financial benefit to a Related Party unless an exception to the prohibition which are set out in sections 210 to 216 of the Corporations Act applies to the issue. As a Director of the Company, Mr Hayward is a Related Party of the Company for the purposes of section 228(2) Corporations Act. The issue of the Options will constitute the giving of a financial benefit to a Related Party for the purposes of section 229(3)(e) of the Corporations Act.

The Board, with Mr Hayward abstaining, has determined that the grant of the Options satisfies the "reasonable remuneration" exemption in Section 211(1) of the Corporations Act from the requirement for Shareholder approval under the Corporations Act.

In coming to this decision, the Board considered, amongst other matters, the following factors

<b>Total Remuneration Packages</b>	Excluding the Options the subject of Resolution 5, the total remuneration package of Andrew Hayward is: Fixed: £150,000 per annum (A\$250,000 approx) STI: Mr Hayward participates in the Company's corporate bonus plan to a maximum of £45,000 (A\$75,000 approx.) for FY2017.
<b>Existing interests in Company</b>	Mr Hayward currently holds no securities in the Company.
<b>Dilutionary Effect of Issue of Options</b>	The exercise of all the Options the subject of Resolution 5 would have an insignificant dilutionary effect on existing Shareholders voting power as the Shares that may be issued would comprise only 0.36% of the post exercise issued capital. There would be no dilution of voting power on issue of the Options. The economic dilution would be less than the dilution of voting power due to the requirement for Mr Hayward to pay A\$0.21 per Option to exercise.
<b>Value of LTI Benefit</b>	Utilising a <i>black scholes</i> model valuation for the Options, the Options have a value of A\$0.0544 per Option as at 30 January 2017. The value of his LTI benefit, if Resolution 5 is approved, is A\$136,000 (30% of Mr Hayward's total remuneration package for FY2017, inclusive of the LTI).

### Voting exclusion

The Company will disregard any votes cast on Resolution 5 by:

- a person who is to receive securities in relation to the entity;
- an associate of that person (or those persons);
- by a member of the Key Management Personnel as a proxy for a person who is entitled to vote;
- by a closely related party (such as close family members and any controlled companies) of a member of Key Management Personnel as a proxy for a person who is entitled to vote.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions (For, Against or Abstain) 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.

### Directors' recommendation

The Directors, with Mr Hayward and Mr Conoley abstaining, recommend that the Shareholders vote in favour of Resolution 5. The reasons for giving the recommendation are:

- The incentive represented by the issue of Options is a cost-effective and efficient incentive when compared to the alternative of cash incentives.
- The primary purpose of the Options is to reward performance and provide an incentive to Mr Hayward that is aligned to the increase of shareholder value. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in granting the Options, the subject of these resolutions.

## Resolution 6 – Issue of Employee Options

Listing Rule 7.1 generally restricts listed companies from issuing more than 15% of their issued share capital in any 12-month period without shareholder approval. There are however, a number of exceptions to this restriction including Listing Rule 7.2, Exception 9(b). Listing Rule 7.2, Exception 9(b) provides that Listing Rule 7.1 will not apply to an issue to a participant under an employee incentive scheme, if within three years before the date of the issue (**Issue Date**), holders of ordinary securities have approved the issue of securities under the scheme as an exception to this rule.

Listing Rule 7.2, Exception 4 provides that Listing Rule 7.1 will not apply to the issue of Shares on conversion of the Employee Options, regardless of the time of exercise.

The Employee Options are to be issued on the following terms and conditions:

<b>Vesting date</b>	The earlier of two years from the Issue Date or the date of a Trigger Event (such Trigger event occurring after the Issue Date).
<b>Vesting condition</b>	The Employee Options will only vest if the Allottee is an employee or Director of the Company or a wholly owned subsidiary of the Company at the vesting date.
<b>Expiry Date</b>	The earlier of: <ol style="list-style-type: none"> <li>1. 5 years from the Issue Date;</li> <li>2. The date the Allottee ceases as an employee or Director of the Company or a wholly owned subsidiary of the Company due to: <ul style="list-style-type: none"> <li>• his resignation or,</li> <li>• in the case of his employment, termination for breach; or</li> </ul> </li> <li>3. 90 days following termination or his employment or engagement as a Director, or such longer period (not exceeding 5 years from the issue date) as determined by the Board, for any other reason than those stated in (2) above.</li> </ol>
<b>Exercise price</b>	\$0.21
<b>Number of Options</b>	4,000,000

<b>Allottee</b>	The employee or their nominee
<b>Maximum number of securities</b>	After the vesting date, each Employee Option will entitle the holder to acquire one Share on payment of the exercise price. Subject to any reorganisation, the maximum number of Shares that may be acquired on exercise of the Employee Options the subject of Resolution 6 is 4,000,000.
<b>Issue price</b>	No amount will be payable on the grant of an Employee Option.
<b>Further issues</b>	If the Company makes an issue of Shares or other securities, including equity securities convertible into Shares, a holder of Employee Options is not entitled to participate in such further issues unless the Employee Options have been exercised on or before the relevant record date.
<b>Reorganisations</b>	If there is a reorganisation (including consolidation, sub-division, reduction or return) of the capital of the Company, the rights of each holder of Employee Options issued will be changed to the extent necessary to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation (including the adjustment of the exercise price of the Employee Option (if applicable) in accordance with Listing Rule 6.22).
<b>Ranking</b>	All Shares issued pursuant to the exercise of Employee Options will, subject to the Constitution, rank in all respects (other than in respect of dividends, rights issues or bonus issues for which the record date for participation has passed) pari passu with the existing Shares at the date of issue and allotment.
<b>Quotation</b>	The Employee Options will not be quoted on ASX. The Company intends to apply to ASX for quotation of any Shares issued on exercise of the Employee Options.

In July 2016 the Company obtained approval to issue up to 7,000,000 employee options. At the date of this Notice of Meeting, 6,550,000 employee options have been issued, leaving a residual capacity of 450,000 employee options that may be issued up until 22 July 2019 under that approval. No other employee share option plan is in use by the Company at this time. (The previous ESOP was approved at the 2012 AGM and that approval expired in 2015. Between that approval and its expiry, 11,600,000 options were issued under the ESOP and at the date of this Notice of Meeting there are still 3,590,000 options on issue under the ESOP (exercise price A\$0.36.)

The Employee Options are intended to retain staff, motivate employees to improve Company performance and align the interests of employees with those of the Company and its Shareholders. The Company may award Employee Options to employees as an incentive component of their remuneration package. The number of Employee Options issued to the participating employees is to be determined by the Board.

If this resolution is passed, the Company will be able to issue up to an additional 4,000,000 Employee Options to employees during the next three years without the need to seek further shareholder approval (subject to Chapter 10 of the Listing Rules). The Board intends to issue the Employee Options within 12 months of the date of Shareholder approval.

The issue of Shares on exercise of the Employee Options will not require shareholder approval.

The passing of this resolution will provide approval for the giving of financial assistance to the acquisition of Shares under an employee share scheme pursuant section 260C(4) of the Corporations Act.

This resolution is not seeking approval for the issue of Employee Options to any Director or Related Party as that term is defined in the Listing Rules.

## Voting exclusion

The Company will disregard any votes cast on Resolution 6 by:

- Any Director (except one who is ineligible to participate in any employee incentive scheme);
- an associate of a Director (except one who is ineligible to participate in any employee incentive scheme); or,
- by a member of the Key Management Personnel as a proxy for a person who is entitled to vote; or
- by a Closely Related Party (such as close family members and any controlled companies) of a member of Key Management Personnel as a proxy for a person who is entitled to vote.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions (For, Against or Abstain) 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.

## Directors' recommendation

All Directors unanimously recommend that Shareholders vote in favour of this Resolution.

# Glossary of Terms

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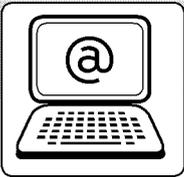
In this Notice of Meeting and Explanatory Memorandum unless defined below, capitalised words have the same meaning as in the Corporations Act:

<b>AGM</b>	means the annual general meeting of the Company to be held on 13 March 2017
<b>AIM</b>	means AIM, a market of the London Stock Exchange.
<b>AIM Rule or AIM Rules</b>	means together the AIM Rules for Companies and the AIM Rules for Nominated Advisers governing admission to and the operation of AIM.
<b>AIM Rules for Companies</b>	means the AIM Rules for Companies published by the London Stock Exchange.
<b>Annual Report</b>	means the annual report produced for the financial period ending 31 October 2016.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means the ASX Limited ACN 008 624 691 and the market that it operates.
<b>Board</b>	means the board of Directors of the Company.
<b>Chairman</b>	means the Chairman of the Company as approved from time to time and includes an acting Chairman.
<b>Company or eServGlobal or ESV or eServ</b>	means eServGlobal Limited ACN 052 947 743.
<b>Constitution</b>	means the constitution of the Company.
<b>Control</b>	has the meaning given in section 50AA of the Corporations Act.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	means the <i>Corporations Regulations 2001</i> (Cth).

<b>Depository Interest</b>	means de-materialised depository interests representing Ordinary Shares issued by the depository, Computershare Investor Services PLC, and settled on CREST.
<b>DI Holders</b>	means holders of Depository Interests.
<b>Directors</b>	means the directors of the Company from time to time, and Director means any one of them.
<b>Employee Option</b>	means an option on the terms described in the Explanatory Memorandum to Resolution 6.
<b>ESOP</b>	means the Company's former Employee Share Option Plan
<b>Explanatory Memorandum</b>	means the explanatory memorandum to the notice of meeting contained in this booklet.
<b>Key Management Personnel</b>	means the key management personnel as defined in section 9 of the Corporations Act
<b>Listing Rules</b>	means the official listing rules of ASX.
<b>LTI</b>	means long term incentive.
<b>Notice and Notice of Meeting</b>	means the Notice of Meeting included in this document.
<b>Option</b>	means an option on the terms described in the Explanatory Memorandum to Resolutions 4 and 5.
<b>Proxy Form</b>	means the proxy form enclosed with this document.
<b>Resolution</b>	means a resolution the subject of this Notice of Meeting and Explanatory Memorandum.
<b>Share</b>	means an ordinary share in the capital of the Company, the terms of which are contained in the Company's constitution.
<b>Shareholders or Ordinary Shareholders</b>	means holders of Shares from time to time.
<b>STI</b>	means short term incentive.
<b>Trigger Event</b>	means: <ul style="list-style-type: none"> <li>• a sale of substantially all of the business, or substantially all of the assets, of the Company; or</li> <li>• A change of Control of the Company, as determined by the Directors, acting reasonably.</li> </ul>

**CANCELLED**

## Form of Instruction - Annual General Meeting to be held on 13 March 2017 11.00 am



To View the Annual Report online visit:

<http://eservglobal.com/investors/>

To be effective, all forms of instruction must be lodged with the Company's Registrars at:  
Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 7 March 2017 at 11.00am UK time.

### Explanatory Notes:

1. Please indicate, by placing "X" in the appropriate space overleaf, how you wish your votes to be cast in respect of each of the Resolutions. If this form is duly signed and returned, but without specific direction as to how you wish your votes to be cast, the form will be rejected.
2. The 'Vote Withheld' option overleaf is provided to enable you to abstain on any particular Resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a Resolution.
3. To give an instruction via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 11.00am UK time on the 7 March 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid an appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
4. Any alterations made in this form should be initialled.

**Kindly Note:** This form is issued only to the addressee(s) and is specific to the unique designated account printed hereon. This personalised form is not transferable between different (i) account holders; or (ii) uniquely designated accounts. The Company and Computershare Investor Services PLC accept no liability for any instruction that does not comply with these conditions.

All Named Holders

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**CANCELLED**

# Form of Instruction



Please use a **black** pen. Mark with an **X** inside the box as shown in this example.



I/We hereby instruct the Custodian "Computershare Company Nominees Limited" to vote on my/our behalf at the Annual General Meeting of the Company to be held at **Institute of Chartered Accountants, Level 9, 33 Erskine Street, Sydney NSW 2000, Australia**, on 13 March 2017 at **11.00 am Sydney time** and at any adjournment thereof.

**CANCELLED**

## Ordinary Resolutions

	For	Against	Abstain
1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director – John Conoley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Director – Andrew Hayward	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Options to John Conoley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Options to Andrew Hayward	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Employee Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature

Date

**CANCELLED**

MM / YY

In the case of joint holders, only one holder need sign. In the case of a corporation, the Form of Instruction should be signed by a duly authorised official whose capacity should be stated, or by an attorney.

