

20 July 2017

Dear Shareholder

Please find **enclosed** notice of Lateral Corporation Limited's (**Company**) special meeting which will be held on 7 August 2017 at the Alex Boardroom, Alexandra Park, Green Lane West in Epsom, Auckland, starting at 11:00am. Shareholder registration opens at 10:30am.

The resolutions being put forward at the meeting are intended to approve transactions where:

- A new majority shareholder is introduced to the Company;
- The current business and assets of the Company are transferred to a privately held company, which will be owned by the existing shareholders of the Company (through an in specie distribution) and run by the same key persons;
- New foundations are laid for the business operations to be held in the Company moving forward (which includes \$2.6 million cash) under a new company name; and
- The essential nature of the Company's business is changed to focus on developing a new business in the financial services sector which is in line with the new majority shareholder's business interests and expertise.

The Notice of Meeting should be read in conjunction with the Independent Report which assesses the fairness of the transactions, and the Disclosure Document which details the cash and business plan being injected into the Company.

If approved, the Board of the Company considers these transactions to be of significant benefit of shareholders, as they will:

- transition the current business and assets of the Company into a privately held company, which will be owned by the existing shareholders in Company and will be more cost effective given the scale of the business;
- permit the Lateral business to implement future growth plans off-market with approximately \$600,000 of cash secured as a result of the transactions;
- introduce a new business strategy into the NZAX listed Company shell; and
- enable shareholders to continue to have a shareholding interest in the Company (and its new business strategy), as well as continuing to have an interest in the Lateral business which will be held in a private company.

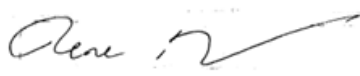
The main negative implications for (non-associated) shareholders of the transactions are provided on page 9 of the Independent Report.

Shareholders may submit specific questions to the Board at any time in advance of the meeting by emailing me at [dene.biddlecombe@lateralcorp.com](mailto:dene.biddlecombe@lateralcorp.com).

The enclosed shareholder voting form has detailed instructions on how shareholders may lodge their vote or appoint a proxy to vote on their behalf if they are unable to attend.

I look forward to seeing you at the meeting.

Yours faithfully



Dene Biddlecombe  
Chairman

## NOTICE OF SPECIAL MEETING

Notice is hereby given that the Special Meeting (**Meeting**) of shareholders of Lateral Corporation Limited (**Company**) will be held on 7 August 2017 at the Alex Boardroom, Alexandra Park, Green Lane West in Epsom, Auckland, starting at 11:00am. Shareholder registration opens at 10:30am.

### AGENDA

- A. The Chairman's introduction.
- B. Presentation to shareholders.
- C. Shareholder discussion.
- D. Resolutions.

### RESOLUTIONS

To consider and, if thought fit, to pass the following Ordinary Resolutions:

1. **Approval of Transactions:** That under Listing Rules 7.3.1(a), 7.5.1 and 9.2.1(a), and Rule 7(d) of the Takeovers Code (as applicable), the Directors of the Company are authorised to:
  - a) issue 463,405,050 fully paid shares in the Company to Golden Tower NZ Limited (of which 20,595,780 fully paid shares will be issued to Tasman Capital Limited as a nominee of Golden Tower NZ Limited) at an issue price of approximately \$0.007 per share;
  - b) dispose of the Company's current assets and no more than \$600,000 to Lateral Profiles Limited; and
  - c) dispose of the Company's shareholding in Lateral Profiles Limited by an in specie distribution.
2. **Director Appointment:** That Ka Wo Chan (Karl) in accordance with Listing Rule 3.2.4 and clause 5.1 of the Company's constitution, be appointed as a Director of the Company.
3. **Director Appointment:** That Chong Hoi Sze (Andy), in accordance with Listing Rule 3.2.4 and clause 5.1 of the Company's constitution, be appointed as a Director of the Company.

To consider and, if thought fit, to pass the following Special Resolution:

4. **Major Transaction:** That the transactions intended by Resolution 1 and as further described in this notice of meeting are approved for the purposes of section 129 of the Companies Act 1993, Listing Rule 9.1.1(a), and Listing Rule 9.1.1(b).

### Interdependence of Resolutions

All of the Resolutions contained in this Notice of Meeting are interdependent and must all be passed by shareholders in order for any one of those resolutions to be effective.

### Relationship to Market Price

At the time the Transactions (as *defined below*) were announced the market price of a share in the Company was \$0.05. As at the close of trading on 18 July 2017, the market price for the Company's shares was \$0.07. The proposed share issue under Resolution 1 will be undertaken primarily at a price per share of \$0.007. This represents discounts of 86% from the market price of a share at the time the Transactions were announced to the market. However, shareholders should note that the market price does not take account of the in specie distribution under the Transactions where the value of the existing business of the Company (represented by the market price) is distributed pro rata to shareholders.

### Other Business

To consider any other matter that may properly be brought before the meeting.

## Proxies

Any shareholder of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote on their behalf. A corporation which is a shareholder may appoint a representative to attend the meeting on its behalf in the same manner as it could appoint a proxy. A proxy does not need to be a shareholder of the Company. A proxy form can be returned by delivery, mail, email, fax, or online (as set out below).

The Chairman of the Meeting (Mr. Dene Peter Biddlecombe) can be appointed as a proxy. The Chairman intends to vote in favour of all of the Resolutions set out in this Notice of Meeting where he is appointed as a discretionary proxy on those resolutions.

To appoint a proxy you should complete and sign the enclosed Proxy Form and either return it by delivery, mail, email or fax to the share registrar of the Company:

**By delivery:**

Lateral Corporation Limited  
C/- Link Market Services Limited  
Level 11, Deloitte House  
80 Queen Street  
Auckland

**By mail:**

Lateral Corporation Limited  
C/- Link Market Services Limited  
PO Box 91976  
Auckland 1142

**Email:** [meetings@linkmarketservices.co.nz](mailto:meetings@linkmarketservices.co.nz) (please put the words "*Lateral Corporation Limited Proxy Form*" in the subject line for easy identification)

**By Fax:** +64 9 375 5990

Alternatively, you may lodge your proxy online at <https://investorcentre.linkmarketservices.co.nz/voting/Company>. You will require your CSN/Holder Number and FIN to complete your proxy appointment. A shareholder will be taken to have signed the Proxy Form by lodging it in accordance with the instructions on the website.

The completed Proxy Form must be received by no later than 48 hours before the Meeting, being 11:00am on 5 August 2017. Online proxy appointments must also be completed by this time. Registered shareholders at that time will be the only persons entitled to vote at the Meeting and only the shares registered in those holders' names at that time may be voted at the Meeting.

## Ordinary Resolution

Resolutions 1, 2, and 3 are ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of those holders of securities of the Company which carry votes, are entitled to vote and are voting on the resolutions in person or by proxy.

## Special Resolution

Resolution 4 is a special resolution. A special resolution is a resolution passed by a majority of 75% or more of the votes of those shareholders entitled to vote and voting on the resolution in person or by proxy.

If Resolution 4 (Major Transaction) is passed and any shareholder has cast all the votes attached to the shares registered in that shareholder's name and having the same beneficial owner, against that resolution, then that shareholder is entitled to require the Company to purchase those shares in accordance with section 110 of the Companies Act 1993 (**Act**). The Appendix to this Notice of Meeting sets out the applicable procedure for this.

Shareholders should note that the Act provides for the Company to acquire (or procure the acquisition of) the relevant shares at a fair and reasonable price as at the close of business on the day before the date of the Meeting.

Shareholders considering exercising this right are strongly encouraged to first seek independent professional advice from a financial adviser. In particular, if you do desire to exit your shareholding, seek advice on whether you may get better value for your shares by selling on-market against exercising these rights.

## **Voting Restrictions**

In relation to Resolution 1 and pursuant to Listing Rule 9.3.1, Golden Tower NZ Limited, Tasman Capital Limited or any of its 'Associated Persons' (as that term is defined in the Listing Rules) are prohibited from voting any securities that they hold in the Company.

In relation to Resolution 1 and pursuant to Rule 17 of the Takeovers Code, Golden Tower NZ Limited, Tasman Capital or any of its "Associates" (as that term is defined in the Takeovers Code) are disqualified from voting any securities that they hold in the Company.

Under the Takeovers Code, "Associates" are, in summary, where the persons are or through a third person, acting jointly or in concert, where one person acts or is accustomed to act in accordance with the wishes of the other person, where the persons are related companies or where the persons have a business relationship, personal relationship, or an ownership relationship such that they should, under the circumstances, be regarded as associates. Under the Listing Rules, "Associated Persons" has a similar definition.

The Company will disregard any votes cast on Resolution 1 (as applicable) by any persons to whom the foregoing applies. Any discretionary proxies given to persons disqualified from voting under the requirements set out above will not be valid.

## **Independent Adviser's Report**

Accompanying this Notice of Meeting is an Independent Adviser's Report from Simmons Corporate Finance Limited on the transactions contemplated by Resolution 1 as required by Rule 16(h) of the Takeovers Code and an Independent Report from Simmons Corporate Finance Limited on the transactions contemplated by Resolution 1 as required by the NZX Guidance Note on Backdoor and reverse listing transactions under Listing Rule 9.1.2 (together the **Independent Report**).

## **Disclosure Document**

Accompanying this Notice of Meeting is a Disclosure Document under NZAX Rule 7.1.1 (as amended by the NZX Guidance Note on Backdoor and Reverse Listing Transactions dated August 2008).

The Disclosure Document discloses particulars of the assets and business plan of the Company if the Resolutions are passed. The Disclosure Document is forward looking and assumes the following:

- the Resolutions contained in this Notice of Meeting have been passed;
- the Company is a shell company listed on the NZAX; and
- the essential nature of the Company's business has been changed to focus on financial services.

## **NZX Approval**

This notice of meeting has been approved by NZX Limited (**NZX**). However, NZX does not take responsibility for any statement contained in this Notice of Meeting.

## **Listing Rule References**

In this Notice of Meeting, references to the Listing Rules are references to the listing rules of the NZX Alternative Market.

## EXPLANATORY NOTES

These Explanatory Notes initially apply to all of the Resolutions in this Notice of Meeting. Later in this Notice of Meeting specific disclosures against each Resolution are included (where required by law or the Listing Rules).

### Background

The Company currently conducts business as a specialist developer of mobile technology, mobile communications, carrier billing and mobile web applications (**Lateral Business**). It listed on the NZX Alternative Market in August 2014. Since listing the Company has sought to raise expansion capital and grow its business and demonstrate its ability to grow revenues.

The Company has seen strong growth in customer acquisitions at the beginning of 2017 as a result of the marketing initiatives it implemented using the capital it raised from investors in August last year and the share purchase plan in October last year. Customers are subscribing to either of two products built by the Company through its viaduct platform and its mobile-web social messaging applications.

The Board is delighted with the progress of the business and is confident that the transactions set out in this Notice of Meeting will place Lateral in a good position to achieve its long term business goals. The Board feels the business will be better served in a private company environment in the short-medium term with less compliance costs.

The cash that the Lateral Business will receive as a result of the Transactions (*as defined below*) is expected to provide enough capital for Lateral to continue its business growth through Lateral Profiles Limited (**Lateral Profiles**) with the benefit of only minimal dilution to existing shareholders.

The current directors of the Company that are not interested in the Transactions (Dene Biddlecombe and Robert McAuley) unanimously support the Transactions and consider that the Transactions are in the best interests of the Company. Mr Biddlecombe and Mr McAuley have legal title to/beneficial interest in 11.8% and 14.5% of Lateral's shares (respectively).

A profile of the Company is provided in section 4 of the Independent Report.

### The Transactions

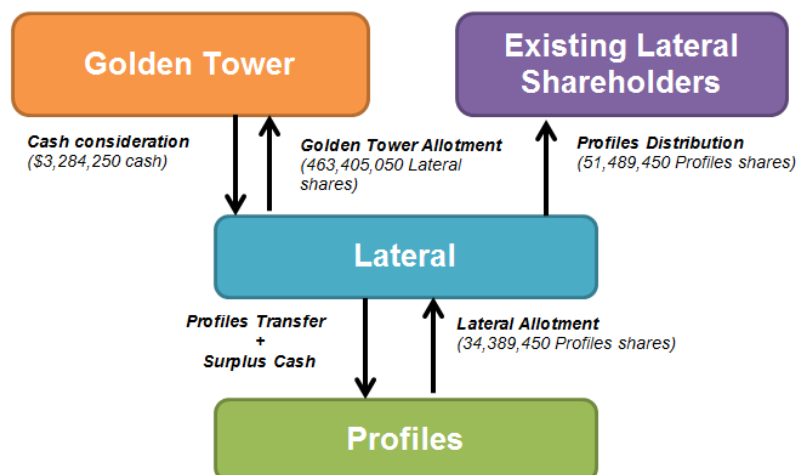
The Resolutions put forward in this Notice of Meeting are intended to approve the following actions:

- the Company dispose of all of its current assets and liabilities to its wholly owned subsidiary Lateral Profiles (including up to \$600,000);
- dispose of the Company's shareholding in Lateral Profiles by making an in specie distribution to existing shareholders of the Company;
- issue 463,405,050 fully paid shares in the Company to Golden Tower NZ Limited (**GTNZ**) for consideration of \$3,284,250 (in aggregate);
- approve new appointments (nominated by GTNZ) to the board of the Company; and
- change the essential nature of the Company's business to focus on developing new operations in the financial services sector as is more fully described in the Disclosure Document,

(together the **Transactions**).

These elements to the Transactions are each discussed in further detail below.

Further information on GTNZ is provided in section 1.3 of the Independent Report and on page 6 of the Disclosure Document.



### Effect of the Transactions

The effect of the Transactions for shareholders is that they will hold shares in two companies without paying any consideration:

- Lateral Profiles:** Shareholders will receive shares via the in specie distribution by the Company. Lateral Profiles will:
  - wholly own the Lateral Business;
  - receive up to \$600,000 of cash proceeds from the cash that GTNZ invests in the Company under the Transactions;
  - issue 1,000,000 shares to Tasman Capital Limited (**Tasman Capital**) as a fee for their services in arranging the Transaction; and
  - will not be listed on any securities market operated by NZX. As announced to the Market on 2 May 2017, the Board is currently reviewing strategic options for the Lateral Business.
- The Company:** Shareholders will continue to hold the same shares in the Company that they hold now, although those shares will represent a smaller percentage of the total shares on issue than they do currently. The Company will:
  - hold \$2.6 million of cash.
  - pursue the business plan as described in the Disclosure Document.
  - issue 463,405,050 shares to GTNZ causing existing shareholders to be diluted in their shareholdings in the Company by a factor of 10.

The above effects on shares that will be held by a shareholder are summarised in the table below using a hypothetical shareholder who holds 1 million shares in the Company:

Example Shareholder	Shares	Percentage of all shares
Current shareholding position in the Company	1,000,000	1.94%
Post-Transaction shareholding position in the Company (i.e. <b>New Business</b> )	1,000,000	0.194%
Post-Transaction Shareholding position in Lateral Profiles (i.e. <b>Lateral Business</b> )	1,000,000	1.90%

## Key Elements of the Transactions

The Company entered into a non-binding term sheet on 28 December 2016 (**Term Sheet**). The Term Sheet set out the key commercial terms for the Transactions. The provisions of the Term Sheet were then incorporated into (and surpassed by) two conditional, legally binding agreements:

- A share subscription agreement between the Company and GTNZ dated 23 February 2017 (**SSA**) as varied by a variation deed on 24 May 2017 and a further variation deed on 13 July 2017.
- A share subscription Deed between the Company and Lateral Profiles dated 23 February 2017 (**SSD**).

The SSA and SSD are now solely conditional on the Resolutions being passed. If the Resolutions are passed, the Transaction will be completed within five (5) business days following the date of this shareholder meeting (**Completion**). The following is a summary of the material commercial terms of the SSA and SSD.

### Share Issue

Resolution 1 (in part) seeks to approve the issue of 463,405,050 new fully paid shares (**Subscription Shares**) at approximately \$0.007 per share (**Share Consideration**) in accordance with the SSA. The aggregate Share Consideration is fixed at \$3,284,250. The Share Consideration will form the basis for the Company's business plans going forward (as described in the Disclosure Document). The Company will retain \$2,600,000 of the cash subscription (with the surplus after deducting all transaction costs being paid to Lateral Profiles).

Once issued, the Subscription Shares will represent 90% of all shares on issue in the Company. GTNZ has nominated Tasman Capital to receive 20,595,780 of the Subscription Shares in consideration for services that Tasman Capital has provided to GTNZ in facilitating the Transactions. If the Resolutions are passed the shareholdings of the Company can be summarised as:

Shares on Issue in Company	No. of Shares	Percentage
GTNZ	442,809,270	86%
Tasman Capital	20,595,780	4%
Existing Shareholders of the Company	51,489,450	10%
<b>Total</b>	<b>514,894,500</b>	<b>100%</b>

The Subscription Shares comprise 455,444,549 ordinary shares with voting rights (**Voting Shares**) and 7,960,501 ordinary shares without voting rights (**Non-Voting Shares**).

Under the terms of issue of the Non-Voting Shares they automatically become Voting Shares whenever (and to the extent of) Tasman Capital, GTNZ, and the respective Associates holding less than 90% of all voting rights.

GTNZ and Tasman Capital and Associates will not at any stage hold 90% or more of the voting rights of the Company. Accordingly, GTNZ and Tasman Capital will not be required to undertake a compulsory acquisition process under the Takeovers Code.

If the Resolutions are passed the voting rights of shareholdings of the Company can be summarised as:

Voting Shares on Issue in Company	No. of Shares	Percentage
GTNZ	442,809,270	87.35%*
Tasman Capital (and Associates)	13,431,329	2.65%*
Existing Shareholders of the Company	50,693,400	10%
<b>Total Voting Shares</b>	<b>506,933,999</b>	<b>100%</b>

\*Note. these figures are rounded to 2dp. The voting percentage for GTNZ and Tasman Capital (and Associates) will be 89.99999998% in aggregate.

In order to assess the merits of the Transactions, shareholders should consider section 2 of the Independent Report (*Evaluation of the Merits of the Golden Tower Allotment*). The impact on the control position of the Company as a result of the Transactions is discussed in section 2.8 of the Independent Report and should also be considered. The implications of the Transactions if the Resolutions aren't approved are set out in section 2.15 of the Independent Report.

### Lateral Asset Disposition

Resolution 1 (in part) seeks approval for the Company to dispose of the Lateral Business in accordance with the SSD. Under the SSD the Company is subscribing for 34,389,450 shares in Lateral Profiles (**LP Shares**). As consideration for the LP Shares the Company will transfer to Lateral Profiles:

- all assets, employees, liabilities and obligations that relate to the Lateral Business; and
- all cash that the Company has on hand (following receipt of the Share Consideration above), less \$2.6 million (anticipated to be approximately and no more than \$600,000).

The SSD will complete contemporaneously with the SSA at Completion and will result in Lateral Profiles having the same number of shares on issue as the Company had on issue immediately prior to Completion.

### Share Distribution

At Completion of the SSA and the SSD, the Board of the Company will distribute all of the shares the Company owns in Lateral Profiles pro rata to all shareholders of the Company (**Distribution**). The record date for the Distribution will be as at 5pm on the day prior to Completion. As a result only existing shareholders of the Company (and not GTNZ) will receive Lateral Profiles shares. The Lateral Profiles shares will be distributed on the basis of one Lateral Profiles share for every one share held in the Company as at the record date.

### Tasman Capital Fees

Tasman Capital has worked with the Company and GTNZ to facilitate the entering into and implementation of the Transactions. A director of the Company, Joseph van Wijk, is a director and shareholder of Tasman Capital.

GTNZ has nominated Tasman Capital to receive 20,595,780 Subscription Shares (which includes 7,960,501 Non-Voting Shares) as a facilitation fee for the Transactions as consideration for its services from GTNZ.

Tasman Capital will also, subject to Completion occurring, receive 1,000,000 new shares in Lateral Profiles as a facilitation fee for the Transactions. Tasman Capital's shares in Lateral Profiles will be issued immediately following, or as part of, Completion.

Further details on the related party disclosures required under the Listing Rules are provided below on page 12.



## Board Composition

At Completion both Dene Biddlecombe and Robert McAuley will resign as directors of the Company. Resolutions 2 and 3 seek to appoint two nominees of GTNZ as directors of the Company from Completion - Ka Wo Chan (**Karl**) (as director and non-executive Chairman) and Chong Hoi Sze (**Andy**) a Director of the Company. It is intended that Joseph van Wijk will remain a director of the Company. A brief biography for each of Karl, Andy and Joseph is set out below and in the Disclosure Document.

**Full Name:** Ka Wo Chan (Karl) (non-executive director)  
**Qualifications:** None  
**Biography:** Ka Wo has senior executive and company director experience primarily in the financial and energy markets. He is the inaugural CEO of Best Leader Markets Pty Ltd, Australia, a brokerage service for insurance and foreign exchange trading in Greater China, South East Asia, Australia, and New Zealand. Karl is also the Managing director of Best Leader Precious Metals Limited, a Hong Kong owned and operated brokerage firm and a member of the Chinese Gold and Silver Exchange Society. Karl has held management and director roles in the futures, foreign exchange and investment business sectors for several years. Before that he was involved in commodity trading and exporting.

He is a member of the Lions Club of Hong Kong New Territories and is also the honorary president for the New Zealand Chinese Jockey Club.

Karl is the sole shareholder of GTNZ.

**Full Name:** Chong Hoi Sze (Andy) (executive director)  
**Qualifications:** Executive Development (Banking) Certificate (University of Hong Kong)  
**Biography:** Andy has had more than 40 years of experience in the banking sector with most of that time in the foreign exchange and bullion exchange industry. In recent years he has held leadership and management roles in the derivatives industry and is currently a director of Best Leader Precious Metals Ltd (alongside Karl).

Andy's former directorships include Simsen International Financial Group, Haitong International Securities Group, and Hantec Investment Holdings Limited.

**Full Name:** Joseph van Wijk (existing director)  
**Qualifications:** BBus, MBA, CA  
**Biography:** Joseph van Wijk is a New Zealand qualified Chartered Accountant and has a diverse range of international experience in investment, accounting, taxation and financial roles including mergers and acquisitions in the UK and the USA. He is a director of publicly listed TRS Investments Limited and Lateral Corporation Limited. His directorships also include Senior Trust Management Limited, Pacific Derivatives Limited and Pulse GP Limited. Joseph has a Bachelor of Business from New Zealand and a Master of Business Administration from the United Kingdom.

At Completion the Board of Lateral Profiles will be identical to the Board of the Company prior to Completion and will consist of Dene Biddlecombe (Chairman), Robert McAuley (Non-Executive Director) and Joseph van Wijk (Non-Executive Director).

## Change in Essential Nature of Business of the Company

If the Transactions are approved by shareholders GTNZ will own and control 86% of the Company and the Company's business will focus on developing new business interests in the financial services sector. The Company will initially fund the development of these business interests within this business scope from the \$2.6 million cash Share Consideration it will hold from Completion. The development of such business may include future acquisitions or investing in starting new operations.

While the Company may look at opportunities to raise new equity, in the short term it intends to grow the value of its business by using cash on hand and debt financing and therefore minimise shareholder dilution. As the Company grows its business operations and meets Market capitalisation requirements, its intention is to migrate ultimately to NZX Main Board market.

For further information on the Company's proposed new business, please refer to the Disclosure Document accompanying this Notice of Meeting.

The Lateral Business will continue to operate through Lateral Profiles with no anticipated change to the nature of this business. The Company will cease operating the Lateral Business altogether.

### **Effect of Resolutions Passing**

The Resolutions are all interdependent and so all must be passed by shareholders in order for the Transactions to proceed. If the Transactions are approved:

- the essential nature of the Company's business will be operating in the financial services sector. The Company's shareholders will continue to have an interest in the Company and its new business plans (supported by \$2.6 million of cash).
- the Lateral Business will continue its business operations under Lateral Profiles which shareholders will continue to own in materially the same proportions that they currently own the Company.
- the Lateral Business will receive the benefit of approximately \$600,000 of new capital to invest in future growth under the entity of Lateral Profiles with only minimal dilution.
- Lateral Profiles will not be subject to the Listing Rules and the investor protections they afford (for example, continuous disclosure, related party transactions restrictions and corporate governance requirements). However Lateral Profiles will also not have the compliance costs associated with these requirements which are considered by the Board to be disproportionate to the scale of the Lateral Business.
- While Lateral Profiles not being listed does impact upon the ability of shareholders to trade their Lateral Profiles shares, the current intention of the Lateral Profiles board is to ultimately join a trading platform to allow shareholders to still deal in their shares.

This Notice of Meeting should be read in conjunction with:

- the Disclosure Document, which discloses particulars of the assets and business plan of the Company if the Resolutions are passed; and
- the Independent Report, which assesses the fairness of the Transactions.

The Independent Report sets out issues for non-associated shareholders to consider on page 15.

### **Effect of Resolutions Not Passing**

The Resolutions are all interdependent and so all must be passed by shareholders in order for the Transactions to proceed. If the Transactions are not approved:

- GTNZ will not invest in the Company and the Lateral Business will remain the operational business of the Company.
- The Company will not receive the benefit of approximately \$600,000 in cash and will likely need to look at conducting a further capital raising to fund further growth in the Lateral Business. Such a capital raising, if successful, will likely result in considerably more dilution to shareholders than under the Transactions.
- The Lateral Business will continue to be subject to on-going compliance costs associated with being a publicly listed company which are currently considered to be disproportionate to the scale of the Lateral Business.

- The strategic review of the future of the Lateral business will be completed and a forward strategy determined.

The Independent Report also sets out the implications if the Resolutions are not passed on page 18.

### Dilution Effect

Resolution 1 will have the following dilution effect on shareholders if passed:

<b>Current Shares on Issue</b>	51,489,450
<b>Shares issued under the Transactions*</b>	463,405,050
<b>Total shares on issue after the Transactions</b>	514,894,500
<b>Example shareholder: pre-Transactions percentage holding</b>	10%
<b>Example shareholder: post-Transactions percentage holding</b>	1%

\*Comprising 455,444,549 voting shares and 7,960,501 non-voting shares.

The Transactions will result in shareholders of the Company being materially diluted.

The number of shares the holder has in the Company will remain unchanged, but the percentage of the company that the shareholder holds will be reduced in the Company because of the dilution effect.

The Company's share price may also be vulnerable as the Company's new business operations are established and developed.

However, as part of the Transactions, the Company's shareholders will receive a shareholding in Lateral Profiles which mirrors their holding in the Company. The holder's shares in Lateral Profiles will only be subject to marginal dilution when the Tasman Shares are issued.

### Requirements for Shareholder Approval

Shareholder approval for Resolution 1 is required under a number of applicable Listing Rules and the Takeovers Code. Resolution 4 seeks approval under section 129 of the Companies Act, and Listing Rules 9.1.1(a) and Rule 9.1.1(b). How the Transactions trigger these requirements and relevant disclosures against each of these requirements are set out below.

#### RESOLUTION 1 - Listing Rules

##### *Listing Rule 7.3.1(a) – Issue of New Equity Securities*

Approval for the share issue under Resolution 1 is sought pursuant to Listing Rule 7.3.1(a). This Listing Rule provides that shareholders must approve the precise terms and conditions of a share issue and that such share issue must be completed within 12 months of the date that the authorising resolution is passed.

Specific disclosures required by Listing Rule 6.2.1 for the Share Allotments are:

<b>Share Subscription</b>	
<b>Number of Shares to be Issued:</b>	463,405,050 fully paid shares (comprising 455,444,549 voting shares and 7,960,501 non-voting shares)
<b>Purpose of Issue:</b>	To raise new capital for the purpose of facilitating the Transactions and funding the new business operations of the Company.
<b>Issue Price:</b>	\$0.007 per share

	(the total consideration equals \$3,284,250 (in cash))
<b>Parties to whom Shares will be Issued:</b>	GTNZ - 463,405,050* shares  *Under the Subscription Agreement, GTNZ will nominate 12,635,279 voting shares and 7,960,501 non-voting shares it is issued by the Company to be issued to Tasman Capital. Joseph van Wijk is a current Director of the Company and Tasman Capital Limited and is considered an associated person of Tasman Capital Limited.
<b>Time Period for the Issue:</b>	All of the shares will be issued on or by the fifth business day following the date of the Meeting.
<b>Ranking of New Shares:</b>	The new shares will rank equally in all respects with all other ordinary shares on issue in the Company (other than the 7,960,501 non-voting shares).

### **Listing Rule 7.5.1 – Issue of Securities Affecting Control**

Listing Rule 7.5.1 provides that no issue of securities shall be made by the Company (without shareholder approval) if there is a significant likelihood that the issue will result in any person or group of associated persons materially increasing their ability to exercise, or direct the exercise of (either then or at any future time) effective control of the Company. This Listing Rule applies where that person or group of associated persons is entitled before the issue to direct the exercise of not less than 1% of the total votes attaching to securities of the Company unless the precise terms and conditions of the issue have been approved by an ordinary resolution of the Company.

For the purposes of this Listing Rule, GTNZ and Tasman Capital are considered associated persons.

At the date of this Notice of Meeting, GTNZ do not have an interest in any shares on issue in the Company. If the Transactions are approved, GTNZ will hold or control 87.35% (rounded to 2dp) of all the shares that carry voting rights and are on issue in the Company at Completion. The Transactions will give GTNZ substantial control over the Company.

At the date of this Notice of Meeting, Tasman Capital and its associated persons hold over 1% of the total votes attaching to securities of the Company. If the Transactions are approved, Tasman Capital and its associated persons will hold or control 2.65% (rounded to 2dp) of all shares that carry voting rights and are on issue in the Company at Completion.

Please refer to section 2.8 of the Independent Report for an assessment of the impact on the Company's control on shareholders.

The issue of the Shares to GTNZ and Tasman Capital under Resolution 1 is considered to materially increase their ability to exercise, or direct the exercise of effective control of the Company within the meaning of Listing Rule 7.5.1.

### **Listing Rule 9.2.1 – Related Party Transactions**

Listing Rule 9.2.1 provides that except with the prior approval of an ordinary resolution the Company may not enter a material transaction with a related party. Resolution 1 seeks such approval.

The Transactions are a material transaction under the Listing Rules for the following reasons:

- the Company is disposing of assets which have an aggregate net value in excess of 10% of the average market capitalisation of the Company (Rule 9.2.2(a)) which captures both the Share Distribution and the transfer of the Lateral Business to Lateral Profiles;

- the Company is issuing shares having a market value in excess of 10% of the average market capitalisation of the Company (Rule 9.2.2(b)) when the Company issues 463,405,050 shares to GTNZ for consideration of \$3,284,250 (in aggregate).

The following related parties are interested in the Transactions to the following extent:

- Joseph van Wijk is a director of the Company (Rule 9.2.3(a)). Joseph is also a director and shareholder of Tasman Capital and holds a relevant interest in Tasman Capital carrying more than 10% of the votes in Tasman Capital. Tasman Capital will indirectly receive 20,595,780 Shares in the Company from the Transactions.

A certificate from the non-interested directors of the Company as required by Listing Rule 9.2.5(b) is included at the end of this Notice of Meeting.

### RESOLUTION 1 – Takeovers Code

The Company is a "Code Company" under the Takeovers Code meaning that there are restrictions on persons together with their associates acquiring voting rights (or the control of voting rights) above a 20% threshold. A permitted procedure under the Takeovers Code is that the Company's non-associated shareholders approve an acquisition of voting rights above this threshold. Resolution 1 seeks such approval.

GTNZ and Tasman Capital are associates for the purposes of the Code. GTNZ and Tasman Capital will hold 20% or more of the voting rights in the Company following the allotment being authorised by Resolution 1.

The table below sets out the specific disclosures required by Rule 16 of the Takeovers Code in respect of the share allotment being authorised by Resolution 1:

	Rule 16, Takeovers Code	Compliance Information
(a)	the identity of the allottee and, if different from the allottee, the identity of any person who will become a controller of an increased percentage of voting securities in the code company as a result of the allotment or allotments.	(a) GTNZ (b) Tasman Capital
(b)	particulars of the voting securities to be allotted, including:	(a) 442,809,270 fully paid ordinary shares being allotted to GTNZ (b) 12,635,279 fully paid ordinary shares being allotted to Tasman Capital
	(i) the number being allotted; and	
	(ii) the percentage of the aggregate of all existing voting securities and all voting securities being allotted that that number represents; and	(a) GTNZ – 87.35% (rounded to 2 dp) (b) Tasman Capital – 2.61% (rounded to 2 dp)
	(iii) the percentage of all voting securities that will be held or controlled by the allottee after completion of the allotment; and	(a) GTNZ – 87.35% (rounded to 2 dp) (b) Tasman Capital – 2.61% (rounded to 2 dp)
	(iv) the aggregate of the percentages of all voting securities that will be held or controlled by the allottee and the allottee's associates after completion of the allotment.	(a) GTNZ (and its Associates)– 89.99% (b) Tasman Capital (and its Associates) – 89.99%
(c)	not applicable	

	Rule 16, Takeovers Code	Compliance Information
(d)	the issue price for the voting securities to be allotted and when it is payable.	(a) \$0.007 per share, payable (or applied) (on or before the fifth business day following the Meeting). (b) \$0.007 per share, payable (or applied) (on or before the fifth business day following the Meeting).
(e)	the reasons for the allotment.	(a) To raise new capital for the purpose of facilitating the Transactions and funding the new business operations of the Company. Up to \$600,000 will transfer with the Lateral Business and will provide capital for Lateral to continue its business growth through Lateral Profiles (as stated on pages 5 and 6). (b) The allotment to Tasman Capital as a nominee of GTNZ is a fee for Tasman Capital's services in arranging the Transactions (as stated on page 8).
(f)	a statement to the effect that the allotment, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.	(a) The allotment of the shares, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code. (b) The allotment of the shares, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.
(g)	a statement by the allottee setting out particulars of any agreement or arrangement (whether legally enforceable or not) that has been, or is intended to be, entered into between the allottee and any other person (other than between the allottee and the code company in respect of the matters referred to in paragraphs (a) to (e) relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the code company).	GTNZ has an arrangement with Tasman Capital, that GTNZ nominate Tasman Capital to receive 12,635,279 of the Subscription Shares on allotment. GTNZ will therefore only control 87.35% (rounded to 2 dp) of the shares (442,809,270 shares) in the Company and Tasman Capital will control the other 2.61% (rounded to 2 dp) of the shares.  Other than the above, there is no other agreement or arrangement (whether or not legally enforceable) that has been, or is intended to be, entered into between the allottee and any other person relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the Company.
(h)	the report from an independent adviser that complies with rule 18.	The Independent Report from Simmons Corporate Finance Limited accompanies this Notice of Meeting.
(i)	the statement by the directors of the Code company referred to in rule 19.	The non-interested directors of the Company recommend approval of Resolution 1 for the reasons set out in the "Director Recommendation" at the end of this Notice of Meeting.

#### RESOLUTION 4 - Listing Rules

Shareholder approval is required under Section 129 of the Companies Act 1993 (**Act**) as the Transactions constitute a 'major transaction' for the purpose of the Act and in addition as a 'major transaction' under the Listing Rules 9.1.1(a) and 9.1.1(b).

The Company's average market capitalisation at the date of this Notice of Meeting was approximately \$2.6 million. The gross value of the Company's assets (i.e. Lateral Profiles) is valued at approximately \$700,000.

### **Section 129 of the Act – Major Transaction**

Section 129 of the Acts provides that a company must not enter into a 'major transaction' unless the transaction is approved by special resolution.

A 'major transaction' includes the acquisition or disposal of assets which are more than half the value of the Company's assets before the acquisition/disposition, or a transaction that has the effect of the Company acquiring rights or interests or incurring obligations or liabilities which are more than half the value of the Company's assets before the transaction.

The Transactions constitute a 'major transaction' through the following actions:

- disposal of the Company's assets including the Lateral Business and up to \$600,000 cash;
- the Company disposing of its shareholding in Lateral Profiles to the Company's shareholders; and
- the Company entering into obligations to issue 463,405,050 shares to GTNZ (and Tasman Capital) for total consideration of \$3,284,250.

### **Listing Rule 9.1.1(a) and 9.1.1(b) – Disposal or Acquisition of Assets**

Listing Rule 9.1.1 provides that except with the prior approval of a special resolution<sup>1</sup> the Company may not enter into any transaction or series of linked or related transactions to acquire, sell, exchange, or otherwise dispose of assets of the Company:

- which would change the essential nature of the business of the Company; or
- in respect of which the gross value is in excess of 50% of the average market capitalisation of the Company.

Shareholder approval is sought for the Transaction as it constitutes a major transaction under Listing Rule 9.1.1(a). In particular the Transaction would change the essential nature of the business of the Company from a specialist developer of mobile technology, mobile communications, carrier billing and mobile web applications, to focus on developing new business interests in the financial services sector as is more fully described in the Disclosure Document. Accordingly, if Resolution 4 is passed, the core business operations of the Company will be changed.

Shareholder approval is also sought for the Transaction as it constitutes a major transaction under Listing Rule 9.1.1(b). In particular the Transaction constitutes the disposal and acquisition of assets having a gross value that exceeds 50% of the average market capitalisation of the Company as follows:

- disposing of the Company's assets including the Lateral Business and up to \$600,000 cash; and
- the Company disposing of its shareholding in Lateral Profiles to the Company's shareholders.

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<sup>1</sup> A special resolution is required to be passed because the Transactions must obtain a special resolution under section 129 of the Companies Act 1993.

### Director Recommendation – Rule 19 of the Takeovers Code and Listing Rule 9.2.5(b)

The Directors of the Company that are not interested in Resolution 1, being Dene Biddlecombe and Robert McAuley:

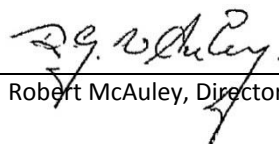
1. recommend that shareholders vote in favour of Resolution 1 for the purposes of the Takeovers Code; and
2. certify that, in their opinion, the terms of the Transactions are fair and reasonable to shareholders of the Company and are in the best interests of the Company for the purposes of Listing Rule 9.2.5(b).

The grounds supporting this recommendation and certification are:

1. The Lateral Business is considered too small to be a listed entity on a stock exchange and it is better suited as a privately held company which is likely to be more cost effective for the Lateral Business.
2. Shareholders of the Company retain their shares in the Company as well as receiving shares in Lateral Profiles.
3. The Company will utilise the funds available to it as a result of Resolution 1 passing to continue its business operations off-market, while leaving \$2.6 million cash in the Company for future business operations.
4. The Transactions introduce a new cornerstone investor/shareholder into the Company.
5. It is considered that the overall effect of the Transactions will result in a net gain for shareholders of the Company (and Lateral Profiles).
6. Simmons Corporate Finance Limited, as independent adviser, has on page 8 of the Independent Report considered that the positive aspects of the Transactions set out in Resolution 1 outweigh the negative aspects from the perspective of the non-associated shareholders.



Dene Peter Biddlecombe, Director



Robert McAuley, Director



#### **Appendix: Minority Buyout Rights Procedure**

If the shareholders of the Company pass the special resolution set out in Resolution 4, a shareholder that has cast all the votes attached to the shares registered in their name (and having the same beneficial owner) against that special resolution is entitled to require the Company to purchase those shares in accordance with section 110 of the Act.

To exercise that right, that shareholder must give notice requiring the Company to repurchase those shares within 10 working days of the passing of the special resolution. The Board of the Company must, within 20 working days of receiving such notice:

- a) agree to purchase the shares; or
- b) arrange for some other person to agree to purchase the shares; or
- c) apply to the Court for an order exempting it from purchasing the shares under section 114 or section 115 of the Act; or
- d) arrange, before the resolution becomes effective, for the resolution to be rescinded by special resolution in accordance with section 106 of the Act or decide in the appropriate manner not to take the action concerned (as the case may be); and
- e) give written notice of the Board's decision to the relevant shareholder.

Where the Board agrees to the purchase of the shares by the Company, it must within 5 working days of giving notice under (e) above, give written notice of the price to the shareholder that it offers for those shares. The price must be a fair and reasonable price (as at the close of business on the day before the date that the resolution was passed) and calculated as follows:

- a) first, the fair and reasonable value of the total shares in each class to which the shares belong must be calculated (the Class Value);
- b) secondly, each Class Value must be adjusted to exclude any fluctuation (whether positive or negative) in the Class Value that has occurred (whether before or after the resolution was passed) that was due to, or in expectation of, the event proposed or authorised by the resolution;
- c) thirdly, a portion of each adjusted Class Value must be allocated to the shareholder in proportion to the number of shares they hold in the relevant class.

However, a different methodology from that set out above may be used to calculate the fair and reasonable price for the shares if using the methodology set out above would be clearly unfair to the shareholder or the Company. The written notice to the shareholder must state how (a) to (c) above was calculated or why using this methodology was clearly unfair to the Company or the shareholder.

A shareholder may object to the price offered for the shares by giving notice of their objection to the Company within 10 working days of receiving notice of the price offered. If the shareholder does not object or accepts the offer, the Company must purchase the shares at the nominated price no later than 10 working days after the date that the offer is accepted or the date that is 10 working days after the date that notice of the price offered was given to the shareholder. These time periods may be adjusted by agreement between the Company and the shareholder.

If an objection to the price has been received by the Company, the following issues must be submitted to arbitration:

- a) the fair and reasonable price for the shares, on the basis set out in section 112(2) and (3) of the Act; and

- b) the remedies available to the shareholder or the Company in respect of any price for the shares that differs from that determined by the Board of the Company under section 112 of the Act.

The Company must, within 5 working days of receiving the objection, pay to the shareholder a provisional price in respect of each share equal to the price offered by the Board. If the price determined for the shares by the arbitrator:

- a) exceeds the provisional price paid, the arbitrator must order the Company to pay the balance owing to the shareholder; or
- b) is less than the provisional price paid, the arbitrator must order the shareholder to pay the excess to the Company.

Except in exceptional circumstances, the arbitrator must award interest on any balance owing or excess to be paid. If a balance is owing to the shareholder, the arbitrator may award to the shareholder, in addition to or instead of an award of interest, damages for loss attributable to the shortfall in the initial payment. Any sum that must be paid in accordance with the arbitrator's decision must be paid no later than 10 days after the date of the arbitrator's determination, unless the arbitrator specifically orders otherwise.

Where the Company agrees to arrange a third party to purchase the shares, the provisions set out above apply (subject to such modifications as may be necessary) to that purchase of the shares. Every shareholder whose shares are purchased through a third party pursuant to such an arrangement is indemnified by the Company in respect of loss suffered by reason of the failure by the third party who has agreed to purchase the shares to purchase them at the price nominated or fixed by arbitration, as the case may be.