

ASX Announcement

RXP SERVICES LIMITED  
Annual General Meeting

6 October 2014

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Attached for release to the market is a copy of the Notice of Annual General Meeting documentation which is being forwarded to shareholders.

The Annual General Meeting documentation can be viewed on the company's website [www.rxp-services.com.au](http://www.rxp-services.com.au)

The Annual General Meeting is to be held as follows:

Date: 5 November 2014  
Time: 2.00pm  
Place: Offices of RXP Services Limited  
Level 9, 406 Collins Street  
Melbourne Vic 3000

For further information please contact Chris Shearer, Company Secretary on 03 8256 4855.

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RXP Services Limited  
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**Delivering Outcomes Together**

**[www.rxp.services.com.au](http://www.rxp.services.com.au)**

## **NOTICE OF 2014 ANNUAL GENERAL MEETING**

### **Including Explanatory Notes and Proxy Form**

**To be held on:**

Wednesday 5<sup>th</sup> November 2014

2:00pm (AEDST)

(registration commencing 15 minutes earlier)

**At:**

Offices of RXP Services Limited

Level 9, 406 Collins Street

Melbourne, Victoria, 3000

**This is an important document. It should be read in its entirety.**

**If you are in doubt as to the course you should follow, consult your financial or other professional advisor.**

RXP Services Limited

ACN 146 959 917

Level 9, 406 Collins Street, Melbourne VIC 3000

[www.rxp.services.com.au](http://www.rxp.services.com.au)

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## **Notice of Annual General Meeting**

Notice is hereby given that the 2014 Annual General Meeting of the Shareholders of RXP Services Limited (**Company**) will be held at the Offices of RXP Services Limited, Level 9, 406 Collins Street, Melbourne, Victoria, 3000 at 2:00pm on Wednesday 5<sup>th</sup> November 2014.

### **Business**

The following ordinary business will be conducted:

#### **Item 1: Financial Statements and Reports**

*To receive and consider the reports of the Directors and the Auditor and the Financial Statements for the year ended 30 June 2014 for the company and its controlled entities. (refer to the Explanatory Statement annexed for further details)*

#### **Item 2: Remuneration Report**

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

##### **Ordinary Resolution 1**

*“That, the Remuneration Report forming part of the Directors Report for the year ended 30 June 2014 is adopted.” (refer to the Explanatory Statement annexed for further details)*

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

##### **Voting Exclusion**

A vote must not be cast (in any capacity) on Resolution 1 – Remuneration Report by or on behalf of a member of the Company’s key management personnel (“KMP”), details of whose remuneration are included in the Remuneration Report, and their closely related parties, whether as a shareholder or as a proxy.

However, the Company will not disregard a vote on this resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the Proxy Form; or
- (b) the person is the chair of the meeting and the appointment of the chair as proxy:
  - I. does not specify the way the proxy is to vote on the resolution; and
  - II. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

### **Item 3: Re-election of Director – Mr Kenneth Stout**

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

#### **Ordinary Resolution 2**

*“That, Mr Kenneth Stout, who retires by rotation as a Director pursuant to the Company’s Constitution, be re-elected as a Director of the Company.” (refer to the Explanatory Statement annexed for further details)*

### **Item 4: Ratification and approval of previous allotment and issue of securities**

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

#### **Ordinary Resolution 3**

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the previous allotment and issue of 3,600,000 Shares to the vendors of Insight 4 Pty Ltd.” (refer to the Explanatory Statement annexed for further details)*

#### **Voting Exclusion**

The Company will disregard and votes cast on this resolution by:

- (c) the vendors of Insight 4 Pty Ltd and a person who might obtain an benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (d) any associates of those persons.

However, the Company will not disregard a vote on this resolution if:

- (e) it is cast by a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the Proxy Form; or
- (f) the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

### **Item 5: Ratification and approval of previous allotment and issue of securities**

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

#### **Ordinary Resolution 4**

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the previous allotment and issue of 966,050 Shares to the vendors of Zenith Pty Ltd.” (refer to the Explanatory Statement annexed for further details)*

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### **Voting Exclusion**

The Company will disregard and votes cast on this resolution by:

- (a) the vendors of Zenith Pty Ltd and a person who might obtain an benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (b) any associates of those persons.

However, the Company will not disregard a vote on this resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the Proxy Form; or
- (b) the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

### **Item 6: Ratification and approval of previous allotment and issue of securities**

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

#### **Ordinary Resolution 5**

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the previous allotment and issue of 705,387 Shares to the vendors of Transpire Pty Ltd.” (refer to the Explanatory Statement annexed for further details)*

### **Voting Exclusion**

The Company will disregard and votes cast on this resolution by:

- (a) the vendors of Transpire Pty Ltd and a person who might obtain an benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (b) any associates of those persons.

However, the Company will not disregard a vote on this resolution if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the Proxy Form; or
- (d) the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

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## Item 7: Approval of placement facility

To consider and, if thought fit, pass the following resolution as a Special Resolution:

### Special Resolution

*“That, for the purposes of ASX Listing Rules 7.1A, shareholders approve that Company having the capacity to issue fully paid ordinary shares in the capital of the Company up to the maximum number permitted under ASX Listing Rule 7.1A at an issue price which is not less than 90% of the volume weighted average market (closing) price of the Company’s ordinary shares calculated over the last fifteen (15) days on which trades of the Company’s ordinary shares were recorded on ASX immediately before the date on which the issue price is agreed or the date the issue is made as described in the Explanatory Memorandum which accompanied and formed part of the Notice of Annual General Meeting”*

### Voting Exclusion

The Company will disregard and votes cast on this resolution by:

- (a) a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (b) any associates of those persons.

However, the Company will not disregard a vote on this resolution if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the Proxy Form; or
- (d) the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

**DATED 3 October 2014**

**BY ORDER OF THE BOARD**

Christopher Shearer  
Company Secretary

# Voting, proxies and company representatives

## 1. Voting Entitlements

Pursuant to regulation 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) the Directors have determined that, for the purpose of voting at the meeting, shares will be taken to be held by those members recorded in the Company's Register of Members as at 7:00pm Australian Eastern Daylight Savings Time on 3 November 2014. Members are entitled to vote by attending the meeting in person, by proxy or by authorised representative.

## 2. Voting by Proxy

In accordance with section 249L of the Corporations Act 2001 (Cth), a shareholder entitled to attend and vote at the Annual General meeting is entitled to appoint a proxy who need not be a shareholder of the Company. A proxy can either be an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- (a) Appoints an individual as its corporate representative to exercise its powers at meetings in accordance with section 250D of the Corporations Act 2001 (Cth); and
- (b) Provides satisfactory evidence of the appointment of its corporate representative prior to the commencement of the meeting.

If satisfactory evidence of the appointment as corporate representative is not received before the meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

A shareholder who is entitled to cast two or more votes may appoint not more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints two proxies and the appointment does not specify the proportion or number of votes that each proxy may cast, each proxy may cast one half of the shareholders votes. If the shareholder appoints two proxies, neither may vote on a show of hands.

To vote by proxy, please complete the enclosed Proxy Form attached to this Notice of Annual General Meeting and lodge it with the Company's share register either by mail to Computershare Limited GPO Box 242, Melbourne VIC 3001, or by hand to Computershare Limited at Yarra Falls, 452 Johnston Street Abbotsford VIC 3067. The deadline for lodgement of proxy forms is forty-eight hours prior to scheduled meeting.

## 3. Corporate Shareholders

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act 2001 (Cth) in which case the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act 2001 (Cth). A "Certificate of Appointment of Company Representative" is available from the Company's share registry at Computershare Limited (Local: 1300 850 505; overseas: +61 (0)3 9415 4000) and must be lodged with the Company before the meeting or at the registration desk on the day of the meeting.

# Explanatory Memorandum

## Introduction

This Explanatory Memorandum has been prepared for the shareholders of RXP Services Limited (**Company**) to provide information about the items of business to be considered at the Annual General Meeting of shareholders of the Company to be held at the Offices of the Company at Level 9, 406 Collins Street Melbourne 3000 on 5 November 2014 at 2:00pm.

Item 7 requires a Special Resolution. A Special Resolution requires at least 75% of votes cast by shareholders entitled to vote on the resolution to be in favour of the resolution for it to be passed. Items 2, 3, 4, 5 and 6 require Ordinary Resolution. An Ordinary Resolution requires a simple majority of votes cast by shareholders entitled to vote on the resolution.

## Item 1: Financial Statements and Reports

Section 317 of the Corporations Act 2001 (Cth) requires the last years financial report (which includes the financial statements and Directors' Declaration), the Directors Report and the Auditors' Report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act 2001 (Cth) or the Company's Constitution for shareholders to approve the Financial Report, the Directors' Report or the Auditors' report. Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on these reports.

## Item 2: Remuneration Report

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with section 250R of the Corporations Act 2001 (Cth).

The Remuneration Report forms part of the Directors' report for the financial year ended 30 June 2014. It details the Company's policy on the remuneration of Non-Executive Directors, Executive Directors and Senior Executives and contains the information required by section 300A of the Corporations Act 2001 (Cth) and Accounting Standard AASB 1046.

A copy of the Remuneration Report is set out in the Full Annual Report of the Company and is also available from the Company's website at [www.rxpservices.com.au](http://www.rxpservices.com.au).

The shareholder vote is advisory only and does not bind the Directors or the Company.

## Recommendation

Shareholders are asked to vote in favour of the adoption of the Remuneration Report.

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### Item 3: Election of Director

Clause 13.6 of the Company's Constitution requires one-third of the Directors (except for a Managing Director) to retire from office by rotation.

Clause 13.7 of the Company's Constitution allows retiring directors to be re-elected.

Pursuant to Clause 13.6 of the Company's Constitution, Mr Kenneth Stout seeks re-election to the RXP Board.

#### **Recommendation**

Shareholders are asked to vote in favour of the re-election of Mr Kenneth Stout as a Director of the Company.

### Item 4: Ratification and approval of previous allotment and issue of securities

The purpose of Ordinary Resolution 3 is for shareholders to approve and ratify, under ASX Listing Rule 7.4, the issue of securities by the Company during the 12 months before the date of the meeting which count toward the Company's 15% limit under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that subject to certain exceptions (none of which are relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period.

The allotment and issue of securities detailed in resolution 3 did not exceed the 15% threshold. However, ASX Listing Rule 7.4 provides that where an entity ratifies an issue of securities, the issue will be treated as having been made with the approval for the purpose of ASX Listing Rule 7.1, thereby replenishing that entity's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 3 proposes the ratification and approval of the allotment and issue of fully paid ordinary shares (**Shares**) detailed below for the purposes of satisfying the requirements of ASX Listing Rule 7.4.

<b>Shares issued to the vendors of Insight 4 Pty Ltd</b>	
<b>Issue Date:</b>	3 March 2014
<b>Number of Securities:</b>	3,600,000
<b>Issue Price:</b>	\$0.75
<b>Terms of Issue:</b>	The Shares rank equally with all existing Shares on issue
<b>Allottees:</b>	Vendors of Insight 4 Pty Ltd
<b>Use of funds:</b>	No funds were raised as the Shares were issued as part consideration for the acquisition of Insight 4 Pty Ltd

### **Recommendation**

Shareholders are asked to vote in favour of the allotment and issue of securities to the Vendors of Insight 4 Pty Ltd.

### **Item 5: Ratification and approval of previous allotment and issue of securities**

The purpose of Ordinary Resolution 4 is for shareholders to approve and ratify, under ASX Listing Rule 7.4, the issue of securities by the Company during the 12 months before the date of the meeting which count toward the Company's 15% limit under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that subject to certain exceptions (none of which are relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period.

The allotment and issue of securities detailed in resolution 4 did not exceed the 15% threshold. However, ASX Listing Rule 7.4 provides that where an entity ratifies an issue of securities, the issue will be treated as having been made with the approval for the purpose of ASX Listing Rule 7.1, thereby replenishing that entity's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 4 proposes the ratification and approval of the allotment and issue of fully paid ordinary shares (**Shares**) detailed below for the purposes of satisfying the requirements of ASX Listing Rule 7.4.

<b>Shares issued to the vendors of Zenith Pty Ltd</b>	
<b>Issue Date:</b>	3 March 2014
<b>Number of Securities:</b>	966,050
<b>Issue Price:</b>	\$0.72
<b>Terms of Issue:</b>	The Shares rank equally with all existing Shares on issue
<b>Allottees:</b>	Vendors of Zenith Pty Ltd
<b>Use of funds:</b>	No funds were raised as the Shares were issued as part consideration for the acquisition of Zenith Pty Ltd

### **Recommendation**

Shareholders are asked to vote in favour of the allotment and issue of securities to the Vendors of Zenith Pty Ltd.

## Item 6: Ratification and approval of previous allotment and issue of securities

The purpose of Ordinary Resolution 5 is for shareholders to approve and ratify, under ASX Listing Rule 7.4, the issue of securities by the Company during the 12 months before the date of the meeting which count toward the Company's 15% limit under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that subject to certain exceptions (none of which are relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period.

The allotment and issue of securities detailed in resolution 5 did not exceed the 15% threshold. However, ASX Listing Rule 7.4 provides that where an entity ratifies an issue of securities, the issue will be treated as having been made with the approval for the purpose of ASX Listing Rule 7.1, thereby replenishing that entity's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 5 proposes the ratification and approval of the allotment and issue of fully paid ordinary shares (**Shares**) detailed below for the purposes of satisfying the requirements of ASX Listing Rule 7.4.

Shares issued to the vendors of Transpire Pty Ltd	
<b>Issue Date:</b>	1 July 2014
<b>Number of Securities:</b>	705,387
<b>Issue Price:</b>	\$0.685
<b>Terms of Issue:</b>	The Shares rank equally with all existing Shares on issue
<b>Allottees:</b>	Vendors of Transpire Pty Ltd
<b>Use of funds:</b>	No funds were raised as the Shares were issued as part consideration for the acquisition of Transpire Pty Ltd

### **Recommendation**

Shareholders are asked to vote in favour of the allotment and issue of securities to the Vendors of Transpire Pty Ltd.

## Item 7: Approval of placement facility

Under ASX Listing Rule 7.1A certain companies may seek shareholder approval by special resolution passed at an annual general meeting to have the additional capacity to issue equity securities which do not exceed 10% of the existing ordinary share capital without further shareholder approval.

Approval of the special resolution outlined in Item 9 is sought for the Company to issue ordinary shares under ASX Listing Rule 7.1A.

If the special resolution is approved the Company may make an issue of ordinary shares under ASX Listing Rule 7.1A at any time (either on a single date or progressively) up until the earlier of:

- (a) The date which is 12 months after the date of the 2014 Annual General Meeting; or
- (b) The date on which shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

Accordingly, the approval given if the special resolution is passed will cease to be valid on the earlier of 25th November 2014 or the date on which holders of the Company's ordinary securities approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

At the date of this Explanatory Memorandum, the Company is an "eligible entity", and therefore able to seek approval under ASX Listing Rule 7.1A, as it is not included in the S&P/ASX300 and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million). If at the time of the 2014 Annual General Meeting the Company is no longer an eligible entity this special resolution will be withdrawn.

The maximum number of ordinary shares which may be issued in the capital of the Company under the approval sought by this special resolution will be determined in accordance with the following formula prescribed in ASX Listing Rule 7.1.A.2:

$(A \times D) - E$

Where:

- A is the number of shares on issue 12 months before the date of issue or agreement to issue:
- (i) plus the number of fully paid ordinary shares issued in the past 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that become fully paid in the 12 months;
  - (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 and 7.4 (this does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval);
  - (iv) less the number of fully paid ordinary shares cancelled in the 12 months.

The ability of the Company to make an issue under ASX Listing Rule 7.1A is in addition to its 15% placement capacity under ASX Listing Rule 7.1. The effect of this special resolution will be to allow

the Company to issue ordinary shares under ASX Listing Rule 7.1A without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

As at the date of this Explanatory Memorandum, the Company has on issue 133,733,754 ordinary shares and therefore has capacity to issue:

- 20,060,063 equity securities under ASX Listing Rule 7.1; and
- Subject to shareholder approval being sought under this special resolution, 13,373,375 ordinary securities under ASX Listing Rule 7.1A.

The actual number of shares which may be issued under ASX Listing Rule 7.1A (and ASX Listing Rule 7.1) will be a function of the number of shares on issue at the time an issue is proposed as calculated per the formula set out above.

The issue price of the ordinary shares issued under ASX Listing Rule 7.1A will be determined at the time of issue. The minimum price at which the ordinary shares the subject of this special resolution will be issued is 90% of the of the volume weighted average market (closing) price ("VWAP") of the Company's ordinary shares calculated over the last fifteen (15) days on which trades in that class were recorded immediately before either:

- the date on which the price at which the securities are to be issued is agreed'; or
- if the securities are not issued within 5 ASX trading days of the date on the price at which the securities are to be issued is agreed, the date on which the securities are issued.

If this special resolution is approved, and the Company issues ordinary shares under ASX Listing Rule 7.1A, the existing shareholders' voting power in the Company will be diluted. There is a risk that:

- the market price for the Company's ordinary shares may be significant lower on issue date than on the date of the approval of this special resolution; and
- the ordinary shares issued under ASX Listing Rule 7.1A may be issued at a price that is at a discount (as described above) to the market price for the Company's ordinary shares on the issue date;

which may have an effect on the amount of funds raised by the issue.

The table below sets out the dilution of existing shareholders on the basis of:

- The current market price of the Company's ordinary shares and the current number of ordinary securities as at the date of this Explanatory Memorandum.
- Two examples where the number of ordinary shares on issue ("A" in the formula set out above) has increased by 50% and 100%. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, pro-rata entitlements issues) or as a result of future placements under ASX Listing Rule 7.1 that are approved by shareholders.
- Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the market price as at the date of this Explanatory Memorandum.

			Dilution		
			50% decrease on issue price	Issue**	50% increase on issue price
Variable "A" ASX Listing Rule 7.1A2	"A" is the current number of shares on issue:	10% voting dilution	13,373,375 shares	13,373,375 shares	13,373,375 shares
	133,733,754	Funds Raised	\$ 4,546,948	\$ 9,093,895	\$ 13,640,843
	"A" is a 50% increase in current shares on issue:	10% voting dilution	20,060,063 shares	20,060,063 shares	20,060,063 shares
	200,600,631*	Funds Raised	\$ 6,820,421	\$ 13,640,843	\$ 20,461,264
	"A" is a 100% increase in current shares on issue:	10% voting dilution	26,746,750 shares	26,746,750 shares	26,746,750 shares
	267,467,508*	Funds Raised	\$ 9,093,895	\$ 18,187,790	\$ 27,281,685

## Notes:

- ii) The table assumes that the Company issues the maximum number of ordinary shares available under ASX Listing Rule 7.1A.
- iii) The table assumes that no options are exercised in ordinary shares before the date of the issue of ordinary shares under ASX Listing Rule 7.1A.
- iii) The table does not show an example of dilution that may be caused to a particular shareholder by reason of issues of ordinary shares under ASX Listing Rule 7.1A based on that shareholder's holding at the date of this Explanatory Memorandum.
- iv) The table shows the effect of an issue of ordinary shares under ASX Listing Rule 7.1A, not under the Company's 15% placement capacity under ASX Listing Rule 7.1.

\* Any issue of ordinary shares is required to be made in accordance with the ASX Listing Rules. Any issue made other than under the Company's 15% capacity under ASX Listing Rule 7.1 or the Company's additional 10% capacity under ASX Listing Rule 7.1A and not otherwise made under an exemption in ASX Listing Rule 7.2 would require shareholder approval.

\*\* Based on closing price of the Company's shares on ASX on 22 September 2014 of \$0.68.

If this special resolution is approved the Company will have the ability to issue up to 10% of its issued capital without further shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

As at the date of this Explanatory Memorandum the Company has not formed an intention to offer any ordinary shares under ASX Listing Rule 7.1A to any particular person or at any particular time. The total amount that may be raised by the issue of equity securities under ASX Listing Rule 7.1A will depend on the issue price of the ordinary shares which will be determined at the time of issue. In some circumstances the Company may issue ordinary shares under ASX Listing Rule 7.1A for non-cash

consideration (for example, in lieu of cash payments to vendors). While the Company has not formed an intention to offer any ordinary shares under ASX Listing Rule 7.1A, some of the purposes for which the Company may issue ordinary shares under ASX Listing Rule 7.1A include but are not limited to:

- (a) Raising funds to be applied to the Company's working capital requirements
- (b) Acquiring assets. In these circumstances the issue of ordinary shares may be made in substitution for the Company making a cash payment for the assets. If the Company elects to issue the ordinary shares for the purposes of acquiring assets then the Company will release to the market a valuation of the assets prior to issuing the shares.

Details regarding the purposes for which any particular issue under ASX Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to ASX Listing Rule 7.1A4 and ASX Listing Rule 3.10.5A at the time the issue is made. The decision on whether to make an issue under ASX Listing Rule 7.1A will be determined by the Company having regard to a number of factors including:

- (a) The capital raising and acquisition opportunities available to the Company and any alternative methods for raising funds or acquiring assets that are available to the Company.
- (b) The potential effect on the control of the Company
- (c) The Company's financial situation and the likely future capital requirements.
- (d) Advice from the Company's corporate or financial advisors.

Offers made under ASX Listing Rule 7.1A may be made to parties including professional and sophisticated investors, exiting shareholders of the Company, or any other person to whom the Company is able to make an offer of ordinary shares. The allocation policy the Company may adopt for a particular issue of ordinary shares under ASX Listing Rule 7.1A and the terms on which those ordinary shares may be offered will depend upon the circumstances existing at the time of the proposed capital raising under ASX Listing Rule 7.1A. Subject to the requirements of the ASX Listing Rules and the Corporations Act 2001 (Cth), the Directors reserve the right to determine, at the time of any issue of ordinary shares under ASX Listing Rule 7.1A the allocation policy the Company will adopt for that issue.

The Company has not previously obtained the approval of ordinary shareholders for the issue of ordinary shares under ASX Listing Rule 7.1A.

### ***Recommendation***

The resolution is a Special Resolution which requires at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) to be in favour of the resolution for it to be passed.

The Directors of the Company believe that the Special Resolution is in the best interests of the Company and unanimously recommend that shareholders vote in favour of this resolution.

