

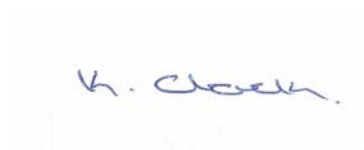
**FUTURE FIBRE TECHNOLOGIES LIMITED**  
**(ACN: 064 089 318)**

**NOTICE OF ANNUAL GENERAL MEETING – 01 November 2017**

Notice is hereby given that Future Fibre Technologies (the “Company”) will hold its Annual General Meeting at 11:00am (AEDT) on Wednesday, 01 November 2017 at Ernst & Young, Level 23, 8 Exhibition Street, Melbourne VIC 3000 Australia for the purpose of transacting the business set out in this Notice.

**DATED** 28 September 2017

By order of the Board:

A handwritten signature in blue ink, appearing to read "K. Clark", is written over a faint, rectangular stamp or watermark.

Kim Clark  
**Company Secretary**

## AGENDA

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### Chairman's Address

### CEO's Address

### Financial statements and reports

To consider and receive the Financial Statements, Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 30 June 2017.

### Resolutions

#### 1. Remuneration Report

To consider, and if in favour, pass the following resolution in accordance with 250R(2) Corporations Act:

*"That the Company adopt the Remuneration Report for the year ended 30 June 2017 in accordance with section 250R(2) of the Corporations Act."*

Note: 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 Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply. This resolution is advisory only and does not bind the Company or the Directors.

#### 2. Re-election of Director – Dr Fredrick Davis

Dr Fredrick Davis retires as a Director in accordance with the requirement of clause 6.7 of the Constitution and Listing Rule 14.5. Being eligible, he offers himself for re-election.

To consider, and if in favour, pass the following resolution as an ordinary resolution:

*"That Fredrick Davis who is retiring in accordance with the Constitution and Listing Rule 14.5, and who offers himself for re-election, is re-elected as a Director of the Company."*

Note: Information about the candidate appears in the Explanatory Memorandum.

#### 3. Re-election of Director – Mr Christopher Fergus

Mr Christopher Fergus retires as a Director in accordance with the requirement of clause 6.7 of the Constitution and Listing Rule 14.5. Being eligible, he offers himself for re-election.

To consider, and if in favour, pass the following resolution as an ordinary resolution:

*"That Christopher Fergus, who is retiring in accordance with the Constitution and Listing Rule 14.5, and who offers himself for re-election, is re-elected as a Director of the Company."*

Note: Information about the candidate appears in the Explanatory Memorandum.

#### 4. Issue of Share Options to Director (Christopher Fergus)

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*"That, pursuant to Section 208(1)(A) of the Corporations Act and Listing Rule 10.14, the members of the Company approve the granting of 200,000 options to Mr Christopher Fergus, Non-Executive Director on the terms outlined in the Explanatory Memorandum."*

Note: if approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1 or Listing Rule 10.11, as set out in the Explanatory Memorandum.

#### 5. Appointment of auditor

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*"That, for the purposes of section 327C(2) of the Corporations Act and for all other purposes, Ernst & Young of 8 Exhibition Street, Melbourne, Victoria 3000, having consented in writing to act as auditors of the Company, be appointed as auditors of the Company."*

## **6. Approval of equity incentive plan**

To consider and, if in favour, pass the following as an ordinary resolution:

*“That for the purpose of ASX Listing Rule 7.2, exception 9 and for all other purposes, the Company’s Equity Incentive Plan, as described in the Explanatory Memorandum, be approved for the issue of securities under the Company’s Equity Incentive Plan.”*

## NOTES

### 1. Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting and should be read in conjunction with this Notice of Annual General Meeting.

### 2. Voting Exclusion Statements

#### Corporations Act

Resolution 1 - The Company will disregard votes cast by a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member, in contravention of section 250R or 250BD Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Resolution 4 - The Company will disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD Corporations Act. The Company will also disregard votes cast by a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 Corporations Act.

For the purposes of section 224 Corporations Act, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of a related party or associate of a kind referred to in paragraph (a) above.

Resolution 6 – The Company will disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD Corporations Act.

#### Listing Rules

Resolution 4 - In accordance with the Listing Rule 14.11, the Company will disregard votes cast by Christopher Fergus and each of his associates.

Resolution 6 – In accordance with the Listing Rule 14.11, the Company will disregard votes cast by any Director of the Company (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company) and their associates.

However, for the purposes of Listing Rule 14.11, the Company will 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 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.

For the purposes of section 224 Corporations Act, the Company will not disregard a vote if:

- it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- it is not cast on behalf of a related party or associate of a kind referred to in the paragraph above.

### 3. Who may vote

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Company (as convenor of the Meeting) has determined that a person's entitlement to attend and vote at the Meeting will be those persons set out in the register of Shareholders as at 7.00pm (AEDT) on 30 October 2017. This means that any Shareholder registered at 7.00pm (AEDT) on 30 October 2017 is entitled to attend and vote at the Meeting.

#### **4. Proxies**

A Shareholder entitled to attend this Meeting and vote, is entitled to appoint a proxy to attend and vote on behalf of that Shareholder at the Meeting.

- (a) A proxy need not be a Shareholder.
- (b) If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of the votes which each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes held by that Shareholder.
- (c) If the Shareholder appoints only one proxy, that proxy is entitled to vote on a show of hands. If a Shareholder appoints two proxies, only one proxy is entitled to vote on a show of hands.
- (d) Where two proxies are appointed, any fractions of votes resulting from the appointment of two proxies will be disregarded.
- (e) A Proxy Form accompanies this Notice.
- (f) Unless the Shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit, or abstain from voting.
- (g) If a Shareholder wishes to appoint a proxy, the Shareholder should complete the Proxy Form and comply with the instructions set out in that form relating to lodgement of the form with the Company.
- (h) The Proxy Form must be signed by the Shareholder or his or her attorney duly authorised in writing or, if the Shareholder is a corporation, either signed by an authorised officer or attorney of the corporation or otherwise signed in accordance with the Corporations Act.
- (i) If any attorney or authorised officer signs the Proxy Form on behalf of a Shareholder, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the Proxy Form.
- (j) The Proxy Form (together with any relevant authority) must be received by no later than 11:00am (AEDT) on 30 October 2017.
- (k) The completed Proxy Form may be:
  - Mailed to the address on the Proxy Form
  - Faxed to Boardroom Pty Ltd on +61 2 9290 9655
  - Voted online via the Company's Share Registry at [www.votingonline.com.au/futurefibreagm2017](http://www.votingonline.com.au/futurefibreagm2017)
  - By hand delivery to Boardroom Pty Ltd at Level 12, 225 George Street, SYDNEY, NSW 2000

#### **5. Corporate Representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority must be sent to the Company and/or registry at least 24 hours in advance of the Meeting.

## **EXPLANATORY MEMORANDUM**

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This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of Shareholders of Future Fibre Technologies Limited (**Company**) to be held at 11:00am (AEDT) on 01 November 2017 at Ernst & Young, Level 23, 8 Exhibition Street, Melbourne VIC 3000. This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the proposed resolutions. Both documents should be read in their entirety and in conjunction with each other.

### **Financial Report**

The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the Directors, the auditor's report and the financial report be laid before the Annual General Meeting.

Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the financial statements and reports.

Shareholders will be given a reasonable opportunity at the meeting to raise questions and make comments on these reports.

In addition to asking questions at the meeting, Shareholders may address written questions to the chairman about the management of the Company or to the Company's auditor, if the question is relevant to:

- (a) the content of the auditor's report; or
- (b) the conduct of its audit of the annual financial report to be considered at the meeting.

Note: Under section 250PA(1) Corporations Act, a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

Written questions for the auditor must be delivered by 5:00pm on Wednesday, 25 October 2017. Please send any written questions to:

The Company Secretary  
c/- Boardroom Pty Ltd  
Level 12, 225 George Street  
SYDNEY, NSW 2000

or via email to: [Kim.Clark@boardroomlimited.com.au](mailto:Kim.Clark@boardroomlimited.com.au)

### **Resolution 1: Remuneration Report**

The Corporations Act requires that at a listed Company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the Shareholders. However, such a resolution is advisory only and does not bind the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for Key Management Personnel of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2017. A copy is available on the Company's website.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

### **Voting consequences**

Under the Corporations Act, if at least 25% of the votes cast on a Remuneration Report resolution are voted against the adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company at the second annual general meeting (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting, at which all of the Directors (other than the Executive Directors) of the Company, would need to stand for re-election.

Following the Spill Meeting those persons whose election or re-election as Directors of the Company is approved by the Shareholders will be the Directors of the Company.

As Shareholders voted in favour of the Company's Remuneration Report at its last annual general meeting, the Spill Resolution is not relevant for this Annual General Meeting.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of Resolution 1, subject to compliance with the Corporations Act.

#### **Directors' recommendation**

As the resolution relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) Corporations Act, makes no recommendation regarding this resolution.

#### **Resolution 2: Re-election of Dr Fredrick Davis**

Listing Rule 14.5 requires the Company to hold an election of directors at each annual general meeting.

In addition, clause 6.7 of the Company's Constitution provides that, at every annual general meeting, 1/3 of the Directors or, if their number is not a multiple of 3, then, subject to the Listing Rules, the number nearest to 1/3, must retire from office and be eligible for re-election. The Directors to retire in each year are the Directors longest in office since last being elected or re-elected. Between Directors who were elected on the same day, the Director to retire, if they cannot otherwise agree, must be determined by ballot. In accordance with Clause 6.7 of the Constitution Fredrick Davis retires and, being eligible, wishes to stand for re-election.

Fred is an experienced leader manager of technology innovation businesses having worked for the last 19 years in senior management positions. Prior to joining FFT, Fred led Business and New Product Development for Universal Biosensors Inc., and was CEO and Business Unit Director for Invetech Pty Ltd, a leading contract product development and manufacturing firm that played a pivotal role in the success of ASX listed Vision Systems Limited. Fred's specialist experience includes strategic management, business development, and advanced technology development and manufacturing.

#### **Directors' recommendation**

The Directors (with Dr Davis abstaining) unanimously recommend that the Shareholders vote in favour of Resolution 2.

#### **Resolution 3: Re-election of Mr Christopher Fergus**

Listing Rule 14.5 requires the Company to hold an election of directors at each annual general meeting.

In addition, clause 6.7 of The Company's Constitution provides that , at every annual general meeting, 1/3 of the Directors or, if their number is not a multiple of 3, then, subject to the Listing Rules, the number nearest to 1/3, must retire from office and be eligible for re-election. The Directors to retire in every year are the Directors longest in office since last being elected or re-elected. Between Directors who were elected on the same day, the Director to retire, if they cannot otherwise agree, must be determined by lot. In accordance with Clause 6.7 of the Constitution Christopher Fergus retires and, being eligible, wishes to stand for re-election.

Christopher Fergus is currently Executive Director & SVP Strategy & Business Development, MaxSec and CEO of its secure international logistics division, AVA Global. Based in Dubai, Chris is a UK national and has extensive experience within the security integration and services sectors, having previously worked for the FTSE 250 and world's leading security services provider, G4S, for over 20 years. Joining the company as a graduate trainee in 1994, he worked across a number of continents in a number of roles, most recently as Regional Managing Director, Middle East, managing a portfolio of Security & FM joint ventures.

#### **Directors' recommendation**

The Directors (with Mr Fergus abstaining) unanimously recommend that the Shareholders vote in favour of Resolution 3.

#### **Resolution 4: Issue of options to Christopher Fergus (Non-Executive Director)**

Subject to the approval of Shareholders, the Company proposes to issue 200,000 options to Mr Christopher Fergus, Non-Executive Director. Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 10.12, Exception 4 as an exception to any requirement that may otherwise apply requiring Shareholder approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.

The options shall be issued under and subject to the terms of the Employee Benefits Plan.

Shareholder approval is sought for the grant of the options on the terms detailed below:

- (a) each option is to acquire one fully paid ordinary Share;

- (b) the options are issued for nil consideration;
- (c) the exercise price of the options is \$0.21 per option;
- (d) options issued will expire on the anniversary of the third year from the issue date;
- (e) the options are not transferable; and
- (f) the Board may determine how the options are dealt with upon a change in control, including allowing for the accelerated vesting of the options.

In the event that Mr Fergus is no longer a Director of the Company the options will expire 90 days after his directorship ceases. The options will otherwise expire on the anniversary of the third year from the issue date as described above.

It is intended that the options will be issued within 5 business days after the Annual General Meeting, but in any event no later than 12 months after the Annual General Meeting.

### **General Terms of the Issue of Options under the Employee Benefits Plan**

The options do not entitle Mr Fergus to exercise any votes in respect of the shares to which the option relates, nor is he entitled to participate in any dividend or any new issue of securities by the Company in respect of that option.

Any Shares issued under the Employee Benefits Plan as a result of the exercise of the options will rank equally with those traded on the ASX at the time of issue.

On a change of control event (which includes a takeover, merger, any person acquiring a relevant interest in more than 50% of the issued share capital in the Company and other similar events) the Board may waive some or all of the vesting conditions or other conditions applicable to the options, in its absolute discretion.

In the event of any capital reorganisation, options will be adjusted having regard to the ASX Listing Rules applying to a reorganisation at the time of the reorganisation, and on the basis that participants do not receive any advantage or disadvantage from such an adjustment.

The options do not entitle Mr Fergus to participate in any new issues of securities by the Company without exercising the options.

The options will not be quoted on ASX. The Company intends to apply to ASX for quotation of any Shares acquired on exercise of the options.

### **General Information**

The Company discloses the following information concerning the value of the options to be issued in relation to this resolution. A fair value for the options to be issued has been calculated using a Black Scholes methodology and based on a number of assumptions, set out below. The Board believes this valuation model is appropriate to the circumstances and has not used any other valuation or other models in proposing the terms of the options.

The stated valuation does not constitute and should not be taken as audited financial information. The reportable value of the employee benefit expense in subsequent financial periods may vary due to a range of timing and other factors. In particular, the figures were calculated effective as at 30 August 2017.

Underlying price (share price as at 30 August 2017 being end of day closing price)	\$0.175
Exercise (strike) price	\$0.210
Exercise price multiple	1.20
Volatility	1.327
Dividend Yield (estimate)	Nil
Expiry Date	The date that is three years from the date of the options being issued.
Risk free rate	1.96%



Option Value	\$0.1284
Total number of options issued	200,000
Employee benefit expense per 200,000 options (for Mr Fergus)	\$25,683.48
Total employee benefit expense	\$52,083.48 (comprised of \$25,683.48 per 200,000 options and remuneration of \$26,400)

A significant factor in the determination of the final value of options will be the ultimate share price at the date of final option grant (this will be the date of approval by the shareholders if such approval is obtained). The following table details total employee benefit expense based on the highest and lowest closing prices of the Shares traded on the ASX over the 12 months ending on 30 August 2017.

	Highest price	Lowest price
Closing price (\$)	\$0.360	\$0.085
Date	31 Oct 2016	15 May 2017
Total employee benefits expense	\$85,281 (Comprised of \$58,881 per 200,000 options and remuneration of \$26,400)	\$37,147 (comprised of \$10,747 per 200,000 options and remuneration of \$26,400)

As such if it is assumed all other factors are equal, where the share price increases above the \$0.175 disclosed above the final value of options granted will increase, and conversely where the share price reduces the final value of options granted will also reduce.

## Remuneration

Excluding the value of the options, Mr Fergus currently receives annual remuneration for his role as director of \$26,400 per annum (inclusive of superannuation).

## Additional Listing Rule 10.15 disclosures

600,000 options have previously been issued to Key Employees under the Company's Employee Benefits Plan since it was approved by Shareholders at the 2016 Annual General Meeting. All options were issued for nil consideration.

All Directors are potentially eligible to participate in the Company's Employee Benefits Plan. There are no loan arrangements with the Directors in relation to the acquisition of the options.

## Financial Benefit – details and reasons

Approval has been sought for the giving of a financial benefit to Mr Fergus under Resolution 4, as a related party under section 208 of the Corporations Act by virtue of him being a director of the Company. Section 229 (3)(e) of the Corporations Act provides that the "issuing of securities or granting of an option to a related party" (which includes a director of an entity) is an example of the giving of a financial benefit.

The amount, terms and value (subject to the stated assumptions) of those options are set out above.

The reasons for giving this financial benefit are:

- the Company wishes to maximise the use of its cash resources towards other strategic initiatives and equity based incentives such as options are used to supplement cash based remuneration;
- the total quantum of options to be issued in accordance with this resolution is moderate in number;
- equity based incentives, such as options, assist in the alignment of Shareholder and Director interests;
- the remuneration package is designed to attract and retain the directors and managing director, as suitably qualified and experienced managers of the Company; and

- (e) the Company believes the associated expense is limited and the nature of the options package proposed is commensurate with market practice.

On this basis the Company believes the giving of the benefits, as constituted by the issue of the options in accordance with this resolution is in the best interest of the Company and its Shareholders.

#### **Existing interests and the dilutionary effect on other members' interests**

The effect that the exercise of the options will have on the interests of Mr Fergus relative to other members' interests is set out in the following table. The table assumes no further issues of shares in, or reconstruction of the capital of, the Company during the time between issue and exercise of the option.

<b>The total number of shares on issue in the capital of the Company</b>	<b>124,028,440</b>
<b>Shares currently held by director (including indirect interests)</b>	Nil
<b>% of shares currently held by Director</b>	Nil
<b>Options to be issued under Resolution 4</b>	200,000
<b>Existing Options held by Director</b>	Nil
<b>Shares that will be held following the exercise of all options held by Director</b>	200,000
<b>% of Shares that would be held assuming no other options were exercised.</b>	0.16%

#### **Directors' Recommendation**

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

#### **Resolution 5 – Appointment of auditor**

The Board appointed Ernst & Young of 8 Exhibition Street, Melbourne, Victoria 3000 (**EY**) as the Company's new auditors with effect on 17 January 2017.

This appointment followed the resignation of Pitcher Partners as the Company's auditor and ASIC's consent to Pitcher Partners' resignation, in accordance with the Corporations Act.

The transition of auditor occurred due to the Company tendering its external audit program. EY was selected by the Company after considering proposals from a number of accounting firms.

In accordance with the Corporations Act:

- EY holds office as auditor until this AGM of the Company and is standing for re-appointment as auditor pursuant to this Resolution 5; and
- the Company has sought and obtained a nomination from a shareholder for EY to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

EY have given their written consent to act as the Company's auditor subject to shareholder approval of this Resolution 5.

## **Directors' Recommendation**

The Directors unanimously recommend that the Shareholders vote in favour of Resolution 5.

## **Resolution 6 – approval of equity incentive plan**

The ASX Listing Rules generally restrict listed companies from issuing more than 15% of their issued share capital in any 12 month period without shareholder approval. However, there are exceptions to this restriction, one of which states that general Listing Rule requirements for shareholder approval will not apply to an issue under an employee incentive scheme if, within three years before the date of the issue, shareholders approve the issue of securities under the scheme as an exception to the rule.

If the Company's Equity Incentive Plan is approved by shareholders, issues under the Company's Equity Incentive Plan (**Plan**) over the next three years will fall under this ASX Listing Rule exception and will not affect the Company's ability to separately issue up to 15% of its total ordinary securities in any 12 month period (without having to obtain further shareholder approval).

However, the exception does not apply to Directors and their associates, who are deemed related parties of the Company, and issues to such persons will require separate approval under Listing Rule 10.14.

The Plan is designed to:

- (a) assist in the reward, retention and motivation of eligible employees;
- (b) link the reward of eligible employees to Shareholder value creation; and
- (c) align the interests of eligible employees with Shareholders by providing an opportunity for eligible employees to earn rewards via an equity interest in the Company based on creating Shareholder value.

In accordance with ASX Listing Rule 7.2, exception 9, a summary of the key terms of the Plan is set out in Annexure B. This is the first time shareholders have been asked to approve the Plan for the purposes of ASX Listing Rule 7.2, exception 9.

## **Directors' Recommendation**

The Directors are all currently eligible to participate in the Plan and therefore abstain from making a recommendation in relation to this resolution.

## DEFINITIONS

Throughout this Explanatory Memorandum the following various words and phrases are capitalised and the definitions of these capitalised words and phrases are set out below:

**"Annual General Meeting"** means the meeting convened by the Notice of Meeting;

**"ASIC"** means the Australian Securities & Investments Commission;

**"ASX"** means ASX Limited (ACN 000 943 377);

**"ASX Listing Rules"** or **"Listing Rule"** means the Official Listing Rules of the ASX;

**"Board"** means the board of Directors of the Company;

**"Business Day"** means a day on which trading takes place on the stock market of the ASX;

**"Chairman"** means the chairman of the annual general meeting;

**"Closely Related Party"** of a member of the Key Management Personnel means:

- (a) A spouse or child of the member;
- (b) A child of the member's spouse;
- (c) A dependant of the member or the member's spouse;
- (d) Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) A company the member controls; or
- (f) A person prescribed by the Corporation Regulations 2001 (Cth).

**"Company or Future Fibre Technologies"** means Future Fibre Technologies Limited ACN 064 089 318;

**"Constitution"** means the Company's constitution;

**"Corporations Act"** means the *Corporations Act 2001* (Cth);

**"Corporations Regulation"** means the *Corporations Regulation 2001* (Cth);

**"Directors"** mean the current Directors of the Company;

**"Employee Benefits Plan"** means the long term incentive plan approved by Shareholders at the Annual General Meeting of the Company held on 23 November 2016;

**"Explanatory Memorandum"** means this Explanatory Memorandum as modified or varied by any supplementary Memorandum issued by the Company from time to time;

**"Key Management Personnel"** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

**"Management"** or **"Board"** means the management of the Company;

**"Meeting"** or **"Annual General Meeting"** means the annual general meeting convened by this Notice;

**"Notice"** or **"Notice of Meeting"** means the notice convening the annual general meeting of the Company to be held on 01 November 2017 which accompanies this Explanatory Memorandum;

**"Plan"** means the Company's equity incentive plan the subject to approval under resolution 6.

**"Proxy Form"** means the proxy form that is enclosed with and forms part of this Notice;

**"Remuneration Report"** means the remuneration report set out in the Directors' Report section of the Company's Annual Financial Report for the year ended 30 June 2017;

**"Resolution"** means a resolution in the form proposed in the Notice of Meeting;

**"Share"** means a fully paid ordinary share in the capital of the Company; and

**"Shareholder"** means a registered holder of a Share in the Company.

# Annexure A

Nomination of auditor

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29 August 2017

The Chairman  
Future Fibre Technologies Limited  
10 Hartnett Close  
Mulgrave VIC 3170

Dear Terry,

**AUDITOR NOMINATION – ERNST & YOUNG**

Pierce CIM Pte Limited, a shareholder of Future Fibre Technologies Limited hereby nominates Ernst & Young to be appointed the Auditor of Future Fibre Technologies Limited.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David L Cronin', with a stylized, wavy line extending from the end.

David L Cronin  
Director  
Pierce CIM Pte Limited

## Annexure B

### Summary of the key terms of the Company's equity incentive plan

<b>Purpose</b>	<p>The purpose of the Plan is to:</p> <ul style="list-style-type: none"> <li>(a) assist in the reward, retention and motivation of eligible employees;</li> <li>(b) link the reward of eligible employees to Shareholder value creation; and</li> <li>(c) align the interests of eligible employees with Shareholders by providing an opportunity for eligible employees to earn rewards via an equity interest in the Company based on creating Shareholder value.</li> </ul>
<b>Eligibility</b>	<p>Eligible employee means Directors and employees that are declared by the Board in its sole and absolute discretion to be eligible to receive grants of options and performance rights under the Plan, or any other person that is declared by the Board in its sole and absolute discretion to be eligible to receive grants of options and performance rights under the Plan.</p>
<b>Form of equity</b>	<p>Awards of options and performance rights can be made under the plan.</p> <p>A performance right confers an entitlement to be issued one Share subject to the satisfaction of any performance criteria on the terms set out in the Plan.</p> <p>An option confers a right to acquire a Share subject to the satisfaction of any vesting conditions and the payment of the exercise price for the option on the terms set out in the Plan.</p>
<b>Terms of award</b>	<p>A grant of options and/or performance rights under the Plan is subject to both the rules of the Plan and the terms of the specific grant.</p>
<b>Vesting and exercise</b>	<p>Options may only be exercised if they vest in accordance with the applicable performance criteria and exercise conditions (if any).</p> <p>Performance Rights will be governed by the Plan until they lapse or the performance criteria to which the performance rights relate have been fully satisfied in accordance with the Plan and consequently Shares have been issued in respect of those performance rights.</p> <p>Where an eligible employee ceases to be employed by a group Company, the Board may, in its absolute discretion, determine that the rights and/or options which are held by the eligible employee at that time will be forfeited.</p>
<b>Exercise conditions</b>	<p>Exercise condition means any criteria, requirements or conditions determined by the Board, which must be met (notwithstanding the satisfaction of any performance criteria and/or vesting conditions) in order for any performance rights and/or options to vest or be exercisable.</p>
<b>Exercise price</b>	<p>Exercise price means:</p> <ul style="list-style-type: none"> <li>(a) in relation to a performance right, a nil amount, unless otherwise determined by the Board and specified in the invitation, or</li> <li>(b) in relation to an option, the amount payable on exercise of that option, as specified in the invitation.</li> </ul>
<b>Exercise</b>	<p>The exercise of an option may only be effected by lodging a duly completed notice of exercise. An option may only be exercised if at the time of exercise:</p> <ul style="list-style-type: none"> <li>(a) the applicable performance criteria and/or vesting conditions for the options have been satisfied;</li> <li>(b) the option has not lapsed under any provision of the Plan; and</li> <li>(c) the exercise price of the option has been paid to the Company in such manner approved by the Board.</li> </ul> <p>Any Shares issued, transferred or allocated on the exercise or vesting of performance rights and/or options will rank equally in all respects with all existing Shares from the date of issue. The Company will apply to the ASX for the quotation of any Shares issued under the Plan.</p>

<b>Change of control</b>	<p>If a specified event (e.g. a takeover, a scheme of arrangement, winding up or any similar transaction or event that may result in a person becoming entitled to exercise control over the Company) occurs prior to a performance right or option vesting, then the Board may determine in its absolute discretion whether some or all of the participant's performance rights or options:</p> <ul style="list-style-type: none"> <li>(a) become vested (whether subject to further vesting conditions and/or performance criteria or not);</li> <li>(b) lapse or are forfeited;</li> <li>(c) remain subject to the applicable periods for measurement, vesting dates, vesting conditions and/or performance criteria; or</li> <li>(d) become subject to substituted or varied periods for measurement, vesting dates, vesting conditions and/or performance criteria.</li> </ul> <p>If there is a change of control prior to a performance right or option becoming vested, and the Board does not exercise a discretion as to how to deal with the performance rights and options, all of the participant's unvested performance rights and/or options will lapse.</p>
<b>Lapse</b>	<p>A participant's options and performance rights will lapse, subject to the Board deciding otherwise, on the earliest of:</p> <ul style="list-style-type: none"> <li>(a) (in the case of options) the applicable expiry date for those options;</li> <li>(b) (in the case of performance rights) a determination by the Board that the participant has not satisfied the applicable performance criteria specified by the Board in respect of those performance rights;</li> <li>(c) a determination of the Board that the participant has, in the Board's opinion: <ul style="list-style-type: none"> <li>(i) been dismissed or removed from office for a reason which entitles a company in the group to dismiss the participant without notice or has committed any act of fraud, defalcation or gross misconduct in relation to the affairs of that company (whether or not charged with an offence); or</li> <li>(ii) done any act which brings the group into disrepute;</li> </ul> </li> <li>(d) the date on which the participant ceases to be employed by any member of the group (other than due to death, permanent disability or bona fide redundancy);</li> <li>(e) the receipt by the Company of notice from the participant (after death, permanent disability or bona fide redundancy has arisen with respect to the participant) that the participant has elected to surrender the option or performance right; and</li> <li>(f) any other circumstances specified in any invitation pursuant to which the options or performance rights were issued.</li> </ul> <p>Upon the lapse of a performance right or option, all of the participant's rights in respect of that performance right or option will cease.</p>
<b>Share issues</b>	<p><b>Participation in new issues</b></p> <p>A participant may participate in new issues of securities to holders of Shares only if:</p> <ul style="list-style-type: none"> <li>(a) the option has been exercised or performance right has vested; and</li> <li>(b) a Share has been issued in respect of the option or performance right before the record date for determining entitlements to the new issue.</li> </ul> <p><b>Adjustment for bonus issue of Shares</b></p> <p>If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):</p> <ul style="list-style-type: none"> <li>(a) the number of Shares which will be issued on the exercise of the option or vesting of the performance right will be increased by the number of Shares which the participant would have received if the participant had exercised the option or the performance right had vested before the record date for the bonus issue; and</li> <li>(b) no change will be made to the exercise price.</li> </ul> <p><b>Adjustment for rights issue</b></p>



	<p>If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in satisfaction of dividends or by way of dividend reinvestment) the exercise price of the option will be reduced according to the following formula:</p> $\text{New exercise price} = O - \frac{E[P-(S+D)]}{N + 1}$ <p>O = the old exercise price of the option.  E = the number of underlying Shares into which one option is exercisable.  P = the average market price per Share (weighted by reference to volume) of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.  S = the subscription price of a Share under the pro rata issue.  D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).  N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.</p> <p><b>Reconstructions</b></p> <p>If there is any reconstruction of the issued share capital of the Company, then</p> <ol style="list-style-type: none"> <li>the number of performance rights which each participant has been granted; and/or</li> <li>the number of options to which each participant is entitled and/or the exercise price,</li> </ol> <p>must be reconstructed in a manner which will not result in any benefits being conferred on participants which are not conferred on Shareholders (subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital), but in all other respects, the terms of all options and performance rights will remain unchanged.</p>
<b>Non-transferable rights and options</b>	<p>A participant must not assign, transfer, encumber or otherwise dispose of a performance right or option unless prior written consent is obtained by the Board (which consent may impose such terms and conditions on such assignment, transfer, encumbrance or disposal as the Board sees fit), or in accordance with law in the event of the death of a participant.</p> <p>The Board may, at its discretion, impose a restriction on disposing of, or granting any security interest over, Shares held by a participant on vesting of a performance right or exercise of an option.</p>
<b>Dividends</b>	<p>The performance rights and/or options held by a participant will not give the participant any right to participate in dividends until the issue, transfer or allocation of Shares pursuant to the vesting or exercise of the performance rights and/or options (as the case may be), before the record date for determining entitlements to a dividend.</p>
<b>Voting rights</b>	<p>The performance rights and/or options do not entitle a participant to receive notice of, attend or vote at a meeting of Shareholders. A participant may exercise any voting rights attaching to Shares acquired following the exercise of the participant's performance rights and/or options and registered in the participant's name.</p>
<b>Administration of the Plan</b>	<p>The Plan will be managed in accordance with the Plan rules, by the Board.</p> <p>Every exercise of a discretion by the Board (or its delegates) and any decision by the Board (or its delegates) regarding the interpretation, effect or application of the Plan will be final, conclusive and binding.</p> <p>The Board may delegate any of its powers or discretions conferred on it by the Plan to a committee of the Board or to any one or more persons selected by it, including but not limited to the company secretary.</p>
<b>Amendment</b>	<p>Subject to the Plan Rules, Constitution and the Listing Rules, the Board may at any time amend the Plan rules or the terms and conditions upon which any option or performance rights have been issued under the Plan.</p> <p>No amendment to these Rules or to options or performance rights granted under the Plan may be made if the amendment materially reduces the rights of any participant in respect of options or performance rights granted to them prior to the date of the amendment, other than:</p>

	<p>(a) an amendment introduced primarily:</p> <ul style="list-style-type: none"> <li>(i) for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;</li> <li>(ii) to correct any manifest error or mistake;</li> <li>(iii) to allow the implementation of a trust arrangement in relation to the holding of Shares for the purpose of the Plan;</li> <li>(iv) for the purpose of complying with the applicable laws; and/or</li> <li>(v) to take into consideration possible adverse taxation implications in respect of the Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation; or</li> </ul> <p>(b) an amendment agreed to in writing by the participant(s).</p>
<b>Termination</b>	<p>The Board may at any time terminate the Plan or suspend the operation of the Plan for such period or periods as it thinks fit, considering and endeavouring to ensure that there is fair and equitable treatment of all participants in passing a resolution to terminate or suspend the operation of the Plan.</p>

**All Correspondence to:**

✉ **By Mail:** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am AEDT on Monday 30 October 2017.**

### TO VOTE ONLINE

- STEP 1: VISIT** [www.votingonline.com.au/futurefibream2017](http://www.votingonline.com.au/futurefibream2017)
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am AEDT on Monday 30 October 2017**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- |                    |  |
|--------------------|--|
| 💻 <b>Online</b>    | <a href="http://www.votingonline.com.au/futurefibream2017">www.votingonline.com.au/futurefibream2017</a> |
| 📠 <b>By Fax</b>    | +61 2 9290 9655  |
| ✉ <b>By Mail</b>   | Boardroom Pty Limited<br>GPO Box 3993,<br>Sydney NSW 2001 Australia                                      |
| 👤 <b>In Person</b> | Boardroom Pty Limited<br>Level 12, 225 George Street,<br>Sydney NSW 2000 Australia                       |

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

# Future Fibre Technologies Limited

ACN 064 089 318

## ☐ Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of **Future Fibre Technologies Limited** and entitled to attend and vote hereby appoint:

☐ the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of **Future Fibre Technologies Limited** to be held at **Ernst & Young, Level 23, 8 Exhibition Street, Melbourne VIC 3000 on Wednesday 01 November 2017 at 11:00am AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 4 and 6, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 4 and 6 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 4 and 6). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

### STEP 2 VOTING DIRECTIONS

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

		For	Against	Abstain*
<b>Resolution 1</b>	To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>	Re-election of Director – Dr Fredrick Davis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	Re-election of Director - Mr Christopher Fergus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b>	Issue of Share Options to Director (Mr Christopher Fergus)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b>	Appointment of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b>	Approval of equity incentive plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017