



Notice of annual general meeting and explanatory memorandum

Adacel Technologies Limited

ACN 079 672 281

Date: Friday 17 November 2017

Time: 11.00 am (Melbourne time)

Place: PricewaterhouseCoopers
Level 19
2 Riverside Quay
Melbourne Victoria 3006

NOTICE OF 2017 ANNUAL GENERAL MEETING

NOTICE is given that the 2017 Annual General Meeting of Adacel Technologies Limited ACN 079 672 281 (“the Company”) will be held at the offices of PricewaterhouseCoopers at Level 19, 2 Riverside Quay, Melbourne, Victoria 3006 on Friday 17 November 2017 at 11.00 am (Melbourne time).

BUSINESS

Shareholders are invited to consider the following items of business at the Annual General Meeting:

Ordinary Business

1. FINANCIAL AND RELATED REPORTS

Agenda Item 1	Financial and Related Reports
Description	To receive and consider the Financial Report of the Company and its controlled entities and the related Directors’ and Auditor’s Reports in respect of the financial year ended 30 June 2017.

2. ADOPTION OF REMUNERATION REPORT (NON-BINDING VOTE)

Resolution 1	Adoption of Remuneration Report (Non-Binding Vote)
Description	Shareholders are asked to adopt the Company’s Remuneration Report. The Remuneration Report is set out in the 2017 Annual Report and is available from the Company’s website (www.adacel.com). In accordance with section 250R of the Corporations Act, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>“THAT the Remuneration Report for the financial year ended 30 June 2017 included in the Directors’ Report of the Annual Report as required under section 300A of the Corporations Act, be adopted by the Company.”</i>
Voting Exclusion	The Company will disregard any votes cast on this resolution: <ul style="list-style-type: none">• by or on behalf of a member of the Key Management Personnel (KMP) named in the remuneration report for the year ended 30 June 2017, or that KMP’s Closely Related Party, regardless of the capacity in which the vote is cast;• as a proxy by a member of the KMP at the date of the meeting, or that KMP’s Closely Related Party, unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:<ul style="list-style-type: none">○ in accordance with their directions of how to vote as set out in the proxy appointment; or○ by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

3. ELECTION OF DIRECTOR

Resolution 2	Election of Michael McConnell as Director
Description	Mr Michael McConnell, who was appointed to the Board by the Directors as an addition to the existing Directors pursuant to article 72.2 of the Company's Constitution, retires as a Director of the Company in accordance with article 72.3 of the Company's Constitution and, being eligible, offers himself for election under article 72.3 of the Constitution.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT Mr Michael McConnell, having retired from his office as a Director in accordance with article 72.3 of the Company's Constitution and, being eligible under article 72.3 of the Constitution, having offered himself for re-election, be re-elected as a Director of the Company."</i>

4. RE-ELECTION OF DIRECTOR

Resolution 3	Re-Election of David Smith as Director
Description	Mr David Smith retires as a Director of the Company in accordance with article 76.1 of the Company's Constitution and, being eligible, offers himself for re-election under article 76.4 of the Constitution.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT Mr David Smith, having retired from his office as a Director in accordance with article 76.1 of the Company's Constitution and, being eligible under article 76.4 of the Constitution, having offered himself for re-election, be re-elected as a Director of the Company."</i>

5. APPROVAL OF LONG-TERM INCENTIVE PLAN (LTIP)

Resolution 4	Approval of Long-Term Incentive Plan (LTIP)
Description	Resolution 4 seeks shareholder approval for the Company's Long-Term Incentive Plan (LTIP or Plan) for the purposes of the Listing Rules and the Corporations Act.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT, for the purposes of Exception 9 in ASX Listing Rule 7.2, sections 259B(2) and 260C(4) of the Corporations Act and for all other purposes, shareholders approve the issue of shares, performance rights or options under the Long Term Incentive Plan described in the Explanatory Memorandum accompanying this Notice as an exception to ASX Listing Rule 7.1."</i>

**Voting
Exclusion**

The Company will disregard any votes cast on this resolution by any Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of those Directors.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions of the proxy form; or
- (b) the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides, where the proxy appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Dated 19 October 2017

By order of the Board of Adacel Technologies Limited



**Sophie Karzis
Company Secretary**

QUESTIONS FROM SHAREHOLDERS

In order to provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, PricewaterhouseCoopers, in relation to the conduct of the external audit for the year ended 30 June 2017, or the content of its audit report. Please send your questions to:

The Company Secretary, **Adacel Technologies Limited**
Level 1, 61 Spring Street, Melbourne VIC 3000
T. 03 9286 7500
F. 03 9662 1472
E. sk@ccounsel.com.au

Written questions must be received by no later than 5.00 pm (Melbourne time) on Friday, 10 November 2017.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will also be provided to shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including Remuneration Report.

During the course of the Annual General Meeting, the Chairman will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give a representative of the Auditor the opportunity to answer written questions addressed to it. However, there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to shareholders.

VOTING INFORMATION

Voting by proxy

- (a) A shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the shareholder is entitled to cast two or more votes at the meeting, two proxies, to attend and vote instead of the shareholder.
- (b) Where two proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the meeting.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.
- (e) A proxy form accompanies this notice. If a shareholder wishes to appoint more than one proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or

other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of authority **by 11.00 am (Melbourne time) on Wednesday 15 November 2017:**

- online by going to investorvote.com.au or by scanning the QR code, found on the enclosed proxy form with your mobile device
- by post at GPO Box 242, Melbourne, Victoria 3001; or
- by personal delivery at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067; or
- by facsimile: Australia – 1800 783 447, overseas - +61 3 9473 2555; or
- Custodian voting - For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Voting and other entitlements at the Annual General Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations 2001* that shares in the Company which are on issue at **7.00 pm (Melbourne time) on Wednesday 15 November 2017** will be taken to be held by the persons who held them at that time for the purposes of the Annual General Meeting (including determining voting entitlements at the meeting).

Proxy voting by the Chair

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolution 1. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolution 1. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Company's Chairman, Mr Peter Landos, will chair the Meeting and intends to vote all available undirected proxies in favour of each item of business.

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolution 1, he or she will not vote your proxy on that item of business.

EXPLANATORY MEMORANDUM TO NOTICE OF 2017 ANNUAL GENERAL MEETING

1. FINANCIAL AND RELATED REPORTS

Agenda Item 1	Financial and Related Reports
Explanation	<p>Section 317 of the Corporations Act requires the Company's Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2017 to be laid before the Company's 2017 Annual General Meeting. There is no requirement for a formal resolution on this item.</p> <p>The Financial Report contains the financial statements of the consolidated entity consisting of Adacel and its controlled entities.</p> <p>As permitted by the Corporations Act, a printed copy of the Company's 2017 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2017 Annual Report is available from the Company's website (www.adacel.com).</p> <p>The Chair of the meeting will allow a reasonable opportunity at the meeting for shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor PricewaterhouseCoopers questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2017, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of PricewaterhouseCoopers in relation to the conduct of the audit.</p>

2. ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

Resolution 1	Adoption of Remuneration Report (non-binding resolution)
Explanation	<p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2017 Annual Report and is available from the Company's website (www.adacel.com).</p> <p>The Remuneration Report:</p> <ul style="list-style-type: none"> • describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance; • sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and • explains the differences between the basis for remunerating non-executive Directors and senior executives, including the Chief Executive Officer. <p>The vote on this resolution is advisory only and does not bind the Directors. However, the Board will take into account any discussion on this resolution and the outcome of the vote when considering the future remuneration policies and practices of the Company.</p>

Voting Exclusion	A voting exclusion statement applies to this resolution, as set out in the Notice.
Board Recommendation	The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.
Chair's available proxies	The Chair of the Meeting intends to vote all available proxies in favour of this Resolution 1.

3. ELECTION OF DIRECTOR

Resolution 2	Election of Mr Michael McConnell as Director
Explanation	<p>Article 72.2 of the Constitution gives the Directors discretion to appoint another qualified person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.</p> <p>Article 72.3 provides that any Director appointed under article 72.2 holds office only until the next following general meeting of the Company and is then eligible for re-election, but is not taken into account in determining the number of Directors who are to retire by rotation at that meeting pursuant to article 76.1.</p> <p>Mr Michael McConnell was appointed to the Board on 1 May 2017 as an addition to the existing Directors pursuant to article 72.2 of the Constitution and accordingly holds office until the AGM, and being eligible under article 72.3 of the Constitution, offers himself for election as Director.</p>
About Mr Michael McConnell	<p>Mr McConnell joined the Board as an Independent Non-Executive Director on 1 May, 2017. He is an experienced Director and private investor who is currently a non-executive director of Spark Networks Inc. Previously, he was managing director of Shamrock Capital Advisors as well as serving on numerous public and private company boards in the United States of America, Australia, New Zealand, Israel and Ireland. He has experience across a variety of Industries, including media, entertainment, enterprise software, radio broadcasting, cable distribution, basic materials, chemicals, e-commerce and consumer products.</p> <p>Mr McConnell does not hold a relevant interest in any securities in the Company.</p>
Board Recommendation	The Board, with Michael McConnell abstaining, recommends that shareholders vote in favour of this resolution.
Chair's available proxies	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 2.

4. RE-ELECTION OF DIRECTOR

Resolution 3	Re-Election of Mr David Smith as Director
Explanation	Article 76.1 of the Constitution requires one third of the Directors (or if their number is not three or a multiple of three, then the number nearest, but not exceeding, one third) to retire at each Annual General Meeting of the Company. Article 76.2

	<p>provides that the Director/s to retire under article 76.1 are those who have held office as Director the longest period of time since their last re-election to office.</p> <p>Mr David Smith has held office as Director for the longest period of time since his last re-election, and he retires as Director at the 2017 Annual General Meeting and being eligible under article 76.4 of the Constitution, offers himself for re-election as Director.</p>
About Mr David Smith	<p>Mr Smith has been a non-executive Director since July 2000 and prior to that date an Executive Director from incorporation in October 1997. Mr. Smith was a senior executive of the Company and has extensive experience in software development, project and operations management in the military, aviation and transport domains. David does not currently hold and has not held directorships in other listed companies at any time in the 3 years immediately before the end of the financial year.</p> <p>Mr Smith has a relevant interest in 3,618,589 fully paid ordinary shares in the Company.</p>
Board Recommendation	The Board, with David Smith abstaining, recommends that shareholders vote in favour of this resolution.
Chair's available proxies	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 3.

5. APPROVAL OF THE LONG-TERM INCENTIVE PLAN (LTIP)

Resolution 4	Approval of the Long-Term Incentive Plan (LTIP)
Explanation	Resolution 4 seeks shareholder approval for the Company's Long-Term Incentive Plan (LTIP) for the purposes of the Listing Rules and the Corporations Act.
ASX Listing Rules	<p>Listing Rule 7.1 provides that a company may not issue Equity Securities, or agree to issue Equity Securities, without the approval of shareholders, if the number of Equity Securities to be issued in any 12-month period (including shares issued on the exercise of any options) exceeds 15% of the issued capital of the company preceding the issue.</p> <p>Listing Rule 7.2 contains a number of exceptions to the prohibition contained in Listing Rule 7.1. In particular, under Exception 9 in Listing Rule 7.2, any Equity Securities issued under an employee incentive scheme within three years of the date on which shareholders approve the issue of those Equity Securities are not counted for the purposes of Listing Rule 7.1. Resolution 4 is designed to satisfy the requirements of Listing Rule 7.2.</p>

<p>Corporations Act</p>	<p>Section 259B(1) of the Corporations Act prohibits a company from taking security over its shares except as permitted by section 259B(2). Section 259B(2) states that a company may take security over shares in itself under an employee share scheme that has been approved by resolution passed at a general meeting of the company.</p> <p>Section 260A(1)(c) of the Corporations Act prohibits a company from financially assisting a person to acquire shares in itself except as permitted by section 260(C). Section 260(C)(4) provides for special exemption for approved employee shares schemes and states that financial assistance is exempted from section 260(A) if a resolution is passed at a general meeting of the company.</p> <p>Accordingly, shareholder approval is sought under Resolution 4 to ensure compliance with these sections of the Corporations Act.</p>
<p>Purpose of LTIP</p>	<p>The purpose of the LTIP is to provide incentives to management and directors of the Company who are integral to the operations and ongoing success of the Company and to promote the objective of developing a best-practice long-term incentive framework which aligns the interests of stakeholders with executive management. These incentives are designed to encourage greater productivity from directors and management and to better enable the Company to retain its management personnel in a highly competitive industry as well to enable executive management to create long-term shareholder value.</p> <p>Should Resolution 4 be passed, the Company will have the necessary flexibility to issue securities as an incentive to management personnel, and the issue of securities under the LTIP will not be included within the Company's placement capacity pursuant to Listing Rule 7.1.</p> <p>A summary of the LTIP is provided below.</p>
<p>Details of the LTIP</p>	<p>General</p> <p>The LTIP is intended to retain and motivate the Company's management team.</p> <p>Under the LTIP, the Board has the discretion to offer shares or grant options and performance rights to eligible employees (which includes Directors) of the Company or a related body corporate. An offer of shares may be accompanied by an offer of a loan (acquisition loan) from the Company or a related body corporate to acquire the shares.</p> <p>Note: the Board intends to offer incentives under the LTIP to members of the senior executive management team for FY18, although at present the number of securities, and the performance hurdles that will apply, have not yet been determined. The Board will keep shareholders updated and will lodge all necessary notices with the ASX upon the issue of any incentives under the LTIP.</p> <p>Both options and performance rights give a participant in the LTIP a right to acquire shares in the Company subject to the achievement of both time based and performance based vesting conditions, with options requiring the payment of an exercise price to acquire the shares and a performance right not requiring the payment of an exercise price.</p> <p>The Board has the discretion to amend the rules of the LTIP (including in respect of previous awards of shares, options or performance rights) but not so as to reduce the rights of participants, except where necessary to correct obvious errors or mistakes or to comply with legal requirements or where agreed by the</p>

participant.

Awards under the LTIP are made at the Board's discretion.

Eligibility

The rules allow for offers under the LTIP to be made to any employee of the Company or a related body corporate, including Directors, or such other person as the Board determines. However, it is currently intended that participation in the LTIP will only be offered to the Company's senior executive management team (including any executive Directors).

Issue of shares and grant of options and performance rights

Shares, options and performance rights may be issued under the LTIP subject to vesting conditions, including time and performance based hurdles.

The Board determines the details of the vesting conditions attaching to shares, options and performance rights under the LTIP prior to offers of participation being made. Shares, options or performance rights will only vest (under normal circumstances) upon satisfaction of the time and performance based vesting conditions. If those conditions are not met, shares will be bought back or the options or performance rights will generally expire and not be capable of exercise.

No amount is payable on the grant of options or performance rights offered under the LTIP.

Delivery of shares

Shares in the Company will be delivered to participants upon exercise of vested options or performance rights. On exercise, the Company may deliver shares by new issue or by purchasing shares for transfer to participants. No exercise price is payable on the exercise of performance rights unless otherwise determined by the Board at the date of grant.

Buy-back of shares

The LTIP provides for the buy-back of shares offered under the LTIP in certain circumstances, including on the forfeiture of the shares. Buy-back proceeds must be applied towards the repayment of any acquisition loan used to acquire the shares.

Change of control

On a change of control of the Company, the Board has discretion to waive the vesting conditions applicable to unvested options and performance rights, subject to such terms and conditions as it determines.

Plan limits

Issues of shares including on exercise of options or performance rights granted under the LTIP will be subject to a cap of 5% of the issued share capital of the Company, inclusive of shares that may be issued under other employee incentive schemes of the Company for employees and non-executive directors, but disregarding offers made outside of Australia, made under a prospectus or other disclosure document or which do not require a disclosure document.

	<p>Expiry of options and performance rights</p> <p>Unless otherwise determined by the Board in its discretion, options and performance rights which have not been exercised will expire and cease to exist on the expiry date specified at the date of grant or upon the Board making a determination that the options or performance rights are to be forfeited.</p> <p>Restrictions on shares and forfeiture conditions</p> <p>Shares, options and performance rights, and shares delivered on exercise, may be subject to forfeiture (subject to lifting at the discretion of the Board) if a participant commits any act of fraud, defalcation or gross misconduct in relation to the Company or a related body corporate. The Board can also decide, on the offer of shares or the grant of options or performance rights under the LTIP, additional circumstances under which they are to be forfeited, such as the termination or cessation of employment.</p> <p>Shares delivered on exercise of options or performance rights may be subject to disposal restrictions (subject to removal at the discretion of the Board).</p> <p>Hedging economic exposure prohibited</p> <p>Without limiting the prohibitions in Part 2D.7 of the Corporations Act (ban on hedging remuneration of key management personnel), the terms of the LTIP prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under the LTIP.</p>
Securities issued under LTIP	The LTIP was adopted by the Board in May 2017 and as at the date of this Notice of Meeting and Explanatory Memorandum, no securities have been issued under the LTIP.
Voting Exclusion	A voting exclusion statement applies to this item of business, as set out in the Notice.
Board Recommendation	As the Directors may technically participate in the LTIP they do not provide any recommendation to shareholders in relation to this Resolution 4.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this item of business.

DEFINITIONS	
Board	Means the board of Directors of Adacel.
Company or Adacel	Means Adacel Technologies Group Limited ACN 079 672 281.
Constitution	Means the constitution of Adacel.
Director	Means a Director of the board of Adacel.

<p>Closely Related Party (of a member of KMP of an entity)</p>	<p>Has the definition given to it by section 9 of the Corporations Act, and means:</p> <ul style="list-style-type: none"> a) a spouse or child of the member; or b) a child of the member's spouse; or c) a dependant of the member or of the member's spouse; or 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 dealings with the entity; or e) a company the member controls; or f) a person prescribed by the regulations for the purposes of this definition (nothing at this stage).
<p>Key Management Personnel or KMP</p>	<p>Means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.</p>

-ENDS-



Adacel Technologies Limited
ABN 15 079 672 281

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 181081

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

This Document is printed on Greenhouse Friendly™ ENVI Laser Carbon Neutral Paper

For your vote to be effective it must be received by 11.00 am (Melbourne time) on Wednesday 15 November 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Adacel Technologies Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Adacel Technologies Limited to be held at the offices of PricewaterhouseCoopers, Level 19, 2 Riverside Quay, Melbourne, Victoria 3006 on Friday 17 November 2017 at 11.00 am (Melbourne time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 & 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 & 4 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 & 4 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report (Non-Binding Vote)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Michael McConnell as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of David Smith as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of Long-Term Incentive Plan (LTIP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /