



Notice of annual general meeting and explanatory memorandum

Adacel Technologies Limited

ACN 079 672 281

Date: Friday 9 November 2018

Time: 11.00 am (AEDT)

Place: PricewaterhouseCoopers
Level 19
2 Riverside Quay
Melbourne Victoria 3006

NOTICE OF 2018 ANNUAL GENERAL MEETING

NOTICE is given that the 2018 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 9 November 2018 at 11.00 am (AEDT).

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 2018. |

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

| Resolution 1 | Adoption of Remuneration Report (Non-binding resolution) |
|-----------------------|---|
| Description | Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2018 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 2018 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 2018, 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. RE-ELECTION OF DIRECTOR

| | |
|------------------------------|---|
| Resolution 2 | Re-election of Peter Landos as Director |
| Description | Mr Peter Landos 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 Peter Landos, 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> |

Dated 9 October 2018

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 2018, or the content of its audit report. Please send your questions to:

The Company Secretary, **Adacel Technologies Limited**
Level 7, 333 Collins Street, Melbourne VIC 3000
T. 03 8622 3354
E. sk@ccounsel.com.au

Written questions must be received by no later than 5.00 pm (Melbourne time) on Friday, 2 November 2018.

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 (AEDT) on Wednesday 7 November 2018:**

- 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 (AEDT) on Wednesday 7 November 2018** 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 2018 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 2018 to be laid before the Company's 2018 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 2018 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2018 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 2018, 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 2018 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. |

3. RE-ELECTION OF DIRECTOR

| | |
|----------------------------------|---|
| Resolution 2 | Re-Election of Mr Peter Landos as Director |
| Explanation | <p>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 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 Peter Landos has held office as Director for the longest period of time since his last re-election, and he retires as Director of the Company at the 2018 Annual General Meeting and being eligible under article 76.4 of the Constitution, offers himself for re-election as Director.</p> |
| About Mr Peter Landos | <p>Mr Peter Landos has been a Non-Executive Director since 26 February 2009 and has been Chairman since 16 November 2012.</p> <p>Mr Landos is the Chief Operating Officer of the Thorney Investment Group of Companies with whom he has worked since September 2000, having previously worked at Macquarie Bank Limited. Mr Landos has extensive business and corporate experience specialising in advising boards and management in mergers and acquisitions, divestments, business restructurings and capital markets. Mr Landos is also a Non-Executive Director of Gale Pacific Limited.</p> <p>Mr Landos does not currently hold a relevant interest in the Company and is considered by the Board to be an independent director.</p> |
| Board Recommendation | The Board, with Mr Peter Landos abstaining, recommends that shareholders vote in favour of Resolution 2. |
| Chair's available proxies | The Chair of the Meeting intends to vote all available proxies in favour of Resolution 2. |

| 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. |
| Closely Related Party (of a member of KMP of an entity) | Has the definition given to it by section 9 of the Corporations Act, and means: <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). |
| Key Management Personnel or KMP | 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. |


-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: 131722

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



 **For your vote to be effective it must be received by 11.00 am (AEDT) on Wednesday 7 November 2018**

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 9 November 2018 at 11.00 am (AEDT) 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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 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 Resolution 1 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 Re-election of Peter Landos as Director | <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 ____ / ____ / ____