

Notice of Annual General Meeting

Adacel Technologies Limited
ACN 079 672 281

Date:	Friday 14 November 2014
Time:	11.00 am (Melbourne time)
Place:	Ashurst Australia Level 26 181 William Street Melbourne Victoria 3000



Notice of Annual General Meeting

NOTICE is given that the 2014 Annual General Meeting of Adacel Technologies Limited ACN 079 672 281 (“the **Company**”) will be held at the offices of Ashurst Australia at Level 26, 181 William Street, Melbourne, Victoria 3000 on Friday 14 November 2014 at 11.00 am

BUSINESS

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

Ordinary business

ITEM 1 - FINANCIAL AND RELATED REPORTS

To receive and consider the Financial Report of the Company and its controlled entities and the related Directors’ and Auditor’s Reports for the year ended 30 June 2014.

ITEM 2 – RESOLUTION 1: ADOPTION OF REMUNERATION REPORT (NON-BINDING VOTE)

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“**THAT** the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2014 be adopted.”*

The vote on this item is advisory only and does not bind the Directors or the Company.

The Remuneration Report, which forms part of the Directors’ Report, is set out in the Company’s 2014 Annual Report.

Voting Exclusion Statement:

Item 2, Resolution 1

In accordance with section 250R of the Corporations Act, a vote on Resolution 2 must not be cast by, or on behalf of, a member of the key management personnel whose remuneration details are included in the Remuneration Report, or a closely related party of such member. However, a vote may be cast by such person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on Resolution 2 as described above; or
- (b) the person is the chairperson voting an undirected proxy which expressly authorises him or her to vote the proxy on a resolution connected with the remuneration of a member of the key management personnel.

ITEM 3 – RESOLUTION 2: RE-ELECTION OF DIRECTOR - MR JULIAN BEALE

To consider, and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“THAT Mr Julian Beale, a director retiring by rotation in accordance with article 76.1 of the Company’s Constitution and, being eligible, be re-elected as a director of the Company.”

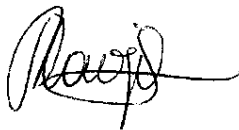
ITEM 4 – RESOLUTION 3: RE-ELECTION OF DIRECTOR - MR SILVIO SALOM

To consider, and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“THAT Mr Silvio Salom, a director retiring by rotation in accordance with article 76.1 of the Company’s Constitution and, being eligible, be re-elected as a director of the Company.”

Dated 14 October 2014

By order of the Board of Adacel Technologies Limited



Sophie Karzis
Company Secretary

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 2 or more votes at the meeting, 2 proxies, to attend and vote instead of the shareholder.
- (b) Where 2 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 1 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 or authority by **11.00 am (Melbourne time) on 12 November 2014** at the share registry, being the office of Computershare Investor Services Pty Ltd:
 - 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 12 November 2014** 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).

Amendments to proxy voting

Shareholders are advised that the Federal government has recently introduced the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act* 2011 (Cth) (the **Act**), which came into effect on 1 July 2011. The Act introduces new 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 informed consent, in the form of 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 (**Informed Consent**).

In the event that shareholders wish to vest their undirected votes in the chair of the meeting, they should note that a chair may not vote undirected proxies on a remuneration related resolutions unless the shareholder gives Informed Consent.

In light of the new legislative requirements, the Company recommends that shareholders consider the following options to ensure the validity of their votes:

- a. that shareholders direct proxies on a remuneration related resolution instead of leaving them undirected; or
- b. that shareholders nominate a proxy who is not a member of Key Management Personnel or any of their Closely Related Parties to vote on a remuneration related resolution; or
- c. that shareholders who wish to vest their undirected proxies in the chair on a remuneration related resolution ensure that they follow instructions provided on the proxy form in order to provide Informed Consent.

EXPLANATORY NOTES TO NOTICE OF ANNUAL GENERAL MEETING

1. Item 1 - Financial and related reports

The 2014 Annual Report, which accompanies this notice of meeting, contains the Directors' Reports, the Financial Reports and the Remuneration Report.

2. Item 2 – Resolution 1: Adoption of Remuneration Report

Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2014 Annual Report and is also available from the Company's website (www.adacel.com).

The Remuneration Report:

- 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 bases for remunerating non-executive directors and senior executives, including the Chief Executive Officer.

In accordance with section 250R(3) of the Corporations Act, the vote on Resolution 2 is advisory only, and does not bind the Board or the Company. Nevertheless, the outcome of the vote will be taken into account by the Remuneration Committee of the Board when considering the remuneration arrangements of the Company.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting to be held within 90 days at which all the Company's directors (other than the CEO) must go up for re-election. Adacel encourages all shareholders to cast their votes on Resolution 2 (Remuneration Report).

Directors' recommendations and interests

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Directors unanimously recommend that you vote in favour of this Resolution.

3. Item 3 – Resolution 2: Re-election of Director - Mr Julian Beale

Mr Julian Beale, retiring by rotation and being eligible, offers himself for re-election as a Director of the Company. Please refer to the 2014 Annual Report accompanying this notice of meeting for information about Mr Beale.

Directors' recommendations

The Board, with Mr Beale abstaining, recommends that shareholders vote in favour of Mr Beale's re-election.

4. Item 4 – Resolution 3: Re-election of Director - Mr Silvio Salom

Mr Silvio Salom, retiring by rotation and being eligible, offers himself for re-election as a Director of the Company. Please refer to the 2014 Annual Report accompanying this notice of meeting for information about Mr Salom.

Directors' recommendations

The Board, with Mr Salom abstaining, recommends that shareholders vote in favour of Mr Salom's re-election.

DEFINITIONS

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:

- 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.



Adacel Technologies Limited
 ABN 15 079 672 281

Lodge your vote:



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

For your vote to be effective it must be received by 11:00am (Melbourne time) on Wednesday 12 November 2014

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

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.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:



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

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 Ashurst Australia at Level 26, 181 William Street, Melbourne, Victoria 3000 on Friday, 14 November 2014 at 11.00am (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 Item 2 (except where I/we have indicated a different voting intention below) even though Item 2 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 Item 2 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
Item 2 Adoption of Remuneration Report (Non-binding vote)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Director - Mr Julian Beale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Re-election of Director - Mr Silvio Salom	<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 / /