

Notice of Annual General Meeting

Friday, 23 October 2015 at 10.00am AEDT

Notice is given that the Annual General Meeting (**AGM**) of Bluechiip Limited (**Bluechiip** or **Company**) will be held at the offices of Henslow, Level 8, 446 Collins Street, Melbourne on Friday 23 October 2015 at 10.00am AEDT.

The Explanatory Statement which accompanies and forms part of this Notice of Meeting more fully describes the matters to be considered at the Annual General Meeting.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in Section 9 of the Explanatory Statement.

Ordinary Business

1. Financial Statements and Reports for the year ended 30 June 2015

To receive and consider the Company's Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2015.

Note: No resolution will be required to be passed on this matter.

2. Resolution 1 – Remuneration Report

To consider, and, if thought fit, to pass the following **ordinary resolution** in accordance with section 250R(2) of the Corporations Act:

"That the Remuneration Report forming part of the Directors' Report for the financial year ended 30 June 2015 be adopted."

Note: The vote will be determined as an ordinary resolution but is advisory only and does not bind the Company or its Directors.

3. Resolution 2 – Re-election of Director (Mr Iain Kirkwood)

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

"That Mr Iain Kirkwood, a director retiring in accordance with clause 57 of the Constitution, and being eligible, is elected as a Director of the Company."

4. Resolution 3 – Election of Director (Mr Michael Ohanessian)

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

"That Mr Michael Ohanessian, having been appointed a non-executive director of the Company since the last general meeting in accordance with the Company's constitution, is elected as a Director of the Company."

Special Business

5. Resolution 4 – Ratification of Previous Issues of Shares

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company ratifies and approves the allotment and issue of 20,411,212 Shares that were issued in the 12 month period prior to 23 October 2015, as detailed in the Explanatory Statement"

6. Resolution 5 – Approval of issue of Performance Rights to the Managing Director

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

"That, in accordance with ASX Listing Rule 10.14 and for all other purposes, the Company approves the allotment and issue of 1,500,000 performance rights to Mr Andrew McLellan, each on the terms and conditions contained in the Explanatory Statement."

7. Resolution 6 – Participation in prior placement by Messrs Iain Kirkwood and Michael Ohanessian

To consider, and, if thought fit, to pass the following resolutions as separate **ordinary resolutions**:

- (a) *"That, pursuant to and in accordance with ASX Listing Rule 10.11, and for all other purposes, the Company authorises and approves the issue to Mr Kirkwood and Edward St. Consulting Pty Ltd of 699,900 Shares in aggregate for a subscription price of \$0.045 each, as described in the Explanatory Statement."*
- (b) *"That, pursuant to and in accordance with ASX Listing Rule 10.11, and for all other purposes, the Company authorises and approves the issue to Mr Michael Ohanessian of 1,111,111 Shares for a subscription price of \$0.045 each, as described in the Explanatory Statement."*

8. Resolution 7 – Approval of Additional 10% Placement Facility

To consider, and, if thought fit, to pass with or without amendment, as a **special resolution**:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of Shares up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions contained in the Explanatory Statement."

VOTING RESTRICTIONS

RESOLUTION

PERSONS EXCLUDED FROM VOTING

Resolution 1 – Adoption of the Remuneration Report

A member of the Key Management Personnel (**KMP**) named in the Remuneration Report or that KMP's Closely Related Party. 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 1 as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the KMP.

Resolution 4 – Ratification of previous issues of Shares (ASX Listing Rule 7.4)

Any person who participated in the issue of Shares described in section 5 of the Explanatory Statement and any associates of such persons.

Resolution 5 – Approval of Performance Rights to the Managing Director (ASX Listing Rule 10.14)

The Company will disregard any votes cast on Resolution 5 by Mr McLellan and any of his associates. In addition, the Company will disregard votes cast by a member of the KMP (and any of their Closely Related Parties). However, a vote may be cast by such a person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the KMP.

Resolutions 6(a) and 6(b) Approval of issue of Shares to Messrs Kirkwood and Ohanessian (ASX Listing Rule 10.11).

Any person who may participate, or has agreed to participate, in the proposed issue, and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of Shares) if Resolutions 6(a) and 6(b) are passed, and any associates of such persons

Resolution 7 – Approval of proposed Additional 10% Placement Facility

A person who may participate in the Additional 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 7 is passed and, in each case, their respective associates.

However, the entity need not disregard a vote on Resolutions 4, 5, 6(a), 6(b) and 7 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.

By order of the Board



Lee Mitchell
Company Secretary

Date: 22 September 2015

NOTES REGARDING PROXIES AND VOTING

Voting entitlement

The Board has determined in accordance with regulation 7.11.37 of the Corporations Regulations that for the purpose of voting at the AGM, the Shares held by each Shareholder will be as they appear on the Company's share register at **7.00pm (AEDT) on Wednesday, 21 October 2015**. This means that if you are not the registered holder of a Share at that time you will not be entitled to vote in respect of that Share.

Voting by proxy

IMPORTANT: The Board recommends that shareholders vote in favour of each item of business. **The Chairman intends to vote all available undirected proxies in favour of each item of business.**

Each Shareholder who is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on behalf of that Shareholder. The proxy may be an individual or a body corporate. A proxy need not be a Shareholder.

A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion, or number, of the Shareholder's votes each proxy may exercise, each proxy may exercise half the votes (disregarding fractions). If a Shareholder appoints two proxies, neither proxy may vote on a show of hands.

A proxy appointment form is enclosed with this Notice of AGM. For the appointment of a proxy to be valid, the following documents must be received either at Bluechiip's registered office or at the Company's share registry, Boardroom Pty Limited, **at least 48 hours prior to the AGM** or any adjournment of the AGM:

- (a) the proxy appointment form; and
- (b) if the proxy appointment form is signed by the appointor's attorney, the authority under which the appointment was signed or a certified copy of the authority.

The documents must be received by the Company at the address set out below by no later than **10.00am (AEDT) on 21 October 2015**. Proxy forms received after that time will not be valid for the scheduled AGM.

Online: www.votingonline.com.au/bluechiipagm2015

By facsimile: +61 2 9290 9655

By mail: Boardroom Pty Limited, GPO Box 3993,
SYDNEY NSW 2001

By delivery: Boardroom Pty Limited, Grosvenor Place,
Level 12, 225 George Street, SYDNEY,
NSW, 2000

Your proxy appointment form is enclosed.

Voting Prohibition by Proxy Holders

Resolution 1 - Remuneration Report

In accordance with section 250R(4) of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 as proxy if the vote is not cast on behalf of that person and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution 1; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of the Key Management Personnel.

Resolution 5 – Issue of Performance Rights to Managing Director

In accordance with section 250BD of the *Corporations Act*, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 5 if the person is a member of the Key Management Personnel or a Closely Related Party of such member and the appointment does not specify the way the proxy is to vote on those Resolutions.

However, a person described above may cast a vote on the abovementioned Resolution if the person is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even if the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman will chair the AGM and intends to vote all available undirected proxies in favour of all of the Resolutions.

Bodies corporate

A Shareholder which is a body corporate and entitled to attend and vote at the AGM, or a proxy which is a body corporate and is appointed by a Shareholder entitled to attend and vote at the AGM, may appoint an individual to act as its representative at the AGM.

If a representative of a corporate Shareholder or a corporate proxy is to attend the AGM, a certificate of appointment of the representative must be produced prior to admission to the AGM. A form of certificate of appointment can be obtained from the Company's share registry, Boardroom Pty Limited.

EXPLANATORY STATEMENT

Purpose of Information

The purpose of this Explanatory Statement (which accompanies, and forms part of, the Notice), is to provide Shareholders with an explanation of the business of the AGM and of the Resolutions to be proposed and considered at the AGM at 10.00am on Friday, 23 October 2015 and to assist shareholders in deciding how they may wish to vote on the Resolutions.

A Proxy Form is enclosed with this Explanatory Statement.

Summary of Business of the AGM

To receive and consider the Financial Statements and Reports for the financial year ended 30 June 2015.

To consider and vote on the following Resolutions:

- Resolution 1: To adopt the Remuneration Report for the financial year ended 30 June 2015;
- Resolution 2: To re-elect Mr Iain Kirkwood as a Director of the Company;
- Resolution 3: To elect Mr Michael Ohanessian as a Director of the Company;
- Resolution 4: To ratify previous issues of Shares;
- Resolution 5: To approve the issue of Performance Rights to the Managing Director;
- Resolutions 6(a) and 6(b): To approve the participation by Messrs Kirkwood and Ohanessian respectively in the Company's prior placement; and
- Resolution 7: To approve the proposed Additional 10% Placement Facility.

Ordinary Business

1. Financial Statements and Reports

Pursuant to the *Corporations Act*, the directors of a listed company that is required to hold an annual general meeting must table the financial statements and reports of the company (including the directors' report, remuneration report and auditor's report) for the previous financial year before the members at that annual general meeting.

Shareholders have been provided with all relevant information concerning the Company's financial statements, the Directors' Report, Remuneration Report and Auditor's Report in the Annual Financial Report of the Company for the year ended 30 June 2015.

The Company will not provide a hard copy of the Annual Report unless specifically requested to do so. The Annual Report can also be viewed, printed and downloaded from the Company's website www.bluechiip.com. A copy of the financial statements, the Directors' Report, the Remuneration Report and the Auditor's Report will also be tabled at the meeting.

Shareholders should note that the sole purpose of tabling the financial statements and the relevant reports of the Company at the AGM is to provide shareholders with the opportunity to ask questions or discuss matters arising from the financial statements and/or reports at the meeting. It is not the purpose of the meeting that the financial statements or the reports be accepted, rejected or modified in any way. Further, as it is not required by the *Corporations Act*, no resolution to

adopt, receive or consider the Company's financial statements or the reports will be put to the shareholders at the meeting.

Shareholders will be given a reasonable opportunity at the AGM to ask questions and make comments on the financial statements and the reports. The Company's auditor will also be available to receive questions and comments from shareholders about the preparation and content of the financial statements and the Auditor's Report and the conduct of the audit generally.

In addition to taking questions at the AGM, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the AGM to the Company Secretary at the Company's registered office.

2. Resolution 1 – Remuneration Report

2.1 General

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 or the Company. If at least 25% of the votes cast on the resolution are voted against adoption of the Remuneration Report at the AGM, and then again at the Company's next (the 2016) AGM, 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 (**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 Company's 2016 Annual General Meeting. All of the Directors who were in office when the Company's 2016 Directors' Report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, then Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that it may result in the re-election of the Board.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the Financial Report of the Company for the period ended 30 June 2015.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the AGM.

2.2 Proxy Restrictions

As required by the *Corporations Act*, the Company will disregard any votes cast on Resolution 1 (adoption of the Remuneration Report) by:

(a) a member of the key management personnel of the Company or the Company's Group (**KMP**); or

(b) a closely related party of a KMP.

KMP are defined as being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of KMP include Directors and certain senior executives.

However, 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 directions on the proxy form and either:

(a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or

(b) the person is the chair of the meeting and the appointment of the chair as proxy:

(i) does not specify the way the proxy is to vote on Resolution 1; and

(ii) expressly authorises the chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of the KMP.

If the Chair, or another member of KMP or their closely related parties (such as the member's immediate family member) is appointed as your proxy to vote on Resolution 1, you are encouraged to direct your proxy how they are to vote by completing any one of the "for", "against" or "abstain" boxes for Resolution 1 at step 2 of the accompanying proxy form.

The Chairman intends to exercise all available undirected proxies in favour of Resolution 1.

If the Chairman of the AGM is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you will be considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Please also read the information in the Notes to the Notice of AGM under the heading "Voting Prohibition by Proxy Holders" which deals with the Chairman's voting of proxies on Resolution 1.

3. Resolution 2 – Re-election of Mr Kirkwood

Unless the Director is an executive director and the Listing Rules do not require that Director to be subject to retirement, clause 57 of the Constitution requires that a Director appointed to fill a casual vacancy or as an addition to the existing Directors will hold office until the end of the next annual general meeting of the Company, at which the Director may be elected. A Director appointed under clause 57.1 of the Constitution will not be taken into account in determining the number of Directors who must retire by rotation at the meeting in accordance with clause 58.1 of the Company's Constitution.

Mr Kirkwood will retire at the AGM pursuant to clause 57 of the Constitution, and being eligible, offers himself for election.

Details of the qualifications and experience of Mr Kirkwood are contained in the Financial Report. Mr Kirkwood has been a director of the Company for almost 8 years.

The Directors (with Mr Kirkwood abstaining given his personal interest in the matter) consider Mr Kirkwood to be independent and unanimously recommend that Shareholders vote in favour of Resolution 2.

The Chairman of the meeting intends to vote all undirected proxies in favour of Resolution 2.

4. Resolution 3 – Election of Mr Ohanessian

On 15 December 2015, Mr Michael Ohanessian was appointed as a non-executive director to fill a casual vacancy on the Board. In accordance with the ASX Listing Rules and the Company's Constitution, Mr Ohanessian holds office until the end of the AGM. Mr Ohanessian offers himself for election.

Mr Ohanessian is currently the Chief Executive Officer and Managing Director of Praemium Limited. Mr Ohanessian has considerable executive experience gained from technology-related businesses with a mixture of operational, strategic and leadership capabilities. Following a ten year career at Mobil Oil, Mr Ohanessian joined the Boston Consulting Group where he consulted to clients in a wide range of industries which include banking, airlines, mining, packaging, sports, oil and gas, retailing and biotechnology.

Mr Ohanessian later moved on to be the CEO of Vision BioSystems, a division of the former publicly listed Vision Systems Limited, where he transformed the business over seven years from a small unprofitable contract manufacturer into a vertically integrated, profitable and growing medical diagnostics business with distribution to over 60 countries. More recently he has served as Chief Executive of Genetic Technologies Limited and involved in investment management and corporate advice with Lion Capital.

The Directors (with Mr Ohanessian abstaining given his personal interest in the matter) consider Mr Ohanessian to be independent and unanimously recommend that Shareholders vote in favour of Resolution 3.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

5. Resolution 4 - Ratification of previous issues of Shares

5.1 General

On 15 April 2015, the Company announced that it had raised \$1 million in a private placement by the issue of Shares at a price of \$0.045 per Share to sophisticated and professional investors. On 22 April 2015 the Company issued 20,411,212 Shares under the placement (relating to subscription moneys of \$918,504).

The balance of the subscription funds (\$81,945.50) under the placement were committed by Messrs Kirkwood and Ohanessian at the same subscription price of \$0.045 (and are currently held by the Company in a trust account). These Shares have not been issued and are the subject of Resolutions 6(a) and 6(b) below.

The Company is seeking to approve the prior issue of 20,411,212 Shares pursuant to Resolution 4, which if approved,

will be ratified and will refresh the ability of the Company to issue further Equity Securities, up to the 15% limit, in the next 12 month period without shareholder approval.

5.2 ASX Listing Rule Requirements

ASX Listing Rule 7.1 relevantly provides that the prior approval of the shareholders is required to an issue of Equity Securities if the Equity Securities will, when aggregated with the Equity Securities issued during the previous 12 months, exceed 15% of the number of Equity Securities on issue at the commencement of that 12 month period.

The issue and allotment of Shares referred to in Resolution 4 did not exceed the 15% limit, however, ASX Listing Rules 7.1 and 7.4 provide that, where a company in general meeting ratifies a prior issue of Equity Securities the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby enabling the company to issue further Equity Securities without exceeding the 15% in 12 months limitation.

Shareholder approval is sought so as to “refresh” Bluechiip’s 15% Equity Security placement limit pursuant to ASX Listing Rule 7.1.

5.3 Approval being sought

Accordingly, by this Resolution the Company seeks to obtain Shareholder approval for the purposes of Listing Rule 7.4 for the 20,411,212 fully paid ordinary shares already issued.

For the purposes of Listing Rule 7.5 the Company provides the following information in respect of the securities, the subject of this Resolution 3:

Total number of Securities issued	20,411,212 Shares
Issue price of the securities and allottees	The Shares were issued at a price of \$0.045 per Share to professional and sophisticated investors. Halcyon Corporate acted as the lead manager for the placement.
Terms of issue	All Shares referred to above are fully paid ordinary securities ranking equally with all other issued shares in the capital of the Company.
Use of funds	Funds raised from the issue of the Shares were have been (and will continue to be) used to fund commercialisation activities, general working capital requirements and R&D activities.

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 4.

A voting exclusion statement is included in the Notice of Meeting.

6. Resolution 5 – Approval of Performance Rights

6.1 General

ASX Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without the approval of shareholders by ordinary resolution.

The purpose of Resolution 5 is to have shareholders approve the proposed grant under the Bluechiip Limited Performance Rights Plan (**Plan**) to the Company’s Managing Director and Chief Executive Officer, Mr Andrew McLellan, of rights to receive fully paid ordinary shares in the Company (**Shares**) by issue or transfer for no cash payment (**Performance Rights**).

The Board engaged Mr McLellan as Managing Director on the basis that Mr McLellan would receive 1,500,000 Performance Rights as part of his overall remuneration package. The Performance Rights were granted on the basis that the Performance Rights were subject to shareholder approval. The Performance Rights are also subject to performance hurdles as outlined below.

In the Board’s view, the performance hurdles that must be satisfied before Performance Rights are exercisable link the ultimate value of the Performance Rights to commercial sales success and ultimately shareholder returns and therefore provide a major incentive for Mr McLellan to ensure the Company performs.

The issue of Performance Rights to senior executives is a well established and standard component of remuneration structures and the Directors, other than Mr McLellan (in view of his personal interest in the resolution), believe it is appropriate for shareholders to approve the grant of Performance Rights as contemplated by Resolution 5.

Note, if shareholders approve the issue of the Performance Rights under LR 10.14, shareholder approval is not required under LR 7.1.

6.2 Terms of the Performance Rights Plan

Set out below is a summary of the key rules of the Plan under which the Performance Rights will be delivered, if approved by shareholders).

General: The Performance Rights Plan delivers a contractual right to a grant of a Share to the holder at a future date, subject to performance hurdles being met and any other vesting conditions being satisfied. No payment is required to be made by the holder in respect of the exercise of Performance Rights. Upon exercise, each Performance Right entitles the holder to the issue or transfer of one Share (subject to adjustment in certain circumstances as permitted by the ASX Listing Rules).

Performance hurdles and other vesting conditions: The Board has determined that, subject to the terms of the Plan, the vesting and exercise of Performance Rights is conditional on the achievement of the performance hurdles, and the satisfaction of any other vesting conditions, as set out in the terms and conditions of the specific grant. The performance and other vesting hurdles for the Performance Rights proposed to be granted to Mr McLellan are described below.

Exercise: The Board will prescribe a date or dates on which Performance Rights become exercisable. Subject to the Plan, on or after the prescribed exercise date, and provided all other vesting and exercise conditions prescribed by the Board have been achieved and the Performance Rights have not otherwise lapsed, the relevant holder of Performance Rights may acquire Shares by exercising the Performance Rights.

Early exercise: Early exercise of Performance Rights may be permitted at the discretion of the Board, if the relevant holder ceases employment with the Company in circumstances such as death, retirement, ceasing employment because of illness, incapacity or redundancy or where otherwise permitted by the Board or its delegate (such as on a transfer of business).

Such early exercise, however, is subject to the satisfaction of the applicable performance hurdles and any other vesting conditions at the time of cessation and is pro-rated for the time served. Early exercise may also be permitted on a takeover, scheme of arrangement, or winding up of the Company, subject to the Board or its delegate's approval. Early exercise of Performance Rights of persons whose employment is terminated for cause may only occur if permitted at the discretion of the Board (and again subject to the satisfaction of the applicable performance hurdles and any other vesting conditions at that time).

Delivery of Shares: The Board can decide whether to purchase Shares on-market or to issue new Shares to satisfy the exercise of Performance Rights.

Reorganisations and bonus issues: A holder's entitlement to Shares under a Performance Right will be adjusted to take account of bonus issues as if the Performance Right had been exercised before the determination of entitlements in respect of those issues. In the case of reorganisation of the issued capital of the Company, the entitlement to Shares under a Performance Right will be adjusted as required by the ASX Listing Rules from time to time.

Lapse: A Performance Right will lapse if it is not exercised within the exercise period determined by the Board on grant.

A Performance Right lapses at the latest of:

- the expiry of 30 days after the relevant Plan participant's cessation of employment, due to death, TPD, genuine retirement or redundancy;
- the expiry of 5 days after the relevant Plan participant ceases to be employed by the Company for any other reason; and
- if the Board extends the time during which the Performance Right may be exercised, the expiry of that time.

Lapse may also occur in other circumstances, including where there is dishonesty, fraud or breach of duty by a Plan participant.

Restrictions on transfer: a Performance Right granted to a Plan participant is only exercisable by the participant or their legal personal representative. Performance Rights are not transferable, except with express approval of the Board or its delegate or by force of law on death or legal incapacity.

Restriction on disposal of Shares: the Board may impose a restriction on disposal of Shares acquired on exercise of a Performance Right.

6.3 Number of equity incentives issued under the Plan

The Plan was adopted by the Board in December 2014. The Plan allows Performance Rights to be issued to employees of the Company. Since the Plan was adopted no Performance Rights have been issued under the Plan other than the 1,500,000 Performance Rights which the Board has agreed to grant to the Managing Director subject to shareholder approval.

6.4 Maximum number of Performance Rights to be issued to Mr McLellan

The maximum number of Performance Rights that may be acquired by Mr McLellan if shareholder approval is provided at the AGM is 1,500,000.

6.5 Price of Performance Rights

The Performance Rights will be issued at no cost to Mr McLellan. Once the performance hurdles are met (or waived), the Performance Rights will be exercisable at nil cost.

6.6 Vesting and other performance hurdles details relating to the Performance Rights

The Performance Rights have been granted on the basis that they are issued in two tranches of 750,000 each (i.e. a total of 1,500,000 Performance Rights).

Tranche 1 Performance Rights

Vesting Date: 27 January 2017 (subject to achieving the Performance Targets below)

Performance Period: 27 January 2015 to 27 January 2017

Expiry Date: 27 April 2020

Performance Targets:

50% of the Tranche 1 Performance Rights will vest based on achievement of Commercial Sales Targets over the Performance Period.

The balance of the Tranche 1 Performance Rights will vest based on the Total Shareholder Return (**TSR**) of Bluechip shares over the Performance Period having regard to a starting value of \$0.08 per share as at 27 January 2015. The vesting schedule for these Performance Rights is as follows:

Bluechiip TSR	Percentage of Performance Rights Vesting
Less than 150%	0%
150% or more but less than or equal to 250%	Vest progressively on a pro rata basis from 50% to 100%
Greater than 250%	100%

Tranche 2 Performance Rights

Vesting Date: 27 January 2018 (subject to achieving the Performance Targets)

Performance Period: 27 January 2015 to 27 January 2018

Expiry Date: 27 April 2020

Performance Targets:

50% of the Tranche 2 Performance Rights will vest based on achievement of Commercial Sales Targets

The balance of the Tranche 2 Performance Rights will vest based on the TSR of Bluechiip shares over the Performance Period having regard to a starting value of \$0.08 per share as at 27 January 2015. The vesting schedule is as follows:

Bluechiip TSR	Percentage of Performance Rights Vesting
Less than 250%	0%
250% or more but less than or equal to 375%	Vest progressively on a pro rata basis from 50% to 100%
Greater than 375%	100%

6.7 Other information relating to the potential grant of Performance Rights

In accordance with ASX Listing Rules 10.14 and 10.15, the following additional information is provided for shareholders.

Subject to receiving Shareholder approval, the Company will issue the Performance Rights as soon as practicable after, but in any event no later than 12 months after, the date of the AGM.

No Director other than Mr McLellan is currently eligible to participate in the grant of Performance Rights under the Plan.

No Directors have received Performance Rights under the Plan since it was adopted.

Upon satisfaction (or waiver) of the relevant performance hurdles as referred to above, Mr McLellan will be entitled to exercise each Performance Right granted to him and be issued with one Share (subject to the terms of the issue of the Performance Rights relating to bonus issues and capital reorganisations of the Company) per Performance Right.

No loan will be provided by the Company in relation to the grant or exercise of the Performance Rights provided to Mr McLellan.

If shareholders approve the resolution on Resolution 5, 1,500,000 Performance Rights granted to Mr McLellan will be issued to him.

Copies of the Bluechiip Limited Performance Rights Plan may be obtained by shareholders at no charge by writing to the Company Secretary at that address.

6.8 Board recommendation:

The Directors (with Mr McLellan abstaining) recommend that shareholders vote in favour of the resolution on Resolution 5. Mr McLellan does not make a recommendation in respect of the resolution in view of his personal interest in the matter.

The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 5.

A voting exclusion statement is included in the Notice of Meeting.

7. Resolution 6 - Participation in prior placement by Messrs Iain Kirkwood and Michael Ohanessian

7.1 General

As detailed at section 5 above, on 15 April 2015, the Company announced that it had raised \$1 million in a private placement by the issue of Shares at a price of \$0.045 per Share to sophisticated and professional investors (**2015 Placement**).

Both Messrs Iain Kirkwood and Michael Ohanessian subscribed for shares in the 2015 Placement on the same terms as other participating sophisticated and professional investors.

As part of the 2015 Placement:

- Mr Iain Kirkwood agreed to subscribe (directly and via his associated entity, Edward St. Consulting Pty Ltd), for 699,900 Shares for an aggregate subscription price of \$31,945.50; and
- Mr Michael Ohanessian agreed to subscribe for 1,111,111 Shares for an aggregate subscription price of \$50,000.

Payment for these Shares has been made but the Shares have not been issued pending shareholder approval.

Resolutions 6(a) and 6(b) below therefore seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of \$81,945.50 worth of Shares to Messrs. Kirkwood and Ohanessian under the 2015 Placement. If shareholder approval is not obtained then the Shares will not be issued and the subscription moneys paid by Messrs Kirkwood and Ohanessian will be returned.

7.2 Section 208 of Corporations Act

Section 208 of the *Corporations Act* provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the *Corporations Act*; and

(b) give the benefit within fifteen (15) months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

The Board has formed the view that Shareholder approval under section 208 of the *Corporations Act* is not required for the proposed issue of Shares to Messrs Kirkwood and Ohanessian as the exception in section 210 of the *Corporations Act* applies. The Shares are being issued on the same terms as other participating sophisticated and professional investors and is therefore considered to be on arm's length terms.

7.3 Listing Rule 10.11

Listing Rule 10.11 restricts the Company from issuing securities to a related party of the Company, unless approval is obtained from Shareholders.

A “related party” for the purposes of the *Corporations Act* is defined widely and includes a director of a public company and former directors of a public company.

Mr Kirkwood

Mr Kirkwood is a Director of the Company and as such is a related party of the Company. The effect of passing Resolution 6(a) will be to allow the Company to issue a total of 699,900 Shares to Mr Kirkwood and Edward St. Consulting Pty Ltd for a total subscription price of \$31,945.50. The issue of these shares will not use up the Company’s 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolution 6(a), the Company will not issue any Shares to Mr Kirkwood and Edward St. Consulting Pty Ltd and the application moneys will be returned.

Resolution 6(a) is an ordinary resolution. **The Chairman will cast all available proxies in favour of Resolution 6(a).**

Note, if shareholders approve the issue of Shares under Resolution 6(a), shareholder approval is not required under LR 7.1.

Mr Michael Ohanessian

Mr Ohanessian is a Director of the Company. The effect of passing Resolution 6(b) will be to allow the Company to issue 1,111,111 Shares to Mr Michael Ohanessian for a total subscription price of \$50,000. The issue of these shares will not use up the Company’s 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolution 6(b), the Company will not issue any Shares to Mr Ohanessian and the application moneys will be returned.

Resolution 6(b) is an ordinary resolution. **The Chairman will cast all available proxies in favour of Resolution 6(b).**

Note, if shareholders approve the issue of Shares under Resolution 6(b), shareholder approval is not required under LR 7.1.

7.4 Specific Information Required by Listing Rule 10.13

Mr Kirkwood

For the purposes of Listing Rule 10.13, information regarding the issue of Shares to Mr Kirkwood is provided as follows:

- (a) The Shares will be issued to Mr Iain Kirkwood and to Edward St Consulting Pty Ltd (a company owned and controlled by Mr Kirkwood).
- (b) A maximum of 699,900 Shares will be issued to Mr Kirkwood and Edward St Consulting Pty Ltd collectively.
- (c) Subject to receiving Shareholder approval, the Company will issue the Shares no later than one (1) month after the date of the AGM (or such longer period of time as ASX may in its discretion allow).
- (d) The Shares will be allotted at a price of \$0.045 each.

(e) The Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company’s existing Shares on issue.

(f) A voting exclusion statement is included in the Notice.

The issue of the Shares to Mr Kirkwood and Edward St Consulting Pty Ltd will raise funds of \$31,945.50.

The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 6(a).

If the Chairman of the AGM is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 6(a), by signing and returning the Proxy Form, you will be considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman’s intention.

Mr Ohanessian

For the purposes of Listing Rule 10.13, information regarding the issue of Shares to Mr Ohanessian is provided as follows:

- (a) The Shares will be issued to Mr Michael Ohanessian.
- (b) A maximum of 1,111,111 Shares will be issued to Mr Ohanessian.
- (c) Subject to receiving Shareholder approval, the Company will issue the Shares no later than one (1) month after the date of the AGM (or such longer period of time as ASX may in its discretion allow).
- (d) Mr Ohanessian is a Director of the Company.
- (e) The Shares will be allotted at a value of \$0.045 for each Share.
- (f) The Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company’s existing Shares on issue.
- (g) A voting exclusion statement is included in the Notice.

The issue of the Shares to Mr Ohanessian will raise funds of \$50,000.

The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 6(b).

If the Chairman of the AGM is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 6(b), by signing and returning the Proxy Form, you will be considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman’s intention.

Please also read the information in the Notes to the Notice of AGM under the heading “Voting Prohibition by Proxy Holders” which deals with the Chairman’s voting of proxies on Resolutions 6(a) and 6(b).

8. Resolution 7 - Approval of proposed Additional 10% Placement Facility

8.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period following the annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's existing 15% placement capacity available under Listing Rule 7.1 and which the Company proposes to "refresh" at this AGM.

An eligible entity is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company confirms that it is an eligible entity for the purposes of Listing Rule 7.1A.

The Company seeks shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the Additional 10% Placement Facility.

The exact number of Equity Securities to be issued under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

The Company may use the Additional 10% Placement Facility to provide funds for:

- (a) commercialisation activities of the company including:
 - (i) building the required inventory levels to meet sales demand;
 - (ii) global sales, marketing and business development activities;
- (b) general working capital requirements; and
- (c) activities which allow the company to pursue other market applications for the bluechiip® technology.

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

The Chairman of the meeting intends to vote all undirected proxies in favour of Resolution 7.

8.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the Additional 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the Additional 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue only one class of quoted Equity Securities being Shares.

(c) Formula for calculating Additional 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
 - (A) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (B) plus the number of partly paid Shares that became fully paid in the 12 months;
 - (C) plus the number of fully paid Shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
 - (D) less the number of fully paid Shares cancelled in the 12 months.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are *not* issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The Company has on issue 167,508,269 Shares and therefore has a capacity to issue:

- (i) 25,126,240 Equity Securities under Listing Rule 7.1 (on the assumption that both Resolutions 4 and 5 are passed); and
- (ii) subject to obtaining Shareholder approval under Resolutions 4, 5 and 6(a) and 6(b), 16,750,826 Shares under Listing Rule 7.1A.

The actual number of Shares that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) above).

(e) Minimum Issue Price

The issue price of Shares under Listing Rule 7.1A must be not less than 75% of the VWAP of Shares in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Shares are to be issued is agreed; or
- (ii) if the Shares are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Shares are issued.

(f) Additional Placement Period

Shareholder approval of the Additional 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX **(Additional Placement Period)**.

8.3 Effect of approving Resolution 7

The effect of Resolution 7 will be to allow the Directors to issue the Shares under Listing Rule 7.1A during the Additional Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

8.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided in relation to the approval of the Additional 10% Placement Facility as follows:

- (a) The Shares will be issued at an issue price of not less than 75% of the VWAP for the Company's Shares over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Shares are to be issued is agreed; or
 - (ii) if the Shares are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Shares are issued.

- (b) If Resolution 7 is approved and the Company issues Shares under the Additional 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Shares may be significantly lower on the date of the issue of the Shares than on the date of the AGM; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for the Company's Shares on the issue date or the Shares are issued as part of consideration for the acquisition of a new asset or in satisfaction of a liability or obligation,

which may in each case have an effect on the amount of funds raised by the issue of the Shares.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares as at 11 September 2015 and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice. The assumptions used in formulating the table are detailed below.

The table also shows:

- (c) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue, share purchase plan or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (d) two examples where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.02 50% decrease in current issue price	\$0.04 Issue Price	\$0.06 50% increase in current issue price
Current Variable A 167,508,269	10% Voting Dilution	16,750,826 Shares	16,750,826 Shares	16,750,826 Shares
	Funds Raised	\$335,016	\$670,033	\$1,005,049
50% increase in Variable A 251,262,403	10% Voting Dilution	25,126,240 Shares	25,126,240 Shares	25,126,240 Shares
	Funds Raised	\$502,525	\$1,005,050	\$1,507,574
100% increase in Variable A 335,016,538	10% Voting Dilution	33,501,653 Shares	33,501,653 Shares	33,501,653 Shares
	Funds Raised	\$670,033	\$1,340,066	\$2,010,099

In formulating the information contained in the above table, the following assumptions have been made:

- (i) The Company issues the maximum number of Shares available under the Additional 10% Placement Facility;
- (ii) No options/performance rights are exercised into Shares before the date of the issue of the Shares;
- (iii) The table does not show an example of dilution that will be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the AGM;
- (iv) The voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue and thus is 10% in each example;
- (v) The table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1 or under any of the exceptions to Listing Rule 7.1 and assumes Resolution 4, 5, 6(a) and 6(b) are approved; and
- (vi) The issue price is \$0.04, being the closing price of the Shares on ASX on 11 September 2014.

- (e) The Company will only issue and allot the Shares during the Additional Placement Period. The approval under Resolution 7 for the issue of the Shares will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (f) The Company may seek to issue the Shares for the following purposes:
- (i) non-cash consideration for the acquisition of the new assets or in satisfaction of obligations. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards:
 - (A) commercialisation activities of the company including:
 - (1) building the required inventory levels to meet sales demand;
 - (2) global sales, marketing and business development activities;
 - (B) general working capital requirements; and
 - (C) activities which allow the company to pursue other market applications for the bluechiip® technology.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- The allottees under the Additional 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- (i) The total number of Equity Securities issued in the 12 months preceding the date of the AGM and the percentage that they represent of the total number of Equity Securities on issue at the commencement of that 12 month period is 21,402,232 representing 14.64% of the total number of Equity Securities then on issue.
 - (j) details of all issues of Equity Securities during the 12 months preceding the date of the meeting were as follows:

Total number of Securities issued a) 21,402,232 fully paid ordinary shares
b) 10,950,000 31 March 2015 options

Issue price of the securities a) The 991,020 Shares issued on 18 November 2014 were issued to Messrs Iain Kirkwood, Brett Schwarz and Jason Chaffey in satisfaction of cash amounts that would otherwise have been paid to those individuals by the Company in respect of remuneration earned (in each case, as detailed in the Notice of Meeting for the Company's 2014 AGM).
b) The 10,950,000 31 March 2015 Options were "attached" to the Shares issued under the 8 September 2014 Placement to professional and sophisticated investors which raised \$1.1 million. The Options were issued for no additional consideration.
c) The 20,411,212 Shares issued on 22 April 2015 under placement to professional and sophisticated investors were issued at \$0.045 per Share and raised \$918,504.54. This represented a discount of 36% to the closing market price on the date of issue.

Terms of issue a) All Shares referred to above are fully paid ordinary securities ranking equally with all other issued shares in the capital of the Company;
b) The 10,950,000 31 March 2015 Options were issued on the following terms:

- Exercise price \$0.13 each;
- Expiry date 31 March 2015;
- The options are unquoted.

 Upon exercise of the options, the Shares issued will rank pari passu with the Company's existing Shares on issue.

Allottees a) The 991,020 Shares issued on 18 November 2014 were issued to Messrs Iain Kirkwood, Brett Schwarz and Jason Chaffey.
b) The 10,950,000 31 March 2015 Options were issued to professional and sophisticated investors in connection with the 8 September Placement. Halcyon Corporate acted as the lead manager for the placement
c) 20,411,212 Shares were issued on 22 April 2015 under placement to professional and sophisticated investors. Halcyon Corporate acted as the lead manager for the placement.

Use and Intended use of funds The funds raised from the 22 April Placement amounting to \$918,504.54 were used to fund ongoing sales, marketing, business development and other commercialisation activities as well as ongoing working capital requirements.
As at 30 June 2015 a total of \$445,000 from the 2015 Placement had been spent on commercialisation activities, general working capital requirements and R&D activities. The balance of the amount raised is expected to be spent in the same manner.

- (k) A voting exclusion statement applies to Resolution 7, which is set out in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholders' votes will therefore be excluded under the voting exclusion in the Notice.

9. Glossary

Unless the context requires otherwise, in the Notice of AGM and this Explanatory Statement:

Additional 10% Placement Facility has the meaning given in Section 8.1.

Additional Placement Period has the meaning given in Section 8.2(f).

AGM means the meeting convened by the Notice.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the Auditor's Report required to be prepared and laid before the AGM in accordance with section 317 of the *Corporations Act*.

Board means the Board of Directors of Bluechiip.

Chair or **Chairman** means the person appointed to chair the AGM convened by this Notice.

Company or **Bluechiip** means Bluechiip Limited ACN 104 795 922.

Constitution means the Constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Director means a director of the Company.

Directors' Report means the Directors' Report required to be prepared and laid before the AGM in accordance with section 317 of the *Corporations Act*.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the Explanatory Statement accompanying, and forming part of the Notice of AGM.

Financial Report means the Financial Report required to be prepared and laid before the AGM in accordance with section 317 of the *Corporations Act*.

KMP means key management personnel, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director of the Company (whether executive or otherwise).

Listing Rules or **LR** means the listing rules of ASX.

Notice means the Notice of Meeting accompany this Explanatory Statement.

Remuneration Report means the Remuneration Report required to be prepared in accordance with section 300A of the *Corporations Act*.

Resolution means a resolution set out in the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder in the Company.

Trading Days means a day determined by ASX to be a trading day in accordance with the Listing Rules.

R&D means research & development

VWAP means Volume Weighted Average Price.

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

☎ **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 10:00am AEDT on Wednesday 21 October 2015.**

🖨 TO VOTE ONLINE

- STEP 1:** VISIT www.votingonline.com.au/bluechiipagm2015
- 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 security holder 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:

- (a) 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.
- (b) 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 **10:00am AEDT on Wednesday, 21 October 2015**. 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:

- 💻 **Online** www.votingonline.com.au/bluechiipagm2015
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

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

☐ **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 **Bluechiip Limited** (Company) 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 shareholder) 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 the Company to be held at the offices of **Henslow, Level 8, 446 Collins Street, Melbourne on Friday, 23 October, 2015 at 10:00am 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, to the extent permitted by law, to vote 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 I/we expressly authorise the Chair of the Meeting, to the extent permitted by law, to exercise my/our proxy in respect of Resolutions 1 and 5 even though these Resolutions are connected with the remuneration of a member of the key management personnel of Bluechiip Limited.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 5 6a and 6b) to the extent permitted by law. 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.

Ordinary Resolutions		For	Against	Abstain*
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director (Mr. Iain Kirkwood)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director (Mr. Michael Ohanessian)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Previous Issues of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of issue of Performance Rights to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6(a)	Participation in prior placement by Mr Iain Kirkwood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6(b)	Participation in prior placement by Mr Michael Ohanessian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution				
Resolution 7	Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

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

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<div></div>	<div></div>	<div></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary