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**OTOC LIMITED**

**ACN 122 958 178**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10.00 am (WST)

**DATE:** Monday, 3 November 2014

**PLACE:** The University Club of Western Australia  
Ground Floor, Seminar Room 2  
Hackett Drive (Entrance #1)  
Crawley, Western Australia, 6009

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Lisa Wynne on (+61 8) 9317 0626.***

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## **IMPORTANT INFORMATION**

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### **TIME AND PLACE OF MEETING**

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Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on Monday, 3 November 2014 at:

The University Club of Western Australia  
Ground Floor, Seminar Room 2  
Hackett Drive (Entrance #1)  
Crawley, Western Australia, 6009

### **YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### **VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am on 1 November 2014.

### **VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### **VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to

exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders will be held at 10.00am (WST) on Monday, 3 November 2014 The University Club of Western Australia, Ground Floor, Seminar Room 2, Hackett Drive (Entrance #1), Crawley, Western Australia, 6009.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 10.00am (WST) on Saturday, 1 November 2014.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

### AGENDA

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#### ORDINARY BUSINESS

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##### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial period from 1 July 2013 to 30 June 2014 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

##### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report, as contained in the Company's annual financial report for the financial year ended 30 June 2014.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

#### **Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

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

However, a person (the **Voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the Voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and

- (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

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**3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR DEREK LA FERLA**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Derek La Ferla, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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**4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR ADAM LAMOND**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Adam Lamond, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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**5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 40,000,000 Shares at an issue price of \$0.20 per Share on the terms and conditions set out the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

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**6. RESOLUTION 5 – APPROVAL OF PLACEMENT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 10,000,000 Shares at an issue price of \$0.20 per Share on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

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**7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES – ACQUISITION OF BOSCO JONSON**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 Shares to the Vendors of Bosco Jonson on the terms and conditions set out the Explanatory Statement."*

**Short Explanation:** As at the date of this Notice, these 5,000,000 Shares have not been issued on completion of the Acquisition which is scheduled to occur prior to the Meeting.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

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**8. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY**

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

*"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement"*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

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**9. RESOLUTION 8 – ADOPTION OF PERFORMANCE RIGHTS PLAN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to establish and maintain a performance rights plan (**the Plan**) on the terms and conditions summarised in the accompanying Explanatory Memorandum and the grant of Performance Rights from time to time under the PRP as an exception to Listing Rule 7.1."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**10. RESOLUTION 9 – ISSUE OF PERFORMANCE RIGHTS TO MR SIMON THOMAS**

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

*"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 4,781,250 Performance Rights to Mr Simon Thomas (or nominee) on the terms and conditions set out the Explanatory Statement."*

**Short Explanation** Performance Rights will be issued to Mr Simon Thomas as part of the Company's new Remuneration Policy applicable from the 2015 financial year.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Simon Thomas (and his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a 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

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (a) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 11. RESOLUTION 10 – ISSUE OF PERFORMANCE RIGHTS TO MR DAVID RUSSELL

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

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,920,000 Performance Rights to Mr David Russell (or nominee) on the terms and conditions set out the Explanatory Statement.”*

**Short Explanation** Performance Rights will be issued to Mr David Russell as part of the Company's new Remuneration Policy applicable from the 2015 financial year.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by David Russell (and his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a 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

### **Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 12. RESOLUTION 11 – ISSUE OF PERFORMANCE RIGHTS TO MR BRETT GOODRIDGE

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

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,780,822 Performance Rights to Mr Brett Goodridge (or nominee) on the terms and conditions set out the Explanatory Statement.”*

**Short Explanation** Performance Rights will be issued to Mr Brett Goodridge as part of the Company's new Remuneration Policy applicable from the 2015 financial year.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Brett Goodridge (and his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a 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



**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**13. RESOLUTION 12 – ISSUE OF PERFORMANCE RIGHTS TO MR BRIAN MANGANO**

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

*"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,740,000 Performance Rights to Mr Brian Mangano (or nominee) on the terms and conditions set out the Explanatory Statement."*

**Short Explanation** Performance Rights will be issued to Mr Brian Mangano as part of the Company's new Remuneration Policy applicable from the 2015 financial year.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Brian Mangano (and his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a 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

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**DATED: 1 OCTOBER 2014**  
**BY ORDER OF THE BOARD**

**LISA WYNNE**  
**COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10.00am (WST) on Monday, 3 November 2014 at The University Club of Western Australia, Ground Floor, Seminar Room 2, Hackett Drive (Entrance #1, Crawley, Western Australia, 6009.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions contained within the Notice of Meeting.

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### 1. FINANCIAL STATEMENTS AND REPORTS – AGENDA ITEM

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the period from 1 July 2013 to 30 June 2014 together with the Directors' declaration, the Directors' report, the Remuneration Report and the auditor's Report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.otoclimited.com.au](http://www.otoclimited.com.au) or on the ASX Platform for "OTC" [www.asx.com.au](http://www.asx.com.au)

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### 2. RESOLUTION 1 – ADOPTION OF 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.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2014.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act that came into effect on 1 July 2011, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the financial year ended immediately before the second annual general meeting) 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.

## 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

## 2.4 Proxy Restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

Proxy	Directed	Undirected
Key Management Personnel <sup>1</sup>	Voted	Not voted <sup>3</sup>
Chair <sup>2</sup>	Voted	Voted at discretion of Proxy <sup>4</sup>
Other	Voted	Voted at discretion of Proxy

Notes:

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

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## 3. RESOLUTION 2 AND 3 – RE-ELECTION OF DIRECTORS – MR DEREK LA FERLA AND MR ADAM LAMOND

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Accordingly, Mr La Ferla and Mr Lamond who have held their office for a period in excess of three years, retire by rotation and seeks re-election.

The Board (apart from Mr La Ferla) support Mr La Ferla's re-election and recommend that Shareholders vote in favour of Resolution 2.

The Board (apart from Mr Lamond) support Mr Lamond's re-election and recommend that Shareholders vote in favour of Resolution 3.

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#### **4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES – PLACEMENT**

##### **4.1 General Background**

As announced on 11 September 2014, the Company received commitments to raise \$10 million through the issue of 50 million fully paid ordinary shares at a price of \$0.20 per share to fund future acquisitions in-line with OTOC's national surveying strategy and general corporate purposes (**Placement**).

On 19 September 2014 it was announced that the Company issued 40 million Shares under the Placement at an issue price of \$0.20 to sophisticated and professional investors to raise \$8 million (**Tranche 1 Shares**). The issue of the remaining 10 million shares (**Tranche 2 Shares**) under the Placement are subject to shareholder approval (the subject of Resolution 5).

23,959,377 of the Tranche 1 Shares were issued under ASX Listing Rule 7.1 and 16,040,623 of the Tranche 1 Shares were issued under ASX Listing Rule 7.1A. Approval of Shareholders for ASX Listing Rule 7.1A was obtained at the Company's annual general meeting held on 29 November 2014 (**Company's 7.1A Approval**). At the time of issue, ASX Listing Rule 7.1A was not breached.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares issued under ASX Listing Rules 7.1 and 7.1A.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an eligible entity to seek shareholder approval at its annual general meeting to issue equity securities in addition to those under the eligible entity's 15% annual placement capacity. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$52,439,000.

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue of the Tranche 1 Shares, the subject of Resolution 4, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 plus the 10% annual placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

## **4.2 Technical information required by ASX Listing Rule 7.4 for Resolution 4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification the subject of Resolution 4:

- (a) a total of 40,000,000 Shares were issued (23,959,377 under ASX Listing Rule 7.1 and 16,040,623 under ASX Listing Rule 7.1A);
- (b) the issue price was \$0.20 per Share;
- (c) the Tranche 1 Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 1 Shares were issued to the sophisticated and professional investors. None of the subscribers were related parties of the Company; and
- (e) the funds raised from this issue were used to fund capital raising costs of the Placement and will be used for future acquisitions in-line with OTOC's national surveying strategy and for general corporate purposes.

## **4.3 Directors recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 4, as it allows the Company to ratify the above issue of Tranche 1 Shares and retain the flexibility to issue further securities representing up to 25% of the Company's share capital during the next 12 months (subject to approval of Resolution 7).

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## **5. RESOLUTION 5 – PLACEMENT**

### **5.1 General**

Resolution 5 seeks Shareholder approval for the issue of up to 10,000,000 Shares at an issue price of \$0.20 per Share the under the Placement outlined in section 4.1 to raise approximately \$2,000,000 (**Tranche 2 Shares**).

A summary of ASX Listing Rule 7.1 is set out in section 4.1 above.

The effect of Resolution 5 will be to allow the Company to issue Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **5.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Shares:

- (a) the maximum number of Shares to be issued is 10,000,000;
- (b) the Tranche 2 Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressively;
- (c) the issue price of the Tranche 2 Shares will be \$0.20 per Share;

- (d) the Tranche 2 Shares will be issued to institutional and professional investors who will not be related parties of the Company;
- (e) the Tranche 2 Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from this issue will be used to fund future acquisitions in-line with OTOC's national surveying strategy and for general corporate purposes.

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## **6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES – BOSCO JONSON ACQUISITION**

On 28 August 2014, the Company announced it has made its first acquisition as part of its strategy to create a premium national surveying business by agreeing to acquire Bosco Jonson, a leading Victorian surveying, town planning and urban design business from the current owners of the business (**Vendors**) (**Acquisition**).

The upfront consideration for the Acquisition was \$13 million and \$1,000,000 of Shares in the Company. In accordance with the terms of the Acquisition agreement, the Company issued 5,000,000 Shares at time of the completion of the Acquisition on 30 September 2014 at a deemed price of \$0.20 per Share.

The Shares will be subject to voluntary restriction arrangements with:

- (a) 50% of the Shares being restricted for 12 months from the date of issue; and
- (b) 50% of the Shares being restricted for 24 months from the date of issue.

The 5,000,000 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 4.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **6.1 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification the subject of Resolution 6:

- (a) 5,000,000 Shares were issued:
- (b) the deemed issue price was \$0.20 per Share although the Shares were issued for nil cash consideration for the Acquisition;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) the Shares were issued to the Vendors of Bosco Jonson, none of whom are related parties of the Company; and
- (e) no funds were raised from this issue as the Shares were issued as part consideration for the Acquisition.

## **6.2 Directors recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 6, as it allows the Company to ratify the above issue of securities and retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

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## **7. RESOLUTION 7 – APPROVAL FOR 10% PLACEMENT CAPACITY**

### **7.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity may, seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 7, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 7.2 below).

The effect of Resolution 7 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

### **7.2 ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the A&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the A&P/ASX 300 Index and has a current market capitalisation of \$49,993,000.

Any Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of Equity Securities on issue, being the Shares (ASX Code: OTC).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to 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 Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under this rule; and
  - (d) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### 7.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 7:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 7.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:



- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking)(after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

**(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below. The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.11 (50% decrease in current issue price)	\$0.21 (Current issue price)	\$0.32 (50% increase in current issue price)
<b>248,062,512</b>  <b>(Current)</b>	<b>Shares issued</b>	24,806,251	24,806,251	24,806,251
	<b>Funds Raised</b>	\$2,604,656	\$5,209,313	\$7,813,969
<b>372,093,768</b>  <b>(50% increase)*</b>	<b>Shares issued</b>	37,209,377	37,209,377	37,209,377
	<b>Funds Raised</b>	\$3,906,985	\$7,813,969	\$11,720,954
<b>496,125,024</b>  <b>(100% increase)*</b>	<b>Shares issued</b>	49,612,502	49,612,502	49,612,502
	<b>Funds Raised</b>	\$5,209,313	\$10,418,626	\$15,627,938

\*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 248,062,512 Shares on issue comprising:
  - (a) 238,062,512 existing Shares on issue as at the date of this Notice 1 October 2014;
  - (b) 10,000,000 Shares which will be issued if Resolution 5 is passed at this Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 1 October 2014.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has issued 45,000,000 Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

**(d) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) for cash consideration in which case the Company intends to use funds raised for the growth of the core businesses, OTOC and Whelans including through acquisitions of additional businesses (including expenses associated with such acquisitions), and for general working capital; or
- (ii) for non-cash consideration for the growth of the core businesses, OTOC and Whelans including through acquisitions of additional businesses (including expenses associated with such acquisitions), in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

**(e) Allocation under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new assets or investments.

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its 2013 annual general meeting held on 29 November 2013.

This approval expires 29 November 2014. The Company has issued 16,040,623 Equity Securities (the subject of Resolution 4) pursuant to that approval before it expired.

During the 12 month period preceding the date of the Meeting, being on and from 29 November 2013, the Company issued a total of 45,000,000 Shares which represents approximately 23% of the total diluted number of Equity Securities on issue in the Company on 29 November 2013, which was 193,062,512.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out below:

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
19 September 2014	40,000,000	Shares <sup>2</sup>	Sophisticated Investors	\$0.20 per Share (discount of 3.45%)	Form: Cash Amount Raised: \$8,000,000  Amount spent: \$480,000 Use: Capital Raising Costs  Amount remaining: \$7,520,000 Proposed use: <sup>3</sup> Funds will be used to fund future acquisitions in-line with OTOC's national surveying strategy and general corporate purposes.
Issued on 30 September 2014, on completion of the Acquisition	5,000,000	Shares <sup>2</sup>	Vendors of Bosco Jonson Pty Ltd	Not applicable.	Form: Non-cash Consideration: Issued as part of the acquisition price of the business. Current Value <sup>4</sup> = \$1,000,000

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: OTC (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
4. In respect of quoted Equity Securities the value is based on the closing price of the Shares \$0.20 as the context requires on the ASX on the trading day prior to the date of this Notice.

**(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

## 7.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 7.

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## 8. RESOLUTION 8 – ADOPTION OF PERFORMANCE RIGHTS PLAN

### 8.1 General

Resolution 8 seeks Shareholder approval to establish and maintain a performance rights plan (**the Plan**) to provide ongoing incentives to executives and employees of the Company (**Eligible Participants**).

The Board has adopted the Plan to allow the Eligible Participants to be granted performance rights (**Performance Rights**) to acquire Shares in the Company.

The objective of the Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of the Directors and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the Plan are aligned with the successful growth of the Company's business activities.

The executives and employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the Plan is an essential part of retaining senior executives, to encourage alignment of personal and shareholder interest and:

- (a) Foster a long term perspective within the employees necessary to increase shareholder return;
- (b) Drive sustainable, long term performance of the Company;
- (c) Provide an opportunity for employees to benefit from the Company's share price performance in a manner that is directly linked to shareholder returns; and
- (d) Ensure that the Company has a remuneration model that makes it an attractive employment option for talented personnel.

The Plan will be used as part of the remuneration planning for executives employees. The Corporate Governance Council Guidelines recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the company's circumstances and goals.

## **8.2 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

One of the exceptions to ASX Listing Rule 7.1 is Listing Rule 7.2 (Exception 9), which provides that ASX Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the 3 years before the date of issue, shareholders have approved the issue as an exception to ASX Listing Rule 7.1.

The effect of Resolution 8 will be to allow the Directors to grant Performance Rights to employees and executives of the Company pursuant to the Plan during the period of 3 years after the Meeting (or a longer period, if allowed by ASX), and to issue Shares to those executives and employees if they achieve the performance and vesting conditions of the Performance Rights, without using the Company's 15% annual placement capacity.

## **8.3 Information required by the ASX Listing Rules – Terms of the Plan**

The terms of the Plan are provided in Schedule 1 to this Explanatory Memorandum. A copy of the Plan will be made available to any Shareholder on request.

No Performance Rights have been issued under the Plan as at the date of the Explanatory Memorandum.

Any future issues of Performance Rights under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

## **8.4 Directors' recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 8.

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## **9. RESOLUTIONS 9 – 12 ISSUE OF PERFORMANCE RIGHTS TO KEY EXECUTIVES**

### **9.1 Background to Resolutions 9-12**

The Company has implemented a remuneration policy to incorporate the issue of Performance Rights to key Executives. The policy will be applicable from the current 2015 financial year.

The primary purpose for the issue of Performance Rights is to provide a performance-linked incentive component in the remuneration package for Executives, which is not presently in-place.

The Board has agreed, subject to obtaining Shareholder approval, to grant and issue a total of 10,222,072 Performance Rights (to acquire the same number of fully paid ordinary shares in the Company) to key executives, being Simon Thomas, David Russell, Brett Goodridge and Brian Mangano (or their nominee/s) (**Key Executive Performance Rights**). For the avoidance of doubt the Key Executives are not related parties of the Company. Accordingly, the Company is seeking shareholder approval for the issue of the Key Executive Performance Rights. The Key Executive Performance Rights will vest into ordinary shares subject

to the achievement of relative shareholder return and earnings per share hurdles, as set out below.

## 9.2 Requirement for Shareholder Approval

Resolutions 9,10, 11 & 12 are being put to Shareholders to seek approval for the grant of the Key Executive Performance Rights as outlined above under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 is summarised at Section 4.1 of this Notice.

The effect of Resolutions 9, 10, 11 & 12 will be to allow the Directors to issue the Performance Rights during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## 9.3 Summary of the material terms of the Performance Rights

The Company intends to seek shareholder approval for the issue of the Key Executive Performance Rights to executives as set out in the table below. The purpose of the issue of Key Executive Performance Rights is to further motivate and reward performance and achieving specified performance milestones within a specified performance period:

Executive	# Performance Rights
Simon Thomas – Chief Executive Officer	4,781,250
David Russell – General Manager, OTOC Australia	1,920,000
Brett Goodridge – General Manager, Whelans	1,780,822
Brian Mangano – Chief Financial Officer	1,740,000

The value of the Key Executive Performance Rights above offered as long term incentives ("LTI") represents between 60% and 150% of the Executive's individual Total Fixed Remuneration. The mechanism for converting the LTI dollar value of the rights into a number to be granted was based on the Company's 30-day VWAP prior to 29 August 2014.

The quantum and structure of the grant of Key Executive Performance Rights proposed reflects the fact that no long term incentive plan has been in place previously for Executives. The Board has adopted a transitional vesting approach for the current proposed grant:

- (a) 25% (Tranche 1) will vest in 1 year (based on performance from 1 July 2014 to 30 June 2015);
- (b) 25% (Tranche 2) will vest in 2 years (based on two year performance from 1 July 2014 to 30 June 2016); and
- (c) 50 % (Tranche 3) will vest in 3 years (based on three year performance from 1 July 2014 to 30 June 2017).

Vesting of the Key Executive Performance Rights is subject to the achievement of the financial performance hurdles outlined in the table below.

## Performance Hurdles

	50% rTSR**		50% EPS CAGR	
<b>*Performance Vesting Hurdles:</b>	< 50th percentile	Nil	<6%	Nil
	>50th percentile, <75th percentile	50%, plus 2% for every one percentile increase above 50 <sup>th</sup> percentile	>6%-<24%	pro rata vesting between 25%-100%
	75th percentile or more	100%	24%>	100%

\*Safety must be maintained at all times and no LTI's will vest in the instance of a major safety breach such as a serious injury or fatality

\*\*Performance of management measured against the total shareholder return relative to the ASX All Ordinaries Index.

The board believes the introduction of a relative Total Shareholder Return ("rTSR") performance hurdle alongside the use of Compounded Earnings per Share Growth ("EPS CAGR") provides the appropriate balance between relative and absolute company performance. These performance measures are mutually exclusive, meaning, that if one measure is not met, there is still the ability to earn an LTI under the other measure.

Subject to the achievement of the performance hurdles, each Key Executive Performance Right may be converted (on a one for one basis) into one Share. The other terms and conditions of the Key Executive Performance Rights will be on substantively the same as the Performance Rights to be issued under the Plan. A summary of the principal terms on which the Key Executive Performance Rights will be issued is set out in Schedule 2.

### 9.4 Directors Recommendation

The Directors recommend that Shareholders vote in favour of Resolutions 9,10,11 & 12.

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## 10. ENQUIRIES

Shareholders are requested to contact the Company Secretary, Lisa Wynne, on (+61 8) 9317 0626 if they have any queries in respect of the matters set out in these documents.



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## GLOSSARY

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**10% Placement Capacity** has the meaning given in section 4.1 of this Notice.

**\$** means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Monday inclusive, except New Year's Day, Good Monday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

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

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

**Company** means OTOC Limited (ACN 122 958 178).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the A&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Group** means the Company and any of its subsidiaries and any other related body corporate or associated body corporate of the Company.

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

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

**Performance Right** means an Performance Right to acquire a Security whether by purchase or subscription, and the corresponding obligation of OTOC to provide the Security, pursuant to a binding contract made by OTOC and an Eligible Participant in the manner set out in these rules, the performance of which is subject to exercise of the Performance Right.

**Plan** means OTOC's Performance Rights Plan as set out in Schedule 1.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2014.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Securities** means a Share and a Unit Stapled and traded together in accordance with the constitution of the Company and Trust (as amended from time to time).

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

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## **SCHEDULE 1 – TERMS AND CONDITIONS OF THE PLAN**

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The following is a summary of the key terms and conditions of the Plan to be adopted by Shareholders pursuant to Resolution 8:

- (a) Eligible Participants of the Plan include any full or part time employee or executive Director (and to the extent permitted by ASIC, a casual employee or contractor) of the Group who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan.
- (b) A Performance right to acquire a Share whether by purchase or subscription, subject to satisfaction of achievement of criteria and the corresponding obligation of OTOC to provide the Share, pursuant to a binding contract made by OTOC and an Eligible Participant in the manner set out in the Plan rules.
- (c) Performance Rights granted under the Plan will not vest until the Vesting Conditions imposed by the Board are satisfied. Subject to paragraph (e), if the Vesting Conditions are not satisfied, the Performance Rights will lapse and the holder will have no entitlement to any Shares.
- (d) Vesting Condition means one or more conditions which must be satisfied or circumstances which must exist before the relevant Performance Rights issued under this Plan may be exercised, as determined by the Board and which may include a requirement in relation to a Minimum Term of Employment.
- (e) A Vesting Condition may, subject to Corporations Act, Listing Rules and any other applicable laws and regulations, be waived by the Board as determined by the Board from time to time.
- (f) Unless the Board determines otherwise, participants will not be liable to make payment for Performance Rights granted to them.
- (g) Performance Right are transferable only with consent of the Board.
- (h) The exercise of any vested Performance Rights will be effected in the form and the manner determined by the Board, and , if an amount is payable on vesting of the Performance Right, will be accompanied by payment of that amount, unless the manner of payment of that amount is otherwise provided for by the Board.
- (i) Subject to paragraph (j), an unexercised Performance Right will lapse upon the earlier to occur of:
  - (i) Failure to satisfy the applicable vesting conditions;
  - (ii) the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;
  - (iii) the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;
  - (iv) in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary;
  - (v) the Expiry date; or

- (vi) the seven year anniversary of the date of grant of the Performance Rights.
- (j) The Board may, in its absolute discretion, determine that all or a specified number of a holder's unvested Performance Rights vest despite the occurrence of an event stipulated in paragraph (i) above.
- (k) The Company must issue to or procure the transfer to the Eligible Participant the number of Shares in respect of which vested Performance Rights are exercised, within 10 business days after a Performance Right is exercised.
- (l) All Shares allotted under the Plan rank equally with other Shares on issue at the time those Shares are provided and carry the same rights and entitlement as those conferred by other Shares.
- (m) Shares issued on exercise of Performance Rights may be subject to restrictions on transfer, unless the participant requests that the Company waives those restrictions and that request is approved by the Company.
- (n) Subject to the terms and conditions of a grant of a Performance Right, the Board may in its absolute discretion determine that all or a portion of the unvested Performance Rights automatically vest and automatically exercise on the occurrence of:
  - (i) a Takeover Bid is made to acquire all Securities;
  - (ii) a Court has sanctioned a compromise or arrangement (other than for the purpose of, or in connection with, a scheme for the reconstruction of the Company or Trust or their amalgamation with any other entity or entities);
  - (iii) a selective capital reduction is announced in respect of the Company which would result in a person who previously had Voting Power of less than 50% in the Company obtaining Voting Power of more than 50%; or
  - (iv) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
- (o) The Board may also, in its absolute discretion, permit the exercise of Performance Rights (irrespective of whether the relevant Vesting Conditions have been met) during such period as the Board determines where:
  - (i) the Company passes a resolution for voluntary winding up; or
  - (ii) an order is made for the compulsory winding up of the Company.
- (p) If Shares are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation or reserves or distributable profits, the number of Performance Rights to which each holder is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage accrues to the holder as a result of the bonus issue and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.

- (q) Subject to the Board determining otherwise, a Performance Rights Holder does not have the right to participate in a pro rata issue of Securities made by OTOC or sell renounceable rights save that, if the Performance Rights have been exercised then the holder of the Securities will participate along with other members.
- (r) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued Securities of OTOC, the number of Performance Rights to which each Performance Rights Holder is entitled or the Exercise Price of the Performance Rights, or both as appropriate, will be adjusted in the manner provided for in the Listing Rules.
- (s) Subject to paragraphs (p) to (r), during the currency of any Performance Rights and prior to their exercise, Performance Rights Holders are not entitled to participate in any new issue of Securities of OTOC as a result of their holding Performance Rights.
- (t) The Board may at any time by resolution amend all or any of the provisions of the Plan, or the terms or conditions of any Performance Rights granted under the Plan.
- (u) Without the consent of the participant, no amendment may be made to the terms of any granted Performance Rights which reduces the rights of the participant in respect of that Performance Right, other than an amendment:
  - (i) For the purpose of complying with or confirming to present or future State of Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
  - (ii) To correct any manifest error or mistake; or
  - (iii) To take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and / or change in the interpretation of tax legislation by a court or competent jurisdiction.
- (v) The Performance Rights do not give any entitlement to vote a meeting of Shareholders.

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## **SCHEDULE 2 – TERMS OF THE KEY EXECUTIVE PERFORMANCE RIGHTS**

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The following is a summary of the key terms and conditions of the Key Executive Performance Rights:

- (a) Subject to the satisfaction of the vesting condition set out in Section 9.3 or paragraph (b) each Performance Right vests to one Share.
- (b) A vesting condition may, subject to Corporations Act, Listing Rules and any other applicable laws and regulations, be waived by the Board as determined by the Board from time to time.
- (c) The Key Executives are not liable to make payment for Performance Rights granted to them.
- (d) Performance Rights are transferable only with consent of the Board.
- (e) The Performance Rights will vest, subject to the Board's discretion, on the occurrence of the vesting conditions set out in Section 9.3 of this Notice no amount is payable on vesting of the Performance Right.
- (f) Subject to paragraph (g), an unexercised Performance Right will lapse upon the earlier to occur of:
  - (i) failure to satisfy the applicable vesting conditions;
  - (ii) the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;
  - (iii) the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;
  - (iv) in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary;
  - (v) the expiry date; or
  - (vi) the seven year anniversary of the date of grant of the Performance Rights.
- (g) The Board may, in its absolute discretion, determine that all or a specified number of a holder's unvested Performance Rights vest despite the occurrence of an event stipulated in paragraph (f) above.
- (h) The Company must issue to or procure the transfer to the number of Shares in respect of which vested Performance Rights are exercised, within 10 business days after a Performance Right is exercised.
- (i) All Shares issued on the vesting of the Performance Rights rank equally with other Shares on issue at the time those Shares are provided and carry the same rights and entitlement as those conferred by other Shares.
- (j) Shares issued on exercise of Performance Rights may be subject to restrictions on transfer, unless the participant requests that the Company waives those restrictions and that request is approved by the Company.

- (k) Subject to the terms and conditions of a grant of a Performance Right, the Board may in its absolute discretion determine that all or a portion of the unvested Performance Rights automatically vest and automatically exercise on the occurrence of:
- (i) a takeover bid is made to acquire all Securities;
  - (ii) a court has sanctioned a compromise or arrangement (other than for the purpose of, or in connection with, a scheme for the reconstruction of the Company or trust or their amalgamation with any other entity or entities);
  - (iii) a selective capital reduction is announced in respect of the Company which would result in a person who previously had voting power of less than 50% in the Company obtaining voting power of more than 50%; or
  - (iv) in any other case, a person obtains voting power in the Company which the Board (which for the avoidance of doubt will comprise those directors immediately prior to the person acquiring that voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
- (l) The Board may also, in its absolute discretion, permit the exercise of Performance Rights (irrespective of whether the relevant vesting conditions have been met) during such period as the Board determines where:
- (i) the Company passes a resolution for voluntary winding up; or
  - (ii) an order is made for the compulsory winding up of the Company.
- (m) If Shares are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation or reserves or distributable profits, the number of Performance Rights to which each holder is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage accrues to the holder as a result of the bonus issue and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (n) Subject to the Board determining otherwise, a Performance Rights holder does not have the right to participate in a pro rata issue of Securities made by OTOC or sell renounceable rights save that, if the Performance Rights have been exercised then the holder of the Securities will participate along with other members.
- (o) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued Securities of OTOC, the number of Performance Rights to which each Performance Rights holder is entitled or the Exercise Price of the Performance Rights, or both as appropriate, will be adjusted in the manner provided for in the Listing Rules.
- (p) Subject to paragraphs (m) to (o), during the currency of the Performance Rights and prior to their exercise, Performance Rights holders are not entitled to participate in any new issue of Securities of OTOC as a result of their holding Performance Rights.

- (q) Without the consent of the Key Executive, no amendment may be made to the terms of any granted Performance Rights which reduces the rights of the participant in respect of that Performance Right, other than an amendment:
- (i) for the purpose of complying with or confirming to present or future State of Commonwealth legislation;
  - (ii) to correct any manifest error or mistake; or
  - (iii) to take into consideration possible adverse tax implications in respect of the issue of Performance Rights arising from, amongst others adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and / or change in the interpretation of tax legislation by a court or competent jurisdiction.
- (r) The Performance Rights do not give any entitlement to vote a meeting of Shareholders.