
AMCOM TELECOMMUNICATIONS LIMITED

ABN 20 062 046 217

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Amcom Telecommunications Limited ABN 20 062 046 217 will be held at Level 1, Media Suite, Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth WA 6000 on Wednesday 19 November 2014 at 11 am.

ORDINARY BUSINESS

Financial statements and reports

To receive and consider the financial statements and the reports of the Directors and of the auditors for the year ended 30 June 2014.

Re-election of Directors

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

1. *That, Mr Craig Coleman, being a Director of the Company, who retires by rotation in accordance with the Company's Constitution and the ASX Listing Rules and being eligible, offers himself for re-election.*
2. *That, Mr Anthony Grist, being a Director of the Company, who retires by rotation in accordance with the Company's Constitution and the ASX Listing Rules and being eligible, offers himself for re-election.*

SPECIAL BUSINESS

Adoption of Remuneration Report

To consider the Remuneration Report as it appears in the Directors' Report for the year ended 30 June 2014, and if thought fit to pass, the following non-binding advisory resolution as an ordinary resolution in accordance with section 250R of the Corporations Act:

3. *That the Remuneration Report for the year ended 30 June 2014 be approved.*

Voting exclusion statement: The Company will disregard any votes cast on Resolution 3 by or on behalf of either of the following persons:

- a) a member of the Key Management Personnel of the Company (KMP); or

- b) a Closely Related Party of such a member, (collectively a Prohibited Voter).

However, the Prohibited Voter may cast a vote on Resolution 3 as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the Prohibited Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 3; or
- b) the Prohibited Voter is the Chair and the appointment of the Chair as proxy:
 - i. does not specify the way the proxy is to vote on the 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 KMP for the Company.

If you are a KMP or a Closely Related Party of a KMP (or are acting on behalf of any such person) and purport to cast a vote in contravention of the above that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

Approval of grant of Performance Rights to Mr Clive Stein

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

4. *That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the Directors to grant 520,000 Tranche F Performance Rights (each to acquire one Ordinary Share in the capital of the Company) for nil consideration to Mr Clive Stein, and issue or transfer Ordinary Shares on the vesting of those Performance Rights, in accordance with the Performance Rights Plan and otherwise on the terms and conditions set out in the Explanatory Memorandum.*

Voting exclusion statement: The Company will disregard any votes cast on Resolution 4 by or on behalf of either of the following persons:

- a) Mr Clive Stein, and any of his Associates;
- b) a Director of the Company (except one who is ineligible to participate in any employee incentive scheme of the Company) and any Associates of such a Director;
- c) a member of the KMP; or
- d) a Closely Related Party of a KMP.

(collectively an Excluded Person for the purposes of this section).

However, the Excluded Person may cast a vote on Resolution 4 as a proxy if the vote is not cast on behalf of an Excluded Person and either:

- a) the Excluded Person is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 4; or
- b) the Excluded Person is the Chair and the appointment of the Chair as proxy:
 - i. does not specify the way the proxy is to vote on the 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 KMP for the Company.

If you are a KMP or a Closely Related Party of a KMP (or are acting on behalf of any such person) and purport to cast a vote in contravention of the above that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

EXPLANATORY MEMORANDUM

Accompanying this notice is an Explanatory Memorandum that provides shareholders with background information and further details on the resolutions to be considered at the meeting. The information provided is intended to assist shareholders in understanding the reasons for and the effect of the resolutions, if passed. Information is also presented in accordance with the requirements of the Corporations Act and the Listing Rules. Terms defined in the Explanatory Memorandum and used in this notice bear the same meaning as in the Explanatory Memorandum.

VOTING ENTITLEMENTS

The Board has determined that the entitlement of any person to vote at the meeting will be that person's entitlement as set out in the Company's Register of Members as at 5:00 pm (Perth Time) on Monday 17 November 2014.

Voting by Proxy

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies. A proxy need not be a member of the Company. A shareholder may appoint an individual or body corporate to act as its proxy. If a body corporate is appointed as proxy, the body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the meeting. If two proxies are appointed, the appointment may specify the proportion or number of votes that the proxy may exercise. Otherwise, each proxy may exercise half the votes.

A proxy form accompanies this notice of meeting. To be valid, the proxy form (together with the original or a certified copy of any power of attorney under which the proxy form is signed) must be received at:

The Company's share registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001. The proxy form can also be faxed to 1800 783 447 within Australia or outside Australia +61 3 9473 2555.

Alternatively, you may lodge a proxy electronically, at www.investorvote.com.au

For intermediary online subscribers only (custodians) www.intermediaryonline.com

A proxy form must be received by 11.00am (Perth time) on Monday 17 November 2014. Proxy forms received later than this time will be invalid.

For all enquiries call 1300 763 915 (within Australia) or +61 3 9415 4000 from outside Australia.

DATED: 1st October 2014

By Order of the Board

David Hinton
Chief Financial Officer &
Company Secretary

EXPLANATORY MEMORANDUM

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

Financial statements and reports

The Corporations Act 2001 requires the company's financial statements and reports for the last financial year to be laid before the meeting. Members will be given the opportunity to ask questions about the reports. However, there will be no formal resolution put to the meeting. The Company's auditor, Ernst & Young, will be present at the Meeting and shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

Ordinary Resolutions

Resolutions 1 to 4 (inclusive) are ordinary resolutions and will require the support of more than 50% of the votes cast at the meeting in order that they be passed.

Resolution 1 Re-election of Mr Coleman

The Company's Constitution and ASX Listing Rules provides that a Director, excluding the Managing Director, may not hold office for a continuous period in excess of 3 years or past the third annual general meeting, following the Director's appointment, whichever is the longer, without submitting himself for re-election.

Mr Coleman was re-elected at the Company's 2011 annual general meeting. Accordingly, under Rule 78 of the Constitution and Listing Rule 14.4, he must be submitted for re-election at this Annual General Meeting.

Mr Coleman was appointed as a non-executive Director in 2008 and is currently Chairman of the Remuneration and Nomination Committee. Additionally, he is Executive Chairman of Viburnum Funds Pty Ltd, a boutique Private Equity fund manager, Non-Executive Director of Wyllie Group Pty Ltd, Bell Financial Group Ltd, Pulse Health Group Ltd, Keybridge Capital Ltd and Chairman of Rubik Financial Ltd. Mr Coleman is a former Managing Director of Home Building Society Ltd and prior to joining Home Building Society, he held a number of senior executive positions and directorships with ANZ including Managing Director Banking Products, Managing Director Wealth Management and Non-Executive Director of E*Trade Australia Limited.

The Directors (other than Mr Coleman) recommend that Shareholders vote in favour of Resolution 1. Mr Coleman, who has an interest in the outcome of Resolution 1, declines to make a recommendation.

Resolution 2 Re-election of Mr Grist

The Company's Constitution and ASX Listing Rules provides that a Director, excluding the Managing Director, may not hold office for a continuous period in excess of 3 years or past the third annual general meeting, following the Director's appointment, whichever is the longer, without submitting himself for re-election.

Mr Grist was re-elected at the Company's 2011 annual general meeting. Accordingly, under Rule 78 of the Constitution and Listing Rule 14.4, he must be submitted for re-election at this Annual General Meeting.

Mr Grist joined the Board in 1997 and is the current Chairman. Mr Grist is a principal of Albion Capital Partners and was a Director of iiNet Limited from 2006 till September 2011 when the company divested its stake in iiNet Limited. He has extensive experience in capital raisings and corporate transactions.

The Directors (other than Mr Grist) recommend that Shareholders vote in favour of Resolution 2. Mr Grist, who has an interest in the outcome of Resolution 2, declines to make a recommendation.

Resolution 3 Adoption of the Remuneration Report

This resolution is a requirement of section 250R of the Corporations Act. Section 250R of the Corporations Act requires that the Company's members vote on whether or not the Remuneration Report should be adopted. This vote is advisory only and the outcome will not be binding on the Board. However, if at least 25% of the votes cast on the resolution at the Annual General Meeting are against adoption of the Remuneration Report, then the Company will have received its first strike:

- if comments are made on the Remuneration Report at the meeting, then the Remuneration Report for the financial year ending 30 June 2015 will be required to include an explanation of the Board's proposed action in response, or if no action is proposed, the Board's reasons for this; and
- if, at the Company's 2015 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the 2015 Remuneration Report are against its adoption, then the Company will be required to put to shareholders a resolution proposing that a general meeting (Spill Meeting) be called to consider the election of directors of the Company (Spill Resolution). For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

Prior to voting on Resolution 3, the Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about the Remuneration Report.

What is included in the Remuneration Report?

The Remuneration Report includes information on how Company directors and certain executives are remunerated. More specifically, the report includes disclosure of all elements of the remuneration received by the Company's directors and other key management personnel. The report also includes a discussion of the Board's policy for determining executive remuneration and the relationship between the Board's policy for determining remuneration and the Company's performance. In respect of executives whose remuneration is linked to performance conditions, the report contains:

- a summary of the performance conditions that attach to each element of their remuneration; and
- an explanation of the relative proportions of those elements of their remuneration that are linked to performance conditions and those elements of their remuneration that are not.

The Remuneration Report forms part of the Directors' Report, adopted in accordance with a unanimous resolution of the Directors. Each of the Directors recommends the Remuneration Report to shareholders for adoption.

Resolution 4 Approval of grant of performance rights to Mr Clive Stein

Resolution 4 seeks Shareholder approval to the grant of 520,000 Tranche F Performance Rights to Mr Clive Stein, on the terms and conditions set out in this Explanatory Memorandum.

Background to the grant of Performance Rights

On 16 February 2010, the Board established an employee incentive scheme which became known as the "Amcom Telecommunications Limited Performance Rights Long Term Incentive Plan" (Performance Rights Plan). It is proposed that these Performance Rights will be issued to Mr Stein pursuant to the Performance Rights Plan.

The purpose of the proposed grant of Tranche F Performance Rights to Mr Stein is to provide an appropriate long term remuneration strategy and incentive for Mr Stein to assist the Company to achieve an increase in shareholder wealth and to assist the Company to retain the services of Mr Stein.

The Board has considered the following in its determination for proposed grant of 520,000 Tranche F Performance Rights to Mr Stein:

- The number of Performance Rights is higher than previous allocations and represents a one-off increase aligned to the renewal of his contract which was announced on 26 September 2014.
- The \$4.00 Share Price Target represents a significant increase from the current share price. If this Share Price Target is achieved then a substantial increase in shareholder wealth will have occurred. The Board considers that the issuance of Performance Rights on this basis as being aligned with the long term interests of Amcom shareholders.
- Previously, vesting targets were predominantly based upon the share price and dividend return of Amcom shares measured on a Total Shareholder Return (TSR) basis relative to a benchmark of other listed companies, namely the S&P ASX 300 Accumulation Index. The Share Price Target of \$4.00 equates to an Amcom TSR of circa 95% to the current Amcom share price plus an expected dividend stream. For comparative purposes the S&P ASX 300 Accumulation Index has by increased by 17% over the last financial year, 43% over the last two financial years and 33% over the last three financial years.
- The Directors consider that a simple Share Price Target better aligns long term incentives to the generation of shareholder wealth in absolute terms, rather than relative performance to the broader ASX market. Given the current Amcom share price if the Share Price Target is achieved then the Directors believe that the TSR generated over the Vesting Period will likely be superior to the growth in the S&P ASX 300 Accumulation Index.
- The Tranche F Performance Rights will assist the Company to retain the services of Mr Stein by providing an attractive long term retention tool that builds an ownership of the Company mindset. The Tranche F Performance Rights proposed to be granted to Mr Stein reflect the level of commitment to be provided by Mr Stein to the Company and the Vesting Conditions take into account the responsibilities of Mr Stein and the time commitment required from him. The Tranche F Performance Rights to be granted to Mr Stein also reflect the value the Board believes Mr Stein brings to the Company and the importance of the performance objectives set by the Board.
- Mr Stein will only benefit from the grant of the Tranche F Performance Rights if the relevant Vesting Conditions are achieved.

The Board accordingly considers it appropriate for part of Mr Stein's remuneration package to include non-cash, at risk, incentive based remuneration such as Performance Rights. If Shareholders approve Resolution 4, the Tranche F Performance Rights will be granted to Mr Stein no later than three months after the date of the Meeting.

Key details of the Performance Rights

It is proposed that Mr Stein be granted 520,000 Tranche F Performance Rights by the Company on the following key terms:

- 520,000 Tranche F Performance Rights will be granted to Mr Stein pursuant to Resolution 4.
- Mr Stein is not required to pay any amount to acquire the Tranche F Performance Rights. If the Tranche F Performance Rights vest, Mr Stein will be issued with, or transferred, a corresponding number of Ordinary Shares for nil consideration. These shares will not be subject to any additional trading restrictions other than any restrictions under the Amcom Securities Trading Policy.
- Mr Stein will not be entitled to receive any dividends on these Performance Rights nor do the Performance Rights carry any voting rights.
- The Tranche F Performance Rights granted to Mr Stein are subject to the following Vesting Conditions:
 - a) 52,000 Tranche F Performance Rights will vest if Mr Stein is employed by the Company on 1 September 2017 (Retention Component); and
 - b) 468,000 Tranche F Performance Rights will vest if the 5 day volume weighted average (VWAP) of the Company's Shares traded on ASX reaches or exceeds the \$4.00 Share Price Target at any time in the period 1 September 2017 to 31 January 2018, inclusive.

- As soon as practical after 1 September 2017 and at the conclusion of the Vesting Period, the Board will determine the extent to which the Vesting Conditions have been satisfied and will procure either the issue (from the Company) or transfer (from the Trustee) to Mr Stein of the corresponding number of Ordinary Shares. Should the Vesting Conditions not be satisfied, in whole or in part, then the relevant number of Tranche F Performance Rights will lapse. If Mr Stein ceases to be employed by the Company at any time prior to 1 September 2017, the Tranche F Performance Rights granted to him will lapse, unless determined otherwise by the Board.
- If a Change of Control occurs at any time from the passing of this Resolution 4 to the conclusion of the Vesting Period, then the 520,000 Tranche F Performance Rights will vest and Mr Stein will be issued with, or transferred, 520,000 Ordinary Shares in the Company.
- In the event of any future capital reorganisations, bonus issues, rights issues or special distributions in relation to the issued Ordinary Share capital of the Company, then the number of Ordinary Shares issued or transferred upon vesting of the Tranche F Performance Rights and or the Vesting Conditions may be adjusted in such manner as the Board in its absolute discretion determines.

The other terms and conditions of the Tranche F Performance Rights are summarised in Schedule 1 to this Explanatory Statement.

ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that the approval of shareholders by ordinary resolution is required before any of the following persons can acquire securities under an employee incentive scheme (such as the Performance Rights Plan):

- a Director;
- an associate (as defined in ASX Listing Rule 10.14.2) of a Director; or
- a person whose relationship with the Company or a person referred to in paragraph (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

Mr Stein is a Director of the Company for the purpose of ASX Listing Rule 10.14. Accordingly, in order for Mr Stein to acquire the Performance Rights and Ordinary Shares on the vesting of the Performance Rights under the Performance Rights Plan, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.14. As approval is being sought under ASX Listing Rule 10.14, then no approval is required under ASX Listing Rule 7.1.

Disclosure Requirements

ASX Listing Rule 10.15 set out a number of matters which must be included in a notice of meeting seeking shareholder approval under ASX Listing Rule 10.14.

In accordance with ASX Listing Rule 10.15, the following information is disclosed to Shareholders in relation to Resolution 4:

- Mr Stein is a Director of the Company;
- subject to Shareholder approval being obtained, the maximum number of Performance Rights that may be granted to Mr Stein for which approval is required is 520,000 Tranche F Performance Rights. If all 520,000 Tranche F Performance Rights vest, Mr Stein will be entitled to 520,000 Ordinary Shares;
- the Tranche F Performance Rights will be granted to Mr Stein as an incentive, for no cash consideration. Any Ordinary Shares issued on conversion of those Performance Rights will be issued for no cash consideration. Accordingly, no funds will be raised by the grant of the Tranche F Performance Rights or any subsequent issue or transfer of Ordinary Shares to Mr Stein on vesting of those Performance Rights;
- no loans will be made by the Company to Mr Stein in connection with the acquisition of Tranche F Performance Rights or Ordinary Shares on conversion of the Tranche F Performance Rights by Mr Stein;

- (e) since the Performance Rights Plan was approved by the Board on 16 February 2010, Shareholders have approved a total of 1,763,667 Performance Rights that have been issued to Mr Stein comprising the following tranches; 716,667 Tranche A, 192,000 Tranche B, 325,000 Tranche C, 310,000 Tranche D and 220,000 Tranche E;
- (f) as at the date of this Notice, Mr Stein is the only person referred to in ASX Listing Rule 10.14 who is entitled to participate in the Performance Rights Plan;
- (g) the Performance Rights will be granted no later than 3 months after the date of the General Meeting and it is anticipated that the allotment or transfer of Ordinary Shares will be on one date;
- (h) the Performance Rights to be granted to Mr Stein will not be quoted on ASX. Any Ordinary Shares issued or transferred to Mr Stein on vesting of those Performance Rights will rank equally in all respects with all other Ordinary Shares in the Company and to the extent that new Ordinary Shares are issued on vesting, the Company will apply for the Ordinary Shares to be quoted on ASX;
- (i) the proposed grant of Tranche F Performance Rights to Mr Stein will be made pursuant to the terms and conditions set out in the section entitled "Key details of the Performance Rights Plan" of this Explanatory Memorandum and the terms and conditions of the Performance Rights Plan which is summarised in Schedule 1 to this Explanatory Statement;
- (j) details of any securities issued or transferred under the Performance Rights Plan will be published in each annual report of the Company relating to the period in which the securities were issued or transferred; and
- (k) a voting exclusion statement in respect of Resolution 4 set out in the Notice of Meeting and the section entitled "Voting Exclusion Statement" of this Explanatory Statement.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a Related Party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Stein is a Related Party and the proposed grant of the Tranche F Performance Rights and subsequent issue or transfer of Ordinary Shares to Mr Stein on vesting of those Performance Rights constitute the giving of a financial benefit. Accordingly, Shareholder approval is required unless an exception applies.

An exception to the prohibition in Chapter 2E of the Corporations Act is if the benefit is remuneration to an officer of the Company that would be reasonable given:

- (a) the circumstances of the Company; and
- (b) the officer's circumstances (including the responsibilities of the officer).

The Board considers that the proposed grant of Performance Rights to Mr Stein is reasonable remuneration. Accordingly, shareholder approval for the purposes of Chapter 2E of the Corporations Act is not required.

However, in the interests of making full disclosure to Shareholders, the Company has detailed below some of the information that would have been required to be disclosed to Shareholders had it been seeking shareholder approval for the purposes of Chapter 2E of the Corporations Act, which the Board considers may, together with the information disclosed in this Notice of Annual General Meeting with respect to Resolution 4, assist Shareholders in making a fully informed decision with respect to Resolution 4.

(a) As at the date of this Notice, the issued capital structure of the Company is as follows:

Ordinary Shares – listed	Number 264,835,089
Performance Rights:	
- Tranche D (1)	1,025,000
- Tranche E (2)	1,060,000
- Tranche F (3)	1,580,000

- (1) Tranche D Performance Rights expire on 30 June 2015 with 33 1/3% by number vesting if the holder is employed on 30 June 2015; plus 33 1/3% if Amcom's TSR is equal to or greater than the percentage movement in the Index and the final 33 1/3% if the TSR equals or exceeds 110% of the percentage movement in the Index. Change of control provisions apply.
- (2) Tranche E Performance Rights expire on 1 September 2016 with 33 1/3% by number vesting if the holder is employed on 1 September 2016; plus 33 1/3% if Amcom's TSR is equal to or greater than the percentage movement in the Index and the final 33 1/3% if the TSR equals or exceeds 110% of the percentage movement in the Index. Change of control provisions apply.
- (3) Tranche F Performance Rights approved by the Board and due to be issued to Executives on the same terms as those proposed for Mr Stein.

Should Shareholders approve Resolution 4 the issued capital structure will become:

Ordinary Shares - listed	Number 264,835,089
Performance Rights:	
- Tranche D	1,025,000
- Tranche E	1,060,000
- Tranche F	2,100,000

Should Shareholders approve the grant of 520,000 Tranche F Performance Rights to Mr Stein, under Resolution 4, and all of the Tranche F Performance Rights subsequently vest such that the 2,100,000 Ordinary Shares are issued (as opposed to being transferred from the Trustee to the Participant), such issue may result in the dilution of the shareholdings of all other existing Shareholders of approximately 0.8% (based on the existing number of Ordinary Shares on issue as at the date of this Notice and assuming that no other Performance Rights Tranches vest and no other securities are issued by the Company in the meantime). If all Tranche F Performance Rights subsequently vest such that Ordinary Shares are transferred from the Trustee to the Participant there will be no dilution of the shareholdings of other existing Shareholders.

(b) As at the date of this Notice, Mr Stein holds the following securities in the Company representing 0.7% of the issued capital of the Company on a fully diluted basis:

Ordinary Shares – listed (1)	1,441,000
Performance Rights:	
- Tranche D	310,000
- Tranche E	220,000

(c) Details of Mr Stein's remuneration for the financial year ended 30 June 2014 (based on information extracted from the Company's 2014 Remuneration Report) are as follows:

	\$
Salary and superannuation	496,800
Short term incentive – cash - at risk	125,000
Non- monetary benefits	109,796
Share based payment (Tranche C, D & E)	251,549
Long service leave	7,447
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	\$990,592

Details of the estimated remuneration of Mr Stein for the year ending 30 June 2015 inclusive of the proposed Tranche F Performance Rights as it may appear in the Company's 2015 Remuneration Report are as follows:

	\$
Salary and superannuation	650,000
Short term incentive – cash (1) – at risk	130,000
Non- monetary benefits	109,796
Share based payment (Tranche D & E) (2)	219,091
Share based payment (Tranche F) (2), (3)	58,507
Long service leave	8,000
	<u>\$1,175,394</u>

- (1) Mr Stein is a participant of the 2015 Amcom short term incentive plan (ASTIP) whereby the pool aggregate ASTIP is determined as a percentage of the Company's FY15 EBITDA. Mr Stein is entitled to a proportion of this pool with the final amount payable dependent upon the size of the pool and the achievement of his bi-annual key performance indicators. As the amount is dependent upon the result of future events it is not possible to ascertain the incentive amount that will be paid, the amount included above is therefore indicative.
 - (2) Should the vesting conditions not be achieved and Mr Stein is not an employee at the end of the Vesting Period for those Tranches then Mr Stein will not receive any benefit unless otherwise determined by the Board. If the vesting conditions are partially achieved then Mr Stein will received a reduce benefit as partial vesting will result in a lower number of shares being issued or transferred.
 - (3) Estimated cost in the 2015 financial year of the Tranche F Performance Rights based upon the assumptions outlined at paragraph (f) below. The Company will value the Performance Rights at the grant date based upon valuation inputs at that time. Accordingly the actual cost is likely to be different to this estimate.
- (d) The Board considers that the issue or transfer of securities to Mr Stein is a more effective and appropriate incentive for Mr Stein as opposed to the payment of additional cash compensation.
- (e) The Company will incur costs in respect of the proposed grant of the Tranche F Performance Rights to Mr Stein as follows:
1. The fees payable to ASX for quotation of the Ordinary Shares if and when the performance conditions applicable to the Tranche F Performance Rights are satisfied and the Tranche F Performance Rights are vested (to the extent that new Ordinary Shares are issued on vesting of the Tranche F Performance Rights, as opposed to being transferred from the Trustee to Mr Stein). At the rates applying at the date of this Notice, these fees would be approximately \$4,000;
 2. Under the Pay-roll Tax ACT 2002 (WA) and related legislation, the Company is required to include as wages for pay-roll tax purposes either the value of the Ordinary Shares as quoted on ASX at the date of issuance of the Performance Rights or at the date of the vesting of the Performance Rights. The estimated pay-roll tax payable is \$114,400;
 3. The cost of the Tranche F Performance Rights for Mr Stein will be expensed in the Company's Statement of Profit or Loss and Comprehensive Income over the Vesting Period in accordance with AASB2 Share-based payments. The cost over the Vesting Period will be similar to the indicative total value of the Tranche F Performance Rights, as detailed in paragraph (f) below. Based upon the indicative valuation of \$0.62 per Performance Right, the total cost would be approximately \$322,000 over the Vesting Period with approximately \$58,507 being recorded as an expense in respect to the financial year ended 30 June 2015. This cost is of a non-cash nature; and
 4. If all Tranche F Performance Rights subsequently vest such that 2,100,000 Ordinary Shares need to be transferred from the Trustee to the Participants, then to the extent the Trustee does not hold such Ordinary Shares, the Trustee will need to acquire those Ordinary Shares on market at the then prevailing market price with funds provided by the Company.

- (f) The Company has obtained from an independent party an indicative valuation of the Tranche F Performance Rights proposed to be offered to Mr Stein.

The indicative valuation of the Tranche F Performance Rights is calculated in accordance with the principles of AASB 2 Share –Based Payments.

The key inputs to determine the indicative fair value of the Tranche F Performance Rights are:

Share price on valuation date	\$2.00 (16 September 2014)
Volatility	30%
Dividend Yield	3.10%
Risk Free Rate	2.86%
Exercise Price	nil

For the purposes of the valuation, it is assumed that 100% of the Performance Rights will vest.

The Company will determine the fair value to be ascribed to the Performance Rights at the grant date based upon valuation inputs current at grant date. As that date is in the future the ascribed fair value is likely to vary from the indicative valuation. The most sensitive input to the valuation of the Performance Right is the Share price as at grant date. As a guide if the Share price was \$2.05 then the fair value per Performance Right would be \$0.67 and if the Share price was \$1.95 then the fair value per Performance Right would be \$0.57.

Mr Stein declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4. As set out in the proxy form, the Chairman of the General Meeting intends to vote all undirected proxies in favour of Resolution 4.

Voting exclusion statement

The Company will disregard any votes cast on Resolution 4 by or on behalf of either of the following persons:

- (a) Mr Clive Stein, and any of his Associates;
- (b) a Director of the Company (except one who is ineligible to participate in any employee incentive scheme of the Company) and any Associates of such a Director;
- (c) a member of the KMP; or
- (d) a Closely Related Party of a KMP

(collectively an Excluded Person for the purposes of this section).

However, the Excluded Person may cast a vote on Resolution 4 as a proxy if the vote is not cast on behalf of an Excluded Person and either:

- (a) the Excluded Person is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 4; or
- (b) the Excluded Person is the Chair and the appointment of the Chair as proxy:
 - i. does not specify the way the proxy is to vote on the 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 KMP for the Company.

Glossary

Associate has the meaning given to it in ASX Listing Rule 14.11.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited.

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

Board means the board of Directors of the Company.

Change of Control means when in relation to the Company, any person, either alone or together with any associate (as defined in section 9 of the Corporations Act), acquires a relevant interest (as defined in the Corporations Act) in more than 50% of the issued shares in the Company, or any similar event which the Board Determines, in its discretion, is a Change of Control.

Closely Related Party of a member of the KMP means any of the following:

- a spouse, child or dependant of the member;
- a child or dependant of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence, or
- be influenced by, the member in the member's dealings with the Company;
- a company the member controls; or
- a person prescribed by regulations (as at the date of this Notice of Annual General Meeting, no additional persons have been prescribed by regulation).

Company and Amcom mean Amcom Telecommunications Limited (ABN 20 062 046 217).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company from time to time, and **Director** means any one of them.

Eligible Employees means such employees of the Company or a Related Company, including executive Directors, or such other persons as the Board, in its discretion, determines.

Key Management Personnel or KMP means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of KMP of the Company include its Directors (whether executive or otherwise) and certain senior executives.

Notice of Annual General Meeting means this notice of Annual General Meeting and the accompanying Explanatory Memorandum and Proxy Form.

Participant means an Eligible Employee to whom a Performance Right has been granted under the Performance Rights Plan.

Performance Rights Plan means the Amcom Telecommunications Limited Performance Rights Long Term Incentive Plan.

Performance Right means an entitlement to one Ordinary Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the Performance Rights Plan.

Share Price Target means a 5 day volume weighted average price of the Company's Shares traded on ASX of equal to, or above, \$4, during the period 1 September 2017 to 31 January 2018 (inclusive).

Total Shareholder Return (or TSR) is measured by the following formula

$$\text{TSR} = \frac{\text{Share Price End of Period} - \text{Share Price Begin of Period} + \text{Dividends per share}}{\text{Share Price Begin of Period}}$$

Trustee means the trustee of the Amcom Incentive Share Plan Trust established under a deed of trust dated 21 June 2013, being Amcom Incentive Share Plan Company Pty Ltd ACN 164 374 065, a wholly owned subsidiary of the Company.

Vesting Period means in relation to Tranche F the period commencing on 1 July 2014 and expiring on 31 January 2018 (inclusive).

Vesting Conditions means the time and performance conditions, determined by the Board from time to time and described in the section of the Explanatory Statement headed Key details of the Performance Rights.

VWAP means the volume weighted average price of Amcom shares traded on ASX.



Schedule 1

Summary of the material terms of the Amcom Telecommunications Limited Performance Rights Long Term Incentive Plan

The material terms and conditions of the Performance Rights Plan are summarised below.

- a) **(Participants)**: The rules of the Performance Rights Plan enable participation by all Eligible Employees as determined by the Board. Such employees will be offered the opportunity to acquire Performance Rights.
- b) **(Renouncing an Offer)**: Subject to the approval of the Board, Eligible Employees may renounce an offer in favour of their spouse, a body corporate in which they hold not less than 50% of the issued voting share capital, the trustee of a trust in which they are a beneficiary, the trustee of a superannuation fund in which they are a member, or such other person as the Board in its discretion determines.
- c) **(Board)**: The Performance Rights enable Participants to acquire Ordinary Shares in Amcom. The Board has the discretion to determine the terms and conditions of an offer of Performance Rights under the Performance Rights Plan.
- d) **(Vesting Conditions under the Plan)**: Performance Rights offered under the Performance Rights Plan may be subject to Vesting Conditions as determined by the Board and specified in various offer documents that are provided to Eligible Employees. The Board has discretion to waive Vesting Conditions.
- (e) **(Consideration)**: Unless otherwise determined by the Board, no amount is payable upon the grant or the issue or transfer of an Ordinary Share following the vesting of a Performance Right.
- (f) **(Transfer)**: Performance Rights cannot be transferred.
- (g) **(Forfeiture)**: Performance Rights will be forfeited if any Vesting Conditions are not or cannot be satisfied by the end of the applicable vesting period. Unvested Performance Rights will also be forfeited if a Participant commits fraud, defalcation, gross misconduct or a serious breach of obligations in relation to Amcom's affairs.
- (h) **(Vesting of Performance Rights)**: If the Vesting Conditions are attained during the Term, as soon as practicable after the date the Vesting Period concludes, the Board will determine that the Vesting Condition has been satisfied, provide a Participant with a vesting notice (Vesting Notice) and will procure that a Participant is either issued (by the Company) with or transferred (from the Trustee) the number of Ordinary Shares specified in the Vesting Notice. The Performance Rights Plan does not impose any disposal restrictions on Ordinary Shares acquired upon vesting of Performance Rights. Participants will have full entitlements attaching to Ordinary Shares when acquired.
- (i) **(Capital reorganisations, issues and distributions)**: The Performance Rights and or the Share Price Target are subject to adjustments as to the number of shares the subject of each Performance Right in the event of capital reorganisations, bonus issues, rights issues or special distributions.
- (j) **(Attorney)**: Each Participant appoints the Company and other specified persons as his/her attorney to give effect to the Performance Rights Plan rules.
- (k) **(Jurisdiction)**: If the Board determines that the laws of a particular jurisdiction require an offer under the Performance Rights Plan to be made subject to certain terms and conditions, the Board may direct that for the purpose of that jurisdiction the Performance Rights Plan rules will be read subject to those terms and conditions as specified in an addendum to the Performance Rights Plan rules.
- (l) **(Amendment of the Plan)**: Subject to certain limitations, the Board has the ability to amend the Performance Rights Plan rules at any time.

Lodge your vote:

  **Online:**
www.investorvote.com.au

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

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

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

For all enquiries call:
(within Australia) 1300 763 915
(outside Australia) +61 3 9415 4869

┌ 000001 000 AMM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote and view the annual report online

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

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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



 **For your vote to be effective it must be received by 11.00am (WST) Monday, 17 November 2014**

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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

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

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

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Amcom Telecommunications Limited hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Amcom Telecommunications Limited to be held at Level 1, Media Suite, Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia on Wednesday, 19 November at 11.00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 3 and 4 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Re-election of Mr Craig Coleman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Anthony Grist	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of grant of performance rights to Mr Clive Stein	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

AMM

999999A

Computershare +