



This document is important and requires your immediate attention.

Advanced Braking Technology Ltd
ACN 099 107 623

**Notice of Annual General Meeting
and Explanatory Statement**

For the purpose of providing information to Shareholders regarding the Annual General Meeting of Advanced Braking Technology Ltd to be held at 11.00 am (AEDT) on Friday 24 November 2017, at:

Park Room, Ground Floor, Amora Hotel
649 Bridge Road, Richmond, Victoria 3121

Contents

- A. Notice of Annual General Meeting
- B. Explanatory Statement
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Important note

This booklet sets out information to assist Shareholders to assess the resolutions to be considered at the Annual General Meeting.

You should read this information carefully and in its entirety before making a decision as to how to vote at the Meeting. No responsibility is taken for the contents of this booklet by ASIC, ASX or any of their officers.

If you do not fully understand the contents of this information you should consult your financial or legal adviser for assistance.

A Notice of Annual General Meeting and Proxy Form are included in/with this booklet. Shareholders are urged to complete the online proxy at www.investorvote.com.au or return the enclosed Proxy Form as soon as possible, irrespective of whether or not they intend to attend the Meeting.

Questions

If you have any queries regarding the contents of this booklet or in relation to the Annual General Meeting, please contact the Company Secretary, Mr Neville Walker, on (08) 9302 1922.

Time and Place of Meeting and How to Vote

Venue

The Annual General Meeting of the Shareholders of Advanced Braking Technology Ltd (**Company**) will be held in the Park Room at;

**Ground Floor, Amora Hotel
649 Bridge Road, Richmond, Victoria 3121**

Commencing at

11.00 am (AEDT) on Friday 24 November 2017

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

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

Voting by Proxy

To be valid, your Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.00am (AEDT) on Wednesday 22 November 2017. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Online At www.investorvote.com.au

By mail Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia

By fax 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

By mobile Scan the QR Code on your Proxy Form and follow the prompts

Custodian For Intermediary Online subscribers only (custodians) please visit

Voting www.intermediaryonline.com to submit your voting intentions

Advanced Braking Technology Ltd

ACN 099 107 623

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Advanced Braking Technology Ltd for 2017 will be held at 11.00 am (AEDT) on Friday 24 November 2017.

Agenda

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting describes the matters to be considered as ordinary business and special business.

Ordinary Business

Financial Statements and Reports

To receive and consider the annual financial report and the reports of the Directors and of the Auditor for the financial year ended 30 June 2017.

This item of business is intended to provide an opportunity for Shareholders to raise questions on the reports themselves and on the performance of the Company generally.

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 purposes 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 year ended 30 June 2017.”

Please note that pursuant to Section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors nor the Company.

Voting Exclusion:

A vote on Resolution 1 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 is included in the Remuneration Report; and/ or
- (b) a Closely Related Party of such a member of the Key Management Personnel.

However, the above persons may cast a vote on Resolution 1 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 (directed proxy); or
- (b) the voter is the Chairperson and the appointment of the Chairperson as proxy:
 - (1) does not specify the way the proxy is to vote on the resolution; and
 - (2) expressly authorises the Chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 – Re-Election of Director - Mr Adam Levine

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 14.4 and article 13.2 of the Constitution and for all other purposes, Mr. Adam Levine, a Director retiring by rotation in accordance with article 13.2 of the Constitution, being eligible and having signified his candidature for the office, is hereby re-elected as a Director.”

Resolution 3 – Re-Election of Director - Mr Mark Lindh

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

"That Mr Mark Lindh, being a Director of the Company who was appointed as an additional director on 27th June 2017 in accordance with article 13.5 of the Constitution, being eligible and having signified his candidature for the office, be re-elected as a Director."

Resolution 4 – Ratification of Issue of Convertible Notes

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 7.4 and for all other purposes, the Shareholders ratify the issue of 156,250,000 convertible notes to sophisticated and/or professional investors on 22 December 2016 at a face value of \$0.008 each for the purposes of and the terms and conditions set out in the Explanatory Statement which convenes this Meeting."

Voting Exclusion: The Company will disregard any votes cast on this Resolution 4 by a person who has participated in the issue and any associates of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson 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.

Special Business

Resolution 5 – Approval of further 10% Placement Facility

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the 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."

Note: this resolution is a special resolution and can only be passed if at least 75% of the votes cast, in person or by proxy and by members who are entitled to vote on the resolution, vote in favour.

Voting Exclusion: The Company will disregard any votes cast on this Resolution 5 by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson 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.

Other Business

To transact any other business that may be properly brought before the Meeting in accordance with the Constitution.

By order of the Board



Neville Walker
Company Secretary
Dated: 16 October 2017

Notes:

1. A Shareholder who is entitled to attend and vote at a general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder.
2. Where a voting exclusion applies, 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 to vote as the proxy decides, or if 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.
3. In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001*, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 5.00pm (AEDT) on Wednesday 22 November 2017.

Explanatory Statement

1. General Information

This Explanatory Statement and all attachments are important documents. They should be read carefully.

This Explanatory Statement has been prepared for the Shareholders of Advanced Braking Technology Ltd (**Company**) in connection with the Annual General Meeting of the Company to be held at 11:00am AEDT on Friday 24 November 2017 at Park Room, Ground Floor, Amora Hotel 649 Bridge Road, Richmond, Victoria 3121.

The purpose of this Explanatory Statement is to provide Shareholders with the information known to the Company that the Board considers material to their decision on whether to approve the Resolutions in the accompanying Notice. This document is important and should be read in conjunction with all of the information contained in this booklet, including the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

If you appoint the Chairperson as your proxy, or the Chairperson is appointed as your proxy by default, new rules apply in respect of Resolution 1. Your attention is drawn to the section in the Proxy Form entitled “Important – for item 1” and in particular the requirement that you specifically direct your proxy how to vote, or mark the box on that form, if you wish your votes to be counted on Resolution 1. Shareholders should note that:

- the Chairperson intends to vote any undirected proxies that are able to be voted in favour of all resolutions including Resolution 1; and
- they may choose to specifically direct the Chairperson to vote against, or abstain from voting, in respect of any resolution, including Resolution 1.

Financial Statements and Reports

In accordance with the Corporations Act and the Constitution, the business of the Annual General Meeting will include the receipt and consideration of the annual financial report of the Company for the year ended 30 June 2017, together with the related Directors’ report, Directors’ declaration and Auditors’ report. No resolution need be put to the meeting in relation to these items.

As a Shareholder, you are entitled to submit a written question to the Auditor prior to the Annual General Meeting provided that the question relates to:

- the content of the Auditor’s report; or
- the conduct of the audit in relation to the financial report.

All written questions must be received by the Company no later than 5.00pm (AEDT) on Friday, 17 November 2017.

All questions must be sent to the Company and may not be sent to the Auditor. The Company will then forward all questions to the Auditor.

The Auditor will be present at the Meeting and Shareholders will have the 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.

2. Resolution 1 – Adoption of Remuneration Report

Section 250R (2) of the Corporations Act requires a listed company to put to its shareholders (at the Annual General Meeting) a resolution that the Remuneration Report be adopted. 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 senior management 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 2017.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting. Notwithstanding the advisory effect of Resolution 1, the Board will consider the outcome of the vote made by the Shareholders with regard to the Remuneration Report at the Annual General Meeting when reviewing the Company's remuneration policies.

Although the effect of Resolution 1 is advisory only, changes to the Corporations Act which came into effect on 1 July 2011 have introduced what has been referred to as the 'two strikes' rule. Under this rule, companies will be required to put a resolution to Shareholders to hold fresh elections for Directors if, at two consecutive annual general meetings, at least 25% of the votes cast on a resolution (such as Resolution 1) to adopt the Remuneration Report are cast against that resolution. Accordingly, if at least 25% of the votes cast at the meeting on Resolution 1 are against that Resolution, and (at the next Annual General Meeting in 2018) at least 25% of the votes are cast against the resolution to adopt the 2017/2018 Remuneration Report, then the Company will be required to propose a resolution to hold another general meeting within the following 90 days. If such a resolution is passed, then at the subsequent general meeting all Directors (other than a Managing Director) who were in office when the Remuneration Report was approved at Board level will cease to hold office (but may, if eligible, stand for re-election).

The Board unanimously recommends that Shareholders vote in favour of Resolution 1 and adopt the Remuneration Report.

3. Resolution 2 – Re-Election of Director - Mr Adam Levine

ASX Listing Rule 14.4 and article 13.2 of the Constitution require that one third of the Directors (or, if their number is not a multiple of 3, then the number nearest to but not exceeding one third) must retire from office at each Annual General Meeting. The Directors retire by rotation, with the Director(s) who have been the longest in office since being appointed or re-appointed being the Director(s) who must retire in any one year.

The Constitution ensures that no Director is able to remain in office for longer than 3 years without standing for re-election. Each Director is entitled to offer himself/herself for re-election as a Director at the Annual General Meeting which coincides with his/her retirement.

The Managing Director (if any) is exempted by his office as managing director from the requirement to retire by rotation.

Mr Levine retires by rotation (in accordance with the requirements of the Constitution) at the Annual General Meeting. As he is entitled and eligible for re-election, he seeks re-election as a Director at the Meeting.

Mr Levine has been influential in helping to change the focus of the Company in seeking to change the operational and strategic direction, including the focus on rolling out the new Terra Durra© product and also included securing the other new Board appointments and the newly appointed CEO. He brings a uniquely strategic yet challenging mind to the Board and a high degree of inquiry and rigour.

Mr Levine, a lawyer by profession, has over 25 years national and global experience in structuring and executing private equity investments and corporate finance transactions both as legal advisor and a principal investor. He is the Executive Chairman and founder of the Rockwell Group, which is a family office that has a range of investments across the property, financial services and professional services sectors. He holds a range of directorships and chairmanships of various private companies.

Mr Levine is also the founder (with his wife) and Chair of the Rockwell Foundation, a private ancillary fund, which focuses on supporting opportunities for less privileged youth. He is also a member of the Board of Trustees of the Jewish Museum of Australia.

The Board, other than Mr Levine, unanimously recommends that Shareholders vote in favour of Resolution 2.

4. Resolution 3 – Re-Election of Director - Mr Mark Lindh

Resolution 3 seeks Shareholder approval for the re-election of Mr Mark Lindh as a Director of the Company.

Article 13.5 of the Company's Constitution provides that the Directors may appoint a Director as an additional Director and that any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election. The Board considered that Mr Lindh's extensive experience in investment and advisor services in the mining and resources sectors would be a valuable addition to the skills and experience of the Board and, accordingly, Mr Lindh was appointed a Director of the Company on 27th June 2017. In accordance with Article 13.5 of the Constitution offers himself for re- election at the next Annual General Meeting.

Mr Mark Lindh is a corporate advisor with in excess of 15 years' experience in advising mining and resources companies with a particular focus on the energy sector. He is a founding director of Adelaide Equity Partners Limited, an investment and advisory company.

Prior to this he was an executive director of Rundle Capital Partners which was a division of Washington H Soul Pattinson. Mr. Lindh has acted as the corporate and financial advisor to a number of successful listed and unlisted public companies.

If approved by Shareholders, the appointment will take effect immediately following the end of the Annual General Meeting.

The Board, other than Mr Lindh, unanimously recommends that Shareholders vote in favour of Resolution 3.

5. Resolution 4 – Ratification of prior issue of Convertible Notes

Background

On 22 December 2016, the Company announced that it had secured commitments to raise funds through the issue of 156,250,00 convertible notes ("**Convertible Notes**") issued to sophisticated, experienced and professional investors introduced to the Company by Baker Young Stockbrokers Ltd, Adelaide.

The issue of the Convertible Notes raised approximately \$1,250,000 (before costs) for the purposes of funding the refinance of \$500,000 worth of expiring convertible notes, funding the global roll-out of the new Terra Dura brake range and providing additional working capital to fund future development.

Resolution 4 seeks Shareholder ratification for the issue of the Convertible Notes to sophisticated, experienced and professional investors on 22 December 2016.

Listing Rules 7.1 and 7.1A

Listing Rule 7.1 provides that a listed company must not without Shareholder approval, 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.

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its Annual General Meeting to allow it to issue additional Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its Annual General Meeting held on Friday, 25 November 2016.

Listing Rule 7.4

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

While the Convertible Notes described in this Resolution 4 were issued within the Company's placement capacity under ASX Listing Rule 7.1, the Company seeks Shareholder approval of the issue of the Convertible Notes as the Board believes it is in the best interests of the Company to maintain the ability to issue Equity Securities in the future up to its full 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain Shareholder approval so that the Company retains financial flexibility and is able to take advantage of commercial opportunities that may arise in an efficient manner.

Specific information required by Listing Rule 7.5

In accordance with the requirements of Listing Rule 7.5, the following information is provided to Shareholders to allow them to assess the ratification of the issue of the Convertible Notes the subject of this Resolution 4:

- (a) the Company issued and allotted 156,250,000 convertible notes;
- (b) the Convertible Notes were issued with a face value of \$0.008 each;
- (c) the Company can redeem the Convertible Notes at any time by giving 30 days' written notice to the Noteholder.
- (d) the terms of the Convertible Notes are set out in the cleansing notice released by the Company on the ASX announcements platform on 22 December 2017, as amended by the market update released by the Company on the ASX announcements platform on 28 September 2017. The key terms of the Convertible Notes are as follows:
 - (i) Face value: \$0.008 each;
 - (ii) Maturity Date: 2 years after issue date;
 - (iii) Convertible into Shares at \$0.008 per Share, at any time until the Maturity Date, subject to;
 - a. adjustment if there is a capital raising prior to the Maturity Date, in which case the conversion price shall be the lesser of \$0.008 per Share and the price that Shares are issued at in that particular capital raising; and
 - b. adjustment in the event that the Company's Share price is trading at a 5 day volume weighted average price of \$0.005 per Share or less at the time a conversion notice is received, in which case the converting noteholder will receive 50% more Shares than they would ordinarily receive using the \$0.007 conversion price. For the avoidance of doubt, in such circumstances the converting noteholder would receive an effective conversion price of \$0.00533 and no less;
 - (iv) Shares issued upon conversion of any Convertible Notes will rank equally in all respects with all other issued Shares at the date of conversion; and
 - (v) Accrue interest at 9.0% per annum on face value, payable every 3 months in arrears.
- (e) the Convertible Notes were issued to various sophisticated, experienced and institutional investors, none of whom were related parties of the Company;
- (f) the funds raised with the issue of the Convertible Notes:
 - a. were used to refinance \$0.5 million of convertible notes that were due for repayment in February 2017;
 - b. will be used to fund the global roll-out of the new Terra Dura brake range; and
 - c. will be used to provide additional working capital to fund future development.
- (g) a voting exclusion statement is included in the Notice.

The Directors recommend that Shareholders vote in favour of Resolution 4.

6. Resolution 5 – Approval of 10% Placement Facility

6.1 General

ASX Listing Rule 7.1 prohibits a listed company from issuing Equity Securities representing more than 15% of its issued capital in any 12 month period without obtaining Shareholder approval (subject to certain exceptions).

However, ASX Listing Rule 7.1A enables an Eligible Entity, subject to obtaining Shareholder approval, to issue additional Equity Securities up to 10% of its fully paid ordinary securities on issue through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**).

The effect of Resolution 5 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 Facility 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 ASX Listing Rule 7.1. The Board believe it is in the best interests of the Company to maintain this additional ability to issue Equity Securities in the future so that the Company retains financial flexibility and is able to take advantage of commercial opportunities that may arise in an efficient manner.

An Eligible Entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an Eligible Entity, as its current market capitalisation is \$11,036,043 (2,207,208,684 Ordinary Shares @ 0.5 cents per share).

The Company seeks Shareholder approval by way of a special Resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities (if any) capable of being issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 6.2 below).

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present in person or by proxy and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

The Board considers that Resolution 5 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of Resolution 5.

6.2 Summary of ASX Listing Rule 7.1A

(a) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. At the date of this Notice, the Company has only one class of quoted Equity Securities, being its Shares.

(b) Formula for calculating 10% Placement Facility

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

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

Where:

A is the number of Shares on issue 12 months before the date of the issue or agreement:

- (i) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid Shares that became fully paid in the 12 months;
- (iii) plus, the number of fully paid Shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;

(iv) less the number of fully paid Shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

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

(c) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. At the date of this Notice, the Company has a capacity to issue:

(1) 331,081,303 Shares under Listing Rule 7.1; and

(2) 220,720,868 Shares under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 6.2(b) above).

(d) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 ASX trading days immediately before:

(1) the date on which the price at which the Equity Securities are to be issued is agreed; or

(2) if the Equity Securities are not issued within 5 ASX trading days of the date in section 6.2(d)(1) above, the date on which the Equity Securities are issued.

(e) 10% Placement Period

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

(1) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or

(2) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(f) Shareholder approval

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

6.3 Information required by Listing Rule 7.3A

ASX Listing Rule 7.3A sets out a number of matters which must be included in a notice of meeting seeking an approval under ASX Listing Rule 7.1A. The following information is provided for the purposes of Listing Rule 7.3A:

(a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 ASX trading days immediately before:

- (1) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (2) if the Equity Securities are not issued within 5 ASX trading days of the date in section 7.3(a)(1) above, the date on which the Equity Securities are issued.
- (b) If the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
- (1) the market price for the Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (2) the Equity Securities may be issued at a price that is at a discount to the market price for the Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

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

The table also shows:

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

Dilution				
Variable "A" in Listing Rule 7.1A.2	Issue Price (per Share)	50% decrease in Deemed Issue Price \$0.0025	Deemed Issue Price \$0.0050	50% increase in Deemed Issue Price \$0.0075
Current Variable "A" 2,207,208,684 Shares	10% dilution - Shares issued	220,720,868 Shares	220,720,868 Shares	220,720,868 Shares
	Funds raised	\$551,802	\$1,103,604	\$1,655,407
50% increase in current Variable "A" 3,310,813,027 Shares	10% dilution - Shares issued	331,081,303 Shares	331,081,303 Shares	331,081,303 Shares
	Funds raised	\$827,703	\$1,655,407	\$2,483,110
100% increase in current Variable "A" 4,414,417,369 Shares	10% dilution - Shares issued	441,441,737 Shares	441,441,737 Shares	441,441,737 Shares
	Funds raised	\$1,103,604	\$2,207,209	\$3,310,813

The table has been prepared on the following assumptions:

- (i) The price of Shares is deemed, for the purposes of the table above, to be \$0.005, being the closing price of the Company's Shares on ASX on 3 October 2017 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 25% discount to market that the Equity Securities may be placed at.

- (ii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (iii) No Options are exercised into Shares before the date of the issue of the Equity Securities. The Company currently has nil unlisted Options and nil listed Options on issue as at the date of the Notice;
 - (iv) The 10% dilution reflects the aggregate percentage voting dilution against the issued share capital at the time of issue. This is why the dilution is shown in each example as 10%.
 - (v) 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 Facility, based on that Shareholder's holding at the date of the Meeting.
 - (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (1) as non-cash consideration for the acquisition of new assets and investments (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; or
 - (2) for cash consideration in which case the Company intends to use the funds raised for the expansion of products and distribution arrangements, increasing product production and general working capital purposes or towards the acquisition of new assets or investments (including expense associated with such acquisitions).

Although the Company may seek to issue Equity Securities for the acquisition of new assets and investments (including expenses associated with such acquisitions), the particular assets and investments which may be acquired by the Company have yet to be ascertained.

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) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (1) the purpose of the issue;
 - (2) alternative methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (3) the effect of the issue of the Equity Securities on the control of the Company;
 - (4) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
 - (5) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) The Company has previously obtained approval under rule 7.1A, such approval having been sought and obtained by the Company at the Annual General Meeting of the Company for the financial year ended 30 June 2016, which was held on Friday, 25 November 2016.

The Company has issued (net of converting securities) a total of 7,571,050 additional Equity Securities during the 12 months preceding the date of the Meeting, being on and from 23 November 2016. The total Equity Securities issued during the 12 months preceding the date of the Meeting (net of converting securities) represents approximately 0.34% of the total diluted number of Equity Securities on issue in the Company on 23 November 2016, which were 2,199,637,634.

Information relating to issues of Equity Securities by the Company in the 12 months prior to the date of this Meeting is as follows:

Date	Recipients	Equity Security	Price (and discount to market, if any)	Key Terms	Amount Raised - Use of Funds or non-cash Consideration
29 November 2016 Appendix 3B - 29 November 2016	Employees of the Company	91,282,193 Performance Rights (1)	Interest Free Loans into Performance Rights Share Trust of \$189,690.44 (Performance based remuneration)	Employee Performance Rights were issued to employees of the Company under the Employee Performance Rights Plan approved by Shareholders at the Annual General Meeting held 25 November 2016.	Net cash consideration was zero. Value of Performance Rights at the date of issue was \$189,690.44 and at the time of this notice is approximately \$37,000
6 September 2017 Appendix 3B - 7 September 2017	Employees of the Company	3,671,050 fully paid ordinary shares	Nil cash consideration (Satisfaction of performance hurdles)	Employee Performance Rights were issued to the former CEO of the Company under the Employee Performance Rights Plan approved by Shareholders at the Annual General Meeting held 25 November 2016. The Performance Rights converted to Shares upon vesting conditions being satisfied.	Non-cash Consideration - Performance based remuneration for services provided to the Company. No funds raised, fair value calculated at the time was \$22,026. Value of the converted shares at the time of this notice is approximately \$18,355

19 September 2017 Appendix 3B - 22 September 2017	Unlisted Convertible Note Holder	3,900,000 fully paid ordinary shares	\$20,787	As shares in ABV traded at a 5 day volume weighted average price of \$0.005 per share, the holder was entitled to receive 50% more shares or an effective conversion price of \$0.00533 per share.	Cash Consideration was \$20,787 at the date of issue. Value of converted shares at the time of this notice is approximately \$19,500. The cash consideration was used by the Company for corporate costs and general working capital purposes.
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Notes:

1. *Performance Rights convertible to Shares upon attainment of pre-defined performance hurdles in accordance with the terms and conditions of the Employee Performance Rights Plan, such plan pursuant to Shareholder approval received at the Company's annual general meeting held on 25 November 2016.*

(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.

A voting exclusion statement is included in the Notice.

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

Glossary

In this Notice of Annual General Meeting and Explanatory Statement the following terms have the following meaning unless the context otherwise requires:

\$ means Australian dollars.

10% Placement Facility has the meaning given in section 6.1 of this Explanatory Statement

2017 Annual Report means the Company's annual report for the year ended 30 June 2017.

AEDT means Australian Eastern Daylight Time.

Annual General Meeting or **Meeting** means the Annual General Meeting of the Company the subject of the Notice of Meeting.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules or **Listing Rule** means the official listing rules of ASX.

Auditor means the auditor of the Company, Moore Stephens.

Board means the board of Directors.

Chairperson means the person appointed to chair the Meeting.

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 Advanced Braking Technology Ltd (ACN 099 107 623).

Constitution means the Company's constitution.

Convertible Notes has the meaning given in section 5 of this Explanatory Statement.

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

Director means a director of the Company and **Directors** has a corresponding meaning.

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

- (a) is not included in the S&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, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement to this Notice.

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.

Managing Director means the managing director of the Company.

Meeting means the meeting convened by this Notice.

Notice or **Notice of Meeting** means the notice of Annual General Meeting.

Option means an option to acquire a Share.

Proxy Form means the proxy form **attached** to the Notice of Meeting.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2017 Annual Report.

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

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

Shareholder means a shareholder of the Company.

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Advanced Braking Technology Ltd



Advanced Braking Technology Ltd

ABN 66 099 107 623

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

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

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

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

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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:

SRN/HIN: PIN:

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

For your vote to be effective it must be received by 11:00 am (AEDT) Wednesday, 22 November 2017

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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

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

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

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

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Advanced Braking Technology Ltd 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 Advanced Braking Technology Ltd to be held at the Park Room, Ground Floor, Amora Hotel, 649 Bridge Road, Richmond Victoria on Friday, 24 November 2017 at 11:00am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-Election of Director - Mr Adam Levine	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-Election of Director - Mr Mark Lindh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of Issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of further 10% Placement Facility	<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 / / _____