



# **OBJ LIMITED**

**ABN 72 056 482 636**

## **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT**

**Annual General Meeting of OBJ Limited to be held in  
the Formal Dining Room, University Club of Western Australia,  
Hackett Entrance #1, Hackett Drive, Crawley, Western Australia  
on Thursday, 25 October 2018 commencing at 10.00am (WST)**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.  
If Shareholders are in doubt as to how they should vote, they should seek advice from their  
accountant, solicitor or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the  
Company Secretary – Mr John J Palermo on +61 8 9443 3011

# Corporate Directory

<b>Directors</b>	Antonio (Tony) Varano Christopher John Quirk Jeffrey David Edwards Steven Lorn Schapera Cameron Reynolds
<b>Secretary</b>	John Joseph Palermo
<b>Registered Office</b>	Level 1 284 Oxford Street LEEDERVILLE WESTERN AUSTRALIA 6007 Telephone: +61 8 9443 3011
<b>Auditor</b>	RSM Australia Partners Level 32 Exchange Tower 2 The Esplanade PERTH WESTERN AUSTRALIA 6000
<b>Solicitors</b>	Allion Partners Level 9, 863 Hay Street PERTH WESTERN AUSTRALIA 6000 Telephone: +61 8 9216 7100
<b>Share Registry</b>	Automic Registry Services Level 2, 267 St George's Terrace PERTH WESTERN AUSTRALIA 6000 Telephone: 1300 288 664 (Local) +61 2 9698 5414 (International)
<b>ASX Code</b>	OBJ

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of the Shareholders of OBJ Limited (**Company**) will be held at 10.00am (WST) on Thursday, the 25<sup>th</sup> October, 2018 in the Formal Dining Room, University Club of Western Australia, Hackett Entrance #1, Hackett Drive, Crawley, Western Australia.

### AGENDA

#### ORDINARY BUSINESS

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##### 1. FINANCIAL STATEMENTS AND REPORTS – 1 JULY 2017 TO 30 JUNE 2018

To receive and consider the annual financial statements and reports of the Directors and the auditors for the year ended 30 June 2018.

**Note:** There is no requirement for Shareholders to approve these reports.

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##### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

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, the Remuneration Report as set out in the Annual Report dealing with the remuneration of the Company's Directors and senior executives be adopted.*

**Note:** This Resolution 1 shall be determined as if it were an ordinary (majority) resolution, but under section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors of the Company.

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 1 by or on behalf of any member of the Key Management Personnel of the Company whose remuneration is included in the Remuneration Report, or a closely related party of such member.

However, the Company will not disregard any votes cast on Resolution 1 by such person if:

- (a) the person is appointed as a proxy by writing and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair of the Meeting and their appointment expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you are a member of the Key Management Personnel of the Company or a closely related party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out 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.

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##### 3. RESOLUTION 2: ELECTION OF DIRECTOR – MR CAMERON REYNOLDS

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

*That, for the purposes of Listing Rule 14.4 and clause 12.7 of the Constitution, Mr Cameron Reynolds, who was appointed since the last annual general meeting and being eligible for election, is elected as a Director.*

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4. **RESOLUTION 3: ELECTION OF DIRECTOR – MR ANTONIO (TONY) VARANO**

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

*That, for the purposes of Listing Rule 14.4 and clause 12.7 of the Constitution, Mr Antonio (Tony) Varano, who was appointed since the last annual general meeting and being eligible for election, is elected as a Director.*

**SPECIAL BUSINESS**

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5. **RESOLUTION 4: APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY**

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

*That, for the purpose of Listing Rule 7.1A and for all other purposes, 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, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.*

**Voting exclusion:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any person who may participate in the proposed issue of Equity Securities under the Additional 10% Placement Facility or any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if Resolution 4 is passed, and any person associated with those persons.

However, the Company will not disregard any votes cast on Resolution 4 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chair of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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6. **RESOLUTION 5 – APPROVAL TO INCREASE AGGREGATE FEE POOL FOR NON-EXECUTIVE DIRECTORS**

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

*That, for the purpose of Listing Rule 10.17, the Company's Constitution and for all other purposes, the aggregate amount of fees that may be paid to non-executive Directors as a whole be increased from \$250,000 to an aggregate of \$400,000 per annum, effective from 1 July 2018.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any Director of the Company, and any person associated with the Directors. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy, appointed in writing that specifies how the Proxy is to vote on the resolution, for a person who is entitled to vote, and it is not cast on behalf of any Director and any associate of any Director; or
- (b) it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Company will disregard any votes cast on Resolution 5 by any member of the Key Management Personnel of the Company, or a closely related party of such member, acting as proxy if their appointment does not specify the way the proxy is to vote on Resolution 5. However, the Company will not disregard any votes cast on Resolution 5 by such person if:

- (a) the Proxy Form specifies how the proxy is to vote on the resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this resolution as described above; or

- (b) the person is the Chair of the Meeting voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though the resolution is connected with the remuneration of the Key Management Personnel of the Company.

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## 7. RESOLUTION 6 – HOLDING A SPILL MEETING (CONTINGENT RESOLUTION)

**Condition for Resolution 6:** Resolution 6 will be considered at the Meeting only if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report. The Explanatory Statement further explains the circumstances in which Resolution 6 will be put to the Meeting.

If the condition (described above) is satisfied, to consider, and if thought to fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*That, as required by section 250V of the Corporations Act:*

- (i) *another meeting of Shareholders be held within 90 days of the date of this Meeting (the **Spill Meeting**);*
- (ii) *all of the Company's Directors at the time of the Spill Meeting who:*
  - (A) *were Directors when the resolution to make the Directors' Report for the financial year ended 30 June 2018 (considered at this Meeting) was passed; and*
  - (B) *are not a managing director of the Company, who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office,*
  - (C) *cease to hold office immediately before the end of the Spill Meeting; and*
- (iii) *resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting."*

**Voting exclusion:** The Company will disregard any votes cast on Resolution 6 by any member of the Key Management Personnel of the Company whose remuneration is included in the Remuneration Report, or a closely related party of such member. However, the Company will not disregard any votes cast on Resolution 6 by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair of the Meeting voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though Resolution 6 is connected with the remuneration of the Key Management Personnel of the Company.

## EXPLANATORY STATEMENT

The Explanatory Statement accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of Annual General Meeting and Explanatory Statement.

## PROXIES

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Proxy Forms must be received by the Company no later than 10.00am (WST) on Tuesday, 23<sup>rd</sup> October, 2018.

Proxy Forms received after this time will be invalid.

## CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative.

## "SNAP-SHOT" TIME

The Company may specify a time, not more than 48 hours before the Meeting, at which a "snap-shot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Company's directors have determined that all Shares of the Company that are quoted on ASX at 4.00pm (WST) on Tuesday, 23<sup>rd</sup> October, 2018 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

## BY ORDER OF THE BOARD OF DIRECTORS



Jeffrey Edwards  
Director  
OBJ Limited

20<sup>th</sup> September 2018

*The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2018 Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the preceding Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

### FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the annual financial report, directors' report and the auditor's report (**Annual Financial Statements**) to be received and considered at the Annual General Meeting. The Annual Financial Statements for the Company for the year ending 30 June 2018 will be laid before the Meeting. The Annual Financial Statements are included in the Company's 2018 Annual Report, a copy of which can be accessed on-line at [www.obj.com.au](http://www.obj.com.au). Alternatively, a hard copy will be made available on request.

There is no requirement for Shareholders to approve the Annual Financial Statements. However, the chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. The Company's auditor, RSM Australia Partners, will be present at the Annual General Meeting and Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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

- the preparation and content of the Auditor's Report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 10.00am (WST) on Thursday, 18<sup>th</sup> October, 2018 to:

John J Palermo  
Company Secretary  
OBJ Limited  
Level 1, 284 Oxford Street  
Leederville WA 6007

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## 1. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

### 1.1 Background

The Company's Remuneration Report for the year ended 30 June 2018 is set out in the Annual Report and is also available on the OBJ website at [www.obj.com.au](http://www.obj.com.au).

The Remuneration Report includes an explanation of the Company's remuneration policies and the remuneration arrangements in place for Directors and certain senior executives whose remuneration arrangements are required by law to be disclosed. By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 30 June 2018.

As required by section 250R(2) of the Corporations Act, a non-binding resolution to adopt the Remuneration Report is to be put to Shareholders at the Meeting. The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, the Corporations Act sets out a "two strikes" re-election process. Under the "two strikes" re-election process, if the Company's Remuneration Report receives a "no" vote of 25% or more of all votes cast at two consecutive annual general meetings (that is, "two strikes"), a resolution (the **Spill Resolution**) must be put to the second annual general meeting, requiring Shareholders to vote on whether the Company must hold another general meeting (known as the **Spill Meeting**) to consider the appointment of all of the Directors who must stand for re-appointment (other than the Managing Director).

If the Spill Resolution is approved at the annual general meeting by a simple majority of 50% or more of the eligible votes cast, the Spill Meeting must be held within 90 days of that second annual general meeting (unless none of the Directors, other than the Managing Director, stand for re-appointment).

At the 2017 annual general meeting, 25% or more of the votes cast in respect of the 30 June 2017 remuneration report were against the adoption of the 30 June 2017 remuneration report.

Accordingly, if at least 25% of the votes cast in respect of the Remuneration Report are against the adoption of the Remuneration Report, the Spill Resolution will be put to the Meeting as the final item of business (see Resolution 6 below).

Further detail is included in the Explanatory Statement to the Spill Resolution (see Resolution 6 below).

### 1.2 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

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## 2. RESOLUTION 2: ELECTION OF DIRECTOR – CAMERON REYNOLDS

### 2.1 Background

Cameron Reynolds was appointed Director of the Company on 2 July 2018. In accordance with Listing Rule 14.4 and clause 12.7 of the Constitution, the appointment of a Director will hold office only until the next meeting of members at which time he or she will be eligible for re-election. Shareholder approval for the election of Cameron Reynolds is being sought for this reason. Further details about Mr Reynolds are set out in the Company's announcement to ASX on 26 June 2018 and Annual Report.

### 2.2 Directors' Recommendation

The Directors, (other than Mr Reynolds), unanimously recommend that Shareholders vote in favour of Resolution 2.



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### **3. RESOLUTION 3: ELECTION OF DIRECTOR – ANTONIO (TONY) VARANO**

#### **3.1 Background**

Antonio (Tony) Varano was appointed Director of the Company on 15 May 2018. In accordance with Listing Rule 14.4 and clause 12.7 of the Constitution, the appointment of a Director will hold office only until the next meeting of members at which time he or she will be eligible for re-election. Shareholder approval for the election of Antonio (Tony) Varano is being sought for this reason. Further details about Mr Varano are set out in the Company's announcement to ASX on 7 May 2018 and Annual Report.

#### **3.2 Directors' Recommendation**

The Directors, (other than Mr Varano), unanimously recommend that Shareholders vote in favour of Resolution 3.

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### **4. RESOLUTION 4: APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY**

#### **4.1 Listing Rule 7.1A**

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

An eligible entity for the purposes of 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, as at the time of the entity's annual general meeting. The Company is an eligible entity as at the time of this Notice of Annual General Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting.

Resolution 4 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the Annual General Meeting. The effect of Resolution 4 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the period set out below.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see section 4.2(2) below).

The Company is seeking a mandate to issue Equity Securities under the Additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

#### **4.2 Regulatory Requirements**

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

##### **1. Minimum Issue Price**

Equity Securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities, being Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the volume weighted average price for securities in the same class calculate over the 15 trading days on which trades in that class were recorded immediately before:

- i) the date on which the Equity Securities are issued; or
- ii) the date on which the price of Equity Securities is agreed, provided that the issue is thereafter completed within 5 business days.

## 2. Dilution

As at the date of this Notice of Annual General Meeting, the Company has 1,809,462,635 Shares on issue. If Shareholders approve Resolution 4, the Company will have the capacity to issue approximately 180,946,264 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise 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 following formula:

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

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- i) plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- ii) plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- iii) plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4;
- iv) less the number of fully paid ordinary 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 Rule 7.1 or 7.4.

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below to the extent Shareholders do not receive any Shares under such issues. There is a risk that:

- i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

The below table 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 of Annual General Meeting.

The below table also shows:

- i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of fully paid ordinary securities the Company has on issue. The number of fully paid ordinary securities on issue may increase as a result of issues of fully paid 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 Shareholders' meeting; and

- ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.012 50% decrease in Issue Price	\$0.024 Issue Price	\$0.036 50% increase in Issue Price
<b>Current Variable A</b> 1,809,462,635 Shares	Shares issued (10% voting dilution)	180,946,263 New Shares	180,946,263 New Shares	180,946,263 New Shares
	Funds raised	\$2,171,355	\$4,342,710	\$6,514,065
<b>50% increase in current Variable A</b> 2,714,193,953 Shares	Shares issued (10% voting dilution)	271,419,395 New Shares	271,419,395 New Shares	271,419,395 New Shares
	Funds raised	\$3,257,032	\$6,514,065	\$9,771,098
<b>100% increase in current Variable A</b> 3,618,925,270 Shares	Shares issued (10% voting dilution)	361,892,527 New Shares	361,892,527 New Shares	361,892,527 New Shares
	Funds raised	\$4,342,710	\$8,685,420	\$13,028,130

**The table has been prepared on the following assumptions:**

- Variable A is 1,809,462,635 being the number of ordinary securities on issue at the date of this Notice of Meeting.
- The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
- No Options are exercised into Shares before the date of issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- The table shows only the dilutionary effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the Additional 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price set out above of \$0.024 is the closing price of the Shares on ASX on 17 September 2018.

### 3. Issue Period

If Shareholders approve Resolution 4, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- i) the date that is 12 months after the date of the Annual General Meeting; and
  - ii) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),
- (the **Additional 10% Placement Period**).

The Company will only issue and allot Equity Securities under the Additional 10% Placement Facility during the Additional 10% Placement Period.

### 4. Purpose of Issues

The Company may seek to issue the Equity Securities for the following purposes:

- i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- ii) cash consideration. In such circumstances, the Company intends to use the funds raised for continued research and development expenditure on, and to ensure the Company is well capitalised for the advancement of, the Company's current products programs, including but not limited to the Bodyguard program and other musculoskeletal and pain management development programs, clinical development programs, intellectual property and technology expansion programs, and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A.

### 5. Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- i) the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issues in which existing security holders can participate;
- ii) the effect of the issue of the Equity Securities on the control of the Company;
- iii) the financial situation and solvency of the Company; and
- iv) advice from corporate, financial and broking advisers (if applicable).

The persons to whom the Company will issue Equity Securities under the Additional 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

### 6. Previous issues of Equity Securities under Listing Rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2017 annual general meeting held on 9 November 2017. No Equity Securities have been issued under this approval.

In the 12 months preceding this Notice of Annual General Meeting, the Company has issued 4,000,000 Equity Securities which represents 0.22% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of the Equity Securities issued in the 12 month period are outlined in Schedule 1 to this Notice of Meeting.

## **7. Voting exclusion statement**

A voting exclusion statement for Resolution 4 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed allottees of any Equity Securities under the Additional 10% Placement Facility are not as yet known or identified.

## **4.3 Board Recommendation**

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 4.

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## **5. RESOLUTION 5 – APPROVAL TO INCREASE AGGREGATE FEE POOL FOR NON-EXECUTIVE DIRECTORS**

### **5.1 Background**

Listing Rule 10.17 and clause 12.8 of the Company's Constitution provide that the maximum aggregate amount of the remuneration payable to non-executive Directors is to be determined by Shareholders in a general meeting.

The current maximum aggregate amount is \$250,000 per annum and includes superannuation guarantee contributions made by the Company in relation to the non-executive Directors.

This resolution seeks Shareholder approval to increase the maximum fees payable to non-executive Directors in each financial year from \$250,000 to \$400,000 in aggregate, to be apportioned between them as determined by Board resolution, or in the absence of a resolution, equally between them.

The proposed increase will allow for fee increases over the next 3 years. It is proposed that for the 2019 financial year, the Chairman be paid \$100,000 and each other non-executive Director be paid \$75,000 (inclusive in each case of superannuation guarantee contributions).

The reasons for the proposed increase are as follows:

- Based on the current composition of the Board, including the recent appointment of two new non-executive Directors, the total fees payable to non-executive Directors for the 2019 financial year will be approximately \$300,000; and
- The Directors believe that the fees offered by the Company to non-executive Directors need to remain competitive in order to continue to attract and retain competent and experienced directors.

The proposed increase to the non-executive Directors' fee pool is sought to provide for the Board's expansion and to allow for the Board to set fees in light of the future workload of non-executive Directors.

Details of the Board's policy in relation to setting non-executive Directors' fees and amounts paid to each Director for the year ending 30 June 2018 are set out in the Remuneration Report.

No securities have been issued to any of the non-executive Directors within the past three years pursuant to shareholder approval under Listing Rule 10.11 and 10.14.

### **5.2 Directors' Recommendation**

The Board unanimously recommend that Shareholders approve Resolution 5 for the reasons set out above.

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## **6. RESOLUTION 6 – SPILL RESOLUTION (CONTINGENT RESOLUTION)**

### **6.1 Background**

As discussed in the Explanatory Statement for Resolution 1 (Adoption of Remuneration Report), if at least 25% of the votes cast in respect of the adoption of the Remuneration Report are against the adoption of that report, the Spill Resolution (as defined in the Explanatory Statement to Resolution 1) will be put to the Meeting.

If less than 25% of the votes cast in respect of the adoption of the Remuneration Report are against the adoption of that report, the Spill Resolution will be withdrawn and not be put to the Meeting.

If the Spill Resolution is put to the Meeting and passed, the Company will be required to hold the Spill Meeting within 90 days after the Spill Resolution is passed. All of the Company's Directors who were Directors at the time when the resolution to make the Directors' Report was passed (excluding any Managing Director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office) cease to hold office immediately before the end of the Spill Meeting and may stand for re-election at the Spill Meeting.

Shareholders will be able to put forward their own nominees for consideration at the Spill Meeting.

The vote on Resolution 6 will be by way of poll, if it is required to be put to the Meeting.

### **6.2 Board comment and recommendation**

Shareholders should be aware that if a Spill Meeting is required to be convened, this will result in the Company incurring material additional expense in conducting a meeting as well as potential disruption to the running of the Company as a result of management distraction, the logistics involved in organising the Spill Meeting and the diversion of resources. This course of action should therefore be considered extremely carefully by Shareholders.

Further, Shareholders should note that, although voting exclusions apply in respect of the Spill Resolution (refer to the Notice of Annual General Meeting preceding this Explanatory Statement):

- (a) there are no voting exclusions applicable to the resolutions appointing Directors at the subsequent Spill Meeting. Accordingly there is no barrier for the existing major Shareholders exercising their voting rights to support the reappointment of the existing Directors at the subsequent Spill Meeting; and
- (b) if the Spill Resolution is passed, each of the outgoing Directors intends to stand for re-election at the Spill Meeting and to vote their own shares in support of their re-appointment.

The Board unanimously recommends that Shareholders vote against Resolution 6, if it is required to be put to the Meeting.

The Chair of the Annual General Meeting intends to vote all undirected proxies against Resolution 6, if it is required to be put to the Meeting.

## GLOSSARY

In these Notice of Meeting, Explanatory Statement and Schedules, each of the following terms have the following meanings unless the context otherwise requires:

<b>\$</b>	Australian dollars.
<b>Additional 10% Placement Facility</b>	has the meaning in section 4.1 of this Explanatory Statement.
<b>Annual Financial Report</b>	the Company's financial report contained in the Company's Annual Report.
<b>Annual Report</b>	the Company's annual report dated 14 September 2018.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited or the securities market operated by the ASX Limited (as the context requires).
<b>Auditor's Report</b>	the auditor's report contained in the Company's Annual Report.
<b>Board</b>	board of Directors of the Company.
<b>Chair</b>	chair of the meeting.
<b>Company or OBJ</b>	OBJ Limited ABN 72 056 482 636.
<b>Constitution</b>	constitution of the Company.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	director of the Company and Directors has a corresponding meaning.
<b>Directors' Report</b>	the Directors' report contained in the Company's Annual Report.
<b>Equity Securities</b>	has the meaning given to that term in the ASX Listing Rules.
<b>Explanatory Statement</b>	the explanatory statement accompanying the Notice of Meeting.
<b>Key Management Personnel</b>	key management personnel of the Company (as defined in Section 9 of the Corporations Act).
<b>Listing Rules or ASX Listing Rules</b>	the official listing rules of ASX.
<b>Meeting or Annual General Meeting</b>	the annual general meeting of the Company convened pursuant to this Notice of Meeting.
<b>Notice of Meeting or Notice of Annual General Meeting</b>	this notice of Annual General Meeting.
<b>Option</b>	an option to subscribe for a Share.
<b>Proxy Form</b>	the proxy form enclosed with this notice of Annual General Meeting.
<b>Remuneration Report</b>	the report contained in the Directors' Report dealing with the remuneration of the Company's Directors and Senior Executives for the year ended 30 June 2018.
<b>Resolution</b>	a resolution contained in this Notice of Annual General Meeting.
<b>Share</b>	fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	holder of a Share.
<b>WST</b>	Australian Western Standard Time.

## SCHEDULE 1: PREVIOUS ISSUES OF EQUITY SECURITIES UNDER LISTING RULE 7.1 OR 7.1A

### DETAILS OF EQUITY SECURITIES ISSUED IN THE 12 MONTHS PRIOR TO THE DATE OF THE ANNUAL GENERAL MEETING

Issue Date	Number	Type	The persons to whom the Equity Securities were issued or the basis on which those persons were determined	Issue Price	Discount to market price at issue date	Funds raised	Use of Funds
11/05/2018	4,000,000	Shares <sup>1</sup>	A nominated entity of Mr Antonio Varano	\$0.025	Nil	\$100,000	Working capital.

**Notes:**

1. Shares to rank equally with existing listed ordinary shares



Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Name (if different from above):

Appointment of Proxy

I/We being a shareholder/s of OBJ Limited and entitled to attend and vote hereby appoint

☐

The Chair of the meeting (mark with an 'X')

OR

Write here the name of the person you are appointing if this person is **someone other than** the Chair of the Meeting.

or failing the person named, or if no person is named, the Chair of the Meeting, as my/our proxy to attend and 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, as the proxy sees fit) at the Annual General Meeting of OBJ Limited to be held in the **Formal Dining Room, University Club of Western Australia, Hackett Entrance #1, Hackett Drive, Crawley, Western Australia on Thursday, 25<sup>th</sup> October 2018 at 10.00am WST**, including to vote or abstain as my/our proxy thinks fit in respect of any procedural resolution, and at any adjournment of that Meeting.

**Chair authorised to exercise proxies on remuneration related matters (Resolutions 1, 5 and 6)** If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default, by signing and submitting this form I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of Resolutions 1, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5 and 6 are connected directly or indirectly with the remuneration of a member of Key Management Personnel for OBJ Limited, which includes the Chair.

**The Chair of the Meeting intends to vote undirected proxies in favour of all Resolutions** If you have appointed the Chair of the Meeting as your proxy (or the Chair of the Meeting becomes your proxy by default), and you wish to give the Chair specific voting directions on an item, you should mark the appropriate box opposite those items below (directing the Chair to vote for, against, or to abstain from voting).

Voting directions to your proxy – please mark ☒ to indicate your directions

Ordinary Business

	For	Against	Abstain*
Resolution 1 - Adoption of Remuneration Report (non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Election of Director – Mr Cameron Reynolds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Election of Director – Mr Antonio (Tony) Varano	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval to increase aggregate fee pool for Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Holding a Spill Meeting (Contingent Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Appointment of a second proxy (see instructions overleaf)

%

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

## How to complete this Proxy Form

### 1 Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. **Please note that you cannot change ownership of your securities using this form.**

### 2 Appointment of a Proxy

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chair of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a Shareholder of the Company. Completion of a Proxy Form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.

### 3 Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

If you direct your proxy how to vote validly in accordance with these instructions and your proxy fails to either attend the Meeting or vote on any directed Resolution, the Chair of the Meeting is taken to have been appointed as the proxy for the purposes of voting on that Resolution at the Meeting and must vote in accordance with your proxy.

### 4 Voting entitlements

In accordance with the Corporations Act, the Company has determined that the Shareholding of each person for the purpose of determining entitlements to attend and vote at the Meeting will be the entitlement of that person set out in the Company's share register as at 4.00pm (WST) on Tuesday, 23<sup>rd</sup> October, 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### 5 Voting in person

A Shareholder that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please bring the attached Proxy Form to the Meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the Meeting to facilitate this registration process.

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with Section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

### 6 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning John Palermo on (08) 9443 3011 or you may photocopy this form. To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

### 7 Signing Instructions

You must sign this form as follows in the spaces provided:

- |                    |  |
|--------------------|--|
| Individual:        | where the holding is in one name, the holder must sign.  |
| Joint Holding:     | where the holding is in more than one name, all of the Shareholders sign.  |
| Power of Attorney: | to sign under Power of Attorney, you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place. |

### 8 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting i.e. no later than 10.00am (WST) on Tuesday, 23<sup>rd</sup> October, 2018. Any Proxy Form received after that time will not be valid for the scheduled meeting.

**This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's Share Registry office at Automic Registry Services Level 2, 267 St George's Terrace, Perth, WA, 6000.**