

**Scantech Limited**

ACN: 007 954 627

# **Notice of Annual General Meeting and Explanatory Memorandum**

**Date of Meeting**

20 November 2014

**Time of Meeting**

11.00 am (Adelaide time)

**Place of Meeting**

SCANTECH LIMITED

143 Mooringe Avenue

Camden Park SA 5038

# SCANTECH LIMITED

ACN 007 954 627

## NOTICE OF ANNUAL GENERAL MEETING

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Notice is HEREBY GIVEN that the Annual General Meeting of Scantech Limited ('the Company') will be held at the offices of the Company located at 143 Mooringe Avenue, Camden Park, South Australia on Thursday, 20 November 2014 commencing at 11:00 am (Adelaide time).

An Explanatory Memorandum in relation to the items of business to be dealt with at the Annual General Meeting accompanies this Notice of Meeting.

## BUSINESS

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### 1. Chairman's Address

### 2. Annual Report and Accounts

To receive and consider:

- the annual financial report;
- the Directors' Report; and
- the Auditor's report

in respect of the financial year ended 30 June 2014.

### 3. Re-election of Director

#### Resolution 1 – Re-election of Mr Peter Pedler as a Director

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

*"To re-elect as a Director of the company Mr Peter Pedler who, having retired in accordance with Sub-Clause 32.4.1 of the Company's Constitution, and being eligible, offers himself for re-election in accordance with Sub-Clause 32.4.5 of the Company's Constitution."*

### 4. Remuneration Report

#### Resolution 2 – Adoption of Remuneration Report

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

*"To adopt the Remuneration Report as set out on pages 12 to 19 of the Annual Report for the year ended 30 June 2014."*

Note that the vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

## 5. Board Spill Meeting Resolution

**Note: This Resolution will only be proposed if at least 25% of the votes cast on Resolution 2 are cast against the Resolution.**

### Resolution 3 – Board Spill Meeting Resolution

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

*“That:*

- (a) a general meeting of the Company (the ‘Spill Meeting’) be held within 90 days of the passing of this Resolution;*
- (b) all of the Directors that were in office at the time of the Board resolution being passed to approve the Director’s report for the financial year ending 30 June 2014 excluding the Company’s Managing Director (David Lindeberg), who remains in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting pursuant to paragraph (b) above will be put to the vote of shareholders at the Spill Meeting.”*

### **Voting Exclusion Statement**

The Corporations Act provides that a vote on Resolution 2 (Adoption of Remuneration Report) or Resolution 3 (Board Spill Meeting Resolution) must not be cast (in any capacity) and the Company will disregard any votes cast on those Resolutions by or on behalf of:

- (a) a member of the Key Management Personnel (which includes any Director), the details of whose remuneration are included in the Remuneration Report; and
- (b) a Closely Related Party (such as close family members and any controlled companies) of those persons.

The Explanatory Memorandum includes important information in relation to the voting of proxies on Resolution 2 and Resolution 3.

However, a person described above may cast a vote on Resolution 2 or Resolution 3 if the vote is not cast on behalf of a person described above and either:

- (a) the voter does so as a proxy appointed in writing that specifies how the proxy is to vote on the Resolution; or

- (b) the person voting as a proxy is the Chair of the meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way in which the Chair is to vote on the Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'V. Steer'.

V Steer  
Company Secretary

DATED: this 9th October 2014.

## Voting Information

### 1. Shareholders may vote at the Annual General Meeting by:

- Attending in person or by attorney or appointing a proxy (for individuals and joint holders)
- Appointing a proxy or corporate representative (for companies)

### 2. Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that the shareholding of each shareholder for the purpose of ascertaining voting entitlements for the Annual General Meeting will be as it appears on the share register at 7 pm (Adelaide time) on Tuesday, 18 November 2014.

### 3. Registration

All shareholders must be registered prior to the meeting. Please present the Proxy Form accompanying this Notice at the registration desk at the meeting to assist with registration.

### 4. Proxies

Pursuant to Sub-Clause 31.1.10 of the Company's Constitution, if you are entitled to attend and vote at the Annual General Meeting, you may appoint a proxy to vote on your behalf. A proxy does not need to be a shareholder and can be either an individual or a body corporate. A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise (see Appointing a Second Proxy on the back of the Proxy Form). If no proportion is specified, then each proxy may exercise one-half of the shareholder's votes.

To record a valid vote, shareholders will need to complete and lodge the Proxy Form (and the power of attorney or other authority (if any) under which it is signed, or a certified copy of it) at the share register of the Company, Computershare Investor Services Pty Ltd. Please complete and forward the Proxy Form to Computershare Investor Services Pty Limited:

- by post at the following address:

Computershare Investor Services Pty Limited  
GPO Box 242  
MELBOURNE VIC 3001

OR

- by facsimile on:

1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);

OR

- for Intermediary Online subscribers only (custodians), cast the shareholder's vote online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com),

so that it is received by no later than **11.00 am (Adelaide time) on Tuesday, 18 November 2014.**

If a shareholder wishes to direct the proxy/proxies how to vote on any item, a mark should be placed in the appropriate box and the total shareholding will be voted in that manner. A single proxy exercises all voting rights. If the shareholder desires, the voting direction can be split by inserting the number of shares to be voted next to the appropriate box. The vote will be invalid if a mark (other than a number of shares) is made in more than one box for a particular item or if the total shareholding shown in the "FOR", "AGAINST" and "ABSTAIN" boxes is more than the total shareholding on the register.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a member of Key Management Personnel or any of their Closely Related Parties is appointed as a proxy and is not directed how to vote, the proxy may only vote on Resolution 2 or Resolution 3 (if Resolution 3 is put to the meeting) if the proxy is the Chair of the meeting and the appointment expressly authorises the Chair to exercise the proxy in his or her discretion, even if the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.

#### **5. Corporate Representatives**

A shareholder that is a company and has appointed a corporate representative to vote on its behalf at the meeting must either forward evidence of the appointment to the Company's share registry, Computershare Investor Services Pty Limited, or present that evidence at the registration desk on the day of the meeting. A Certificate of Appointment of Corporate Representative can be obtained by contacting Computershare, whose contact details are set out on the Proxy Form. A company's appointed representative should also present a copy of the Proxy Form accompanying this Notice at the registration desk on the day of the meeting.

#### **6. Signing a Proxy**

The Proxy Form must be signed by the shareholder or the shareholder's attorney, duly authorised in writing (and the power of attorney or other authority (if any) under which it is signed, or a certified copy of it, must be provided to the share register with the Proxy Form). In the case of joint holders, the Proxy Form may be signed by any one holder. If the shareholder is a corporation, the Proxy Form must be signed in accordance with the corporation's constitution and (if applicable) the Corporations Act or by its duly authorised attorney or representative.

#### **7. Further Information**

If you require further information, you should contact Computershare Investor Services Pty Limited. The contact details are on the Proxy Form.

## Explanatory Memorandum

This Explanatory Memorandum provides shareholders with information regarding the business to be conducted at the Annual General Meeting of the Company.

The Directors recommend shareholders read this Explanatory Memorandum in full before making a decision in relation to the Resolutions.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

### Annual Report and Accounts

Section 317 of the Corporations Act requires each of the Financial Report (which includes the annual financial statements and Directors' declaration), the Directors' Report and the Auditor's Report for the financial year ended 30 June 2014 to be laid before the Annual General Meeting.

The Company's Constitution also provides for these reports to be received and considered at that meeting.

These reports are not required to be formally approved by shareholders. These reports are included in the Annual Report.

An electronic copy of the Annual Report is available to download or view on the Company's website <http://www.asx.com.au/asxpdf/20140930/pdf/42skzdt6x2kzff.pdf>. The Annual Report, including the annual financial report, the Directors' Report and the Auditor's Report for the year ended 30 June 2014 has also been sent by post to those shareholders who have previously elected to receive a hard copy. Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on these reports and on the business, operations and management of the Company.

The Chair will also provide shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

### Re-election of Mr Peter Pedler as a Director

#### (Resolution 1)

Sub-Clause 32.4.1 of the Company's Constitution requires one-third of the Directors, or if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors, to retire from office at each Annual General Meeting.

Sub-Clause 35.1.10 of the Company's Constitution provides that the Managing Director is not subject to retirement by rotation.

The Constitution also provides that a Director must retire from office at the conclusion of the third Annual General Meeting or the third year after the Director was appointed, whichever is the longer.

Mr. Peter Pedler retires by way of rotation in accordance with the requirements of Sub-Clause 32.4.1 of the Constitution and, being eligible, offers himself for re-election.

A description of Mr Pedler's experience, qualifications and competencies follows:

**Mr Peter Pedler**

Peter Pedler is a partner of leading Adelaide law firm Duncan Basheer Hannon. He practices in the fields of commercial and property transactions and agreements and advises on due diligence and Corporate Governance as well as statutory compliance and Corporations Act matters. Duncan Basheer Hannon provides legal services to Scantech on commercial terms and conditions and at market rates.

Peter has wide business experience and has been a Director of a number of companies involved in commerce, industry representation and the charity and not for profit sector. He is a Director of McCracken Properties Limited and Winegrapes Australia (WGA Holdings Pty Ltd).

Peter graduated from Adelaide Law School with honours in 1980 and was admitted as a legal practitioner in February 1981.

Peter Pedler was appointed to the Board as a Non Executive Director on 12 August 2003 and has served 11 years as a Scantech Director. He is considered by the Board to be an independent Director and is Chairman of the Board, Chairman of the Nominations Committee, a member of the Audit Committee and a member of the Remuneration Committee. The Board unanimously supports his re-election.

**The Directors (other than Peter Pedler) recommend that shareholders vote in favour of Resolution 1.**

**The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 1.**

## **Adoption of Remuneration Report**

### **(Resolution 2)**

Pursuant to section 250R(2) of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to a vote at the Annual General Meeting of the Company. The resolution is a non-binding ordinary resolution.

The Remuneration Report is set out on pages 12 to 19 of the Annual Report.

The Remuneration Report explains the Board policies in relation to the nature and level of the remuneration paid to Directors and sets out the remuneration arrangements between the Company and its Key Management Personnel in accordance with the requirements of the Corporations Act. The Key Management Personnel of the Company are the Directors, including the Managing Director, and the Company Secretary/Chief Financial Officer being the persons with the authority and responsibility for planning, directing and controlling the activities of the Company. Shareholders will be given a reasonable opportunity to ask questions and make comments on the Remuneration Report at the Annual General Meeting.

As a result of amendments to the Corporations Act, which came into effect on 1 July 2011, if at least 25% of the votes cast are against adopting the Remuneration Report at a company's Annual General Meeting and then again at the subsequent Annual General Meeting, that company will be required to put a resolution to shareholders at the subsequent Annual General Meeting to approve calling a general meeting to spill the Board (**Spill Resolution**).



If more than 50% of votes are cast in favour of the Spill Resolution, the company must convene a general meeting (**Spill Meeting**) within 90 days of the annual general meeting. The positions of all of the Directors who were in office when the Directors' report for the last financial year was approved, other than the Managing Director, will be made vacant and each Director will (if desired) need to stand for re-election at the Spill Meeting.

At the Company's 2013 Annual General Meeting, 45.16% of the votes were cast against the adoption of the 2013 Remuneration Report. Because the votes against the resolution exceeded 25% of the votes cast, the Company recorded what is known as a "first strike".

If (and only if) at the 2014 Annual General Meeting at least 25% of the votes are cast against the adoption of the Remuneration Report, the Company will receive a "second strike" and, in accordance with the Corporations Act, Resolution 3 will be required to be put to the Annual General Meeting. Further detail is included in respect of Resolution 3 below.

**The Directors unanimously recommend that shareholders vote in favour of Resolution 2.**

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

### **Board Spill Meeting Resolution**

#### **(Resolution 3)**

This Resolution will only be put to the 2014 Annual General Meeting if more than 25% of the votes cast on Resolution 2 are against the adoption of the 2014 Remuneration Report (that is, if the Company receives a "second strike"). Under these circumstances, Resolution 3 will be put to the 2014 Annual General Meeting in the usual course of business and voting will be conducted by poll.

If the Company receives a second strike and Resolution 3 is passed with more than 50% of votes cast in favour of the Resolution, the Company must hold the Spill Meeting within ninety (90) days of the 2014 Annual General Meeting and all the Directors, except the Managing Director, who were in office when the 2014 Directors' Report was approved (being Mr. Peter Pedler, Mr. Dean Brown and Mr. Laurance Brett), will cease to hold office and (if desired) will need to stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as Directors is approved will be the Directors of the Company.

Provisions in the Corporations Act ensure there are at least three Directors following the Spill Meeting, being the Managing Director and the two people who receive the highest proportion of votes in favour of their appointment at the Spill Meeting (even if this proportion is less than 50%).

**The Directors unanimously recommend that shareholders vote AGAINST Resolution 3.**

**The Chairman of the meeting intends to vote undirected proxies AGAINST Resolution 3.**

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

## **GLOSSARY**

**2014 Annual General Meeting** means the Annual General Meeting of the Company held on 20 November 2014.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

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

**Annual Report** or **2014 Annual Report** means the annual report of the Company for the year ended 30 June 2014.

**Auditor's Report** or **2014 Auditor's Report** means the Auditor's report to be included in the Company's Annual Report.

**Board** means the board of Directors of the Company.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of 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 dealings with the entity;
- (e) a company the member controls; or
- (f) a person prescribed as such by the Corporations Regulations 2001 (Cth);

**Company** means Scantech Limited ACN 007 954 627.

**Constitution** means the Company's constitution, as amended from time to time.

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

**Directors** means the Directors of the Company.

**Directors' Report** or **2014 Directors' Report** means the Directors' report to be included in the Company's Annual Report.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards as defined in section 9 of the Corporations Act (so the term 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.

**Notice** means this Notice of Annual General Meeting.

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

**Remuneration Report** means the remuneration report to be included in the Company's Annual Report.

**Resolution** means a resolution contained in this Notice.

# Scantech Limited

ABN 50 007 954 627

## Lodge your vote:



### 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](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 556 161  
(outside Australia) +61 3 9415 4000

## Proxy Form

For your vote to be effective it must be received by 11:00 am (Adelaide time) Tuesday 18 November 2014

### How to Vote on Items of Business

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

#### Appointment of Proxy

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

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

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

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**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](http://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.

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**



Review your securityholding



Update your securityholding

**Your secure access information is:**

**SRN/HIN:**



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

☐ **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

XX

I/We being a member/s of Scantech Limited hereby appoint

☐ the Chairman  
of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Scantech Limited to be held at the offices of the Company located at 143 Mooringe Avenue, Camden Park, South Australia on Thursday, 20 November 2014 at 11:00 am (Adelaide time) 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 **Items 2 and 3** (except where I/we have indicated a different voting intention below) even though **Items 2 and 3** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Item 3 where the Chairman of the Meeting intends to vote against.**

**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 **Items 2 and 3** 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.

**The Chairman of the Meeting intends to vote all available proxies in favour of the following items of business:**

1 Re-election of Mr Peter Pedler as a Director

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Adoption of Remuneration Report

**The Chairman of the Meeting intends to vote all available proxies against the following item of business:**

3 Board Spill Meeting Resolution

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Item 3 where the Chairman of the Meeting intends to vote against. 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 / /