
YOWIE GROUP LTD

ABN 98 084 370 669

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:30 am (WST)

DATE: 7 November 2016

PLACE: Holiday Inn Perth City Centre
778-788 Hay Street
Perth Western Australia

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6268 2640.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the annual general meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.30am (WST) on 7 November 2016, at:

Holiday Inn Perth City Centre
778-788 Hay Street
Perth Western Australia

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 11.30am (WST) on 5 November 2016.

VOTING IN PERSON

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

VOTING BY PROXY

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

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Sections 250BB and 250BC of the Corporations Act provide that:

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

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016.”

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

Voting Prohibition Statement:

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

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

However, the Company will not disregard a vote if it is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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 (even if the resolution is connected directly or indirectly with the remuneration of Key Management Personnel).

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PATRICIA FIELDS

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

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mrs Patricia Fields, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES – LR 7.1

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 26,688,287 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES – LR 7.1A

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,867,269 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

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

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – ISSUE OF EQUITY AWARDS TO DIRECTORS

To consider and, if thought fit, to pass each of the following resolutions as a separate **ordinary resolution**:

6.1 Executive Chairman – Mr Wayne Loxton

“That:

- (i) for the purposes of ASX listing rule 10.14, approval be given to the grant of 694,444 Performance Rights to the Executive Chairman, Mr Wayne Loxton, under the EIP, in accordance with the terms of the EIP as described in the Explanatory Statement; and
- (ii) for the purposes of section 200E of the Corporations Act, approval be given in specified circumstances for the pro rata vesting of the Performance Rights granted to Mr Loxton in the event of cessation of his employment as described in the Explanatory Statement.”

6.2 Executive Director – Ms Patricia Fields

“That:

- (i) for the purposes of ASX listing rule 10.14, approval be given to the grant of 347,222 Performance Rights to the Executive Director, Ms Patricia Fields, under the EIP, in accordance with the terms of the EIP as described in the Explanatory Statement; and
- (ii) for the purposes of section 200E of the Corporations Act, approval be given in specified circumstances for the pro rata vesting of the Performance Rights granted to Ms Fields in the event of cessation of her employment as described in the Explanatory Statement.”

6.3 Executive Chairman – Mr Wayne Loxton

“That for the purposes of ASX listing rule 10.14, approval be given to the grant of 694,444 Service Rights to the Executive Chairman, Mr Wayne Loxton, under the EIP, in accordance with the terms of the EIP as described in the Explanatory Statement.”

6.4 Executive Director – Ms Patricia Fields

“That for the purposes of ASX listing rule 10.14, approval be given to the grant of 347,222 Service Rights to the Executive Director, Ms Patricia Fields, under the EIP, in accordance with the terms of the EIP as described in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on Resolution 6 by:

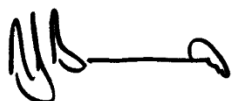
- (i) Mr Loxton and Ms Fields being the current directors of the Company, and eligible to participate in the EIP; and
- (ii) an associate of those persons.

However, the Company need not disregard a vote if:

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

DATED: 27 SEPTEMBER 2016

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'NB', followed by a horizontal line extending to the right and ending in a small loop.

**NEVILLE BASSETT
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the requirements of the Company's Constitution and the Corporations Act, the 2016 Annual Report will be tabled at the annual general meeting. Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report.

There is no requirement for a formal resolution on this item.

Representatives from the Company's auditors, BDO Audit (WA) Pty Ltd, will be present to take shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

Annual Report Online

Shareholders who have not elected to receive a hard copy of the Annual Report can access the report on the company's website at www.yowiegroup.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report for the year ended 30 June 2016 contains the Remuneration Report which sets out the remuneration policy for the Company and reports on the remuneration arrangements in place for the Directors and Key Management Personnel.

Resolution 1 is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

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

2.2 Voting consequences

If at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

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

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

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PATRICIA FIELDS

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

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

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

The Company currently has 3 Directors and accordingly 1 must retire.

Patricia Fields, the Director longest in office since her last election, retires by rotation and seeks re-election.

A summary of the qualifications and experience of Ms Fields is provided in the Annual Report.

All the Directors, except for Ms Fields, recommend that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 AND 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

4.1 Background

On 23rd May 2016 the Company issued a total of 35,555,556 Shares at an issue price of \$0.90 per Share, to selected sophisticated and professional investors, to raise \$32 million.

26,688,287 Shares were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1 and 8,867,269 Shares under the Company's additional 10% placement capacity under ASX Listing Rule 7.1A.

4.2 Resolution 3

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 26,688,287 Shares, to selected sophisticated and professional investors, without Shareholder approval under the Company's placement capacity under ASX Listing Rule 7.1.

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

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

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

4.3 Resolution 4

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 8,867,269 Shares, to selected sophisticated and professional investors, with Shareholder approval pursuant to the Company's placement capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the Company's previous annual general meeting held on 23 November 2015.

An eligible entity that has obtained Shareholder approval at its annual general meeting under ASX Listing Rule 7.1A may issue an additional 10% of the number of Shares on issue at the commencement of that 12 month period.

Where an eligible entity has issued equity securities under ASX Listing Rule 7.1A, those equity securities issued will not count towards the base number of Shares on which the 15% and 10% placement capacity is based until that issue has been ratified under ASX Listing Rule 7.4 (or 12 months has passed since their issue).

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

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 10% annual placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

In addition, the Company will increase the variable upon which the relevant placement capacity is based and therefore increase the number of securities that may be issued without the requirement to obtain prior Shareholder approval.

4.4 Technical information required by ASX Listing Rule 7.4

The information required to be provided to shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5. In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the issue of Shares under Resolutions 3 and 4:

- (a) 35,555,556 Shares were issued on the following basis:
 - (i) 26,688,287 Shares issued pursuant to ASX Listing Rule 7.1; and
 - (ii) 8,867,269 Shares issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.90 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to selected professional and sophisticated investors and to shareholders identified as having a long term commitment to the Company. No related party participated in the allotment of Shares; and
- (e) the funds raised from the issue will be used for working capital, in particular the continued roll-out of the Yowie product in the US.

5. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 5, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 7.2 below).

The effect of Resolution 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 Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

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

5.2 ASX Listing Rule 7.1A

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

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

- (a) is not included in the 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.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation (at the date of this Explanatory Statement) of \$142,396,938.

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

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 or 7.4; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

5.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) Minimum Price

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 6.3(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

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

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

(10% Placement Capacity Period).

(c) Risk of voting dilution

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

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the number of Equity Securities currently on issue.

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

Number of Shares on Issue	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.345 (50% decrease in issue price)	Funds raised based on issue price of \$0.69 (issue price)	Funds raised based on issue price of \$1.035 (50% increase in issue price)
206,372,375 (Current)	20,637,237	\$7,119,846	\$14,239,693	\$21,359,540
309,558,562 (50% increase)	30,955,856	\$10,679,770	\$21,359,540	\$32,039,310
412,744,750 (100% increase)	41,274,475	\$14,239,693	\$28,479,387	\$42,719,081

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

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 27 September 2016.
2. The issue price set out above is the closing price of the Shares on the ASX on 27 September 2016.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

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

(d) Purpose of Issue under 10% Placement Capacity

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

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of assets and investments (including expenses associated with such an acquisition) that the Directors consider could add to the Company's existing business, and or continued working capital expenditure for its on-going Yowie Business; and general working capital; or
- (ii) as 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.

(e) Allocation under the 10% Placement Capacity

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to a number of factors, including:

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

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing Shareholders and/or new investors 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 possible that the allottees under the 10% Placement Capacity will be the vendors of the new assets or investments.

(f) Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained approval under ASX Listing Rule 7.1A at its annual general meeting held on 23 November 2015.

In accordance with ASX Listing Rule 7.3A.6, the following information is provided to shareholders regarding the equity securities issued in the previous 12 months preceding the date of the Annual General Meeting (that is, 7 November 2016).

Listing Rule 7.3A.6(a)

The table below shows the total number of equity securities issued in the previous 12 months preceding the date of the annual general meeting and the percentage that those issues represent of the total number of equity securities on issue at the commencement of that 12 month period.

Total number of equity securities issued in the 12 months preceding the date of the meeting	57,827,315
Percentage that they represent of the total number of equity securities on issue at the commencement of that 12 month period	31.5%

Listing Rule 7.3A.6(b)

The tables below set out specific details for each issue of equity securities that have taken place in the 12 month period prior to the date of the annual general meeting.

Date of issue	23 May 2016
Number issued	35,555,556 fully paid ordinary shares
Summary of terms	Ordinary fully paid shares ranking equally with existing shares on issue.
Names of the persons who received securities or basis on which those persons were determined	To selected professional and sophisticated investors and to shareholders identified as having a long term commitment to the Company.
Price	90 cents per share
Discount to market price (if any)	2.3 cents per share
For cash issues	
Total cash consideration received	\$32,000,000
Amount of cash consideration spent	Nil
Use of cash consideration	N/A
Intended use for remaining amount of cash (if any)	Unspent funds \$32,000,000 Funds will be used for further business development and growth, and advance the ongoing rollout of the Company's Yowie products.
For non-cash issues	
Non-cash consideration paid	N/A
Current value of that non-cash consideration	N/A

Date of issue	Various
Number issued	16,584,437 fully paid ordinary shares
Summary of terms	Ordinary fully paid shares ranking equally with existing shares on issue.
Names of the persons who received securities or basis on which those persons were determined	Various holders of options – Exercise of options
Price	16,084,437 – 20 cents 500,000 – 23 cents
Discount to market price (if any)	N/A – Exercise of options
For cash issues	
Total cash consideration received	\$3,331,887
Amount of cash consideration spent	\$Nil
Use of cash consideration	N/A
Intended use for remaining amount of cash (if any)	Unspent funds \$3,331,887 Funds will be used for further business development and growth, and advance the ongoing rollout of the Company's Yowie products.
For non-cash issues	
Non-cash consideration paid	N/A
Current value of that non-cash consideration	N/A

Date of issue	Various
Number issued	2,055,000 unlisted options
Summary of terms	275,000 options (31/12/2017; \$0.766) 375,000 options (31/12/2017; \$0.90) 425,000 options (31/12/2017; \$1.05) 60,000 options (31/12/2017; \$1.15) 120,000 options (31/12/2017; \$1.25) 200,000 options (24/8/2018; \$1.51) 400,000 options (24/8/2018; \$1.63) 75,000 options (8/9/2018; \$1.40) 125,000 options (8/9/2018; \$1.51)
Names of the persons who received securities or basis on which those persons were determined	Selected employees/consultants of the Company.
Price	N/A
Discount to market price (if any)	N/A
For cash issues	
Total cash consideration received	N/A
Amount of cash consideration spent	N/A
Use of cash consideration	N/A
Intended use for remaining amount of cash (if any)	N/A
For non-cash issues	
Non-cash consideration paid	Issued to provide a performance linked incentive to selected employees / consultants.
Current value of that non-cash consideration	Nil

Date of issue	Various
Number issued	3,632,322 performance rights
Summary of terms	
Names of the persons who received securities or basis on which those persons were determined	Executive directors of the Company as approved by shareholders on 23 November 2015.
Price	N/A
Discount to market price (if any)	N/A
For cash issues	
Total cash consideration received	N/A
Amount of cash consideration spent	N/A
Use of cash consideration	N/A
Intended use for remaining amount of cash (if any)	N/A
For non-cash issues	
Non-cash consideration paid	Issued to provide a performance linked remuneration to executive directors.
Current value of that non-cash consideration	\$2,506,302

5.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

6. RESOLUTION 6 – ISSUE OF EQUITY AWARDS TO DIRECTORS

6.1 Introduction

Resolution 6 seeks Shareholder approval for the granting of:

- a) 694,444 Performance Rights to the Executive Chairman, Mr Wayne Loxton, under the EIP;
- b) 347,222 Performance Rights to the Executive Director, Ms Patricia Fields, under the EIP;
- c) 694,444 Service Rights to the Executive Chairman, Mr Wayne Loxton, under the EIP; and
- d) 347,222 Service Rights to the Executive Director, Ms Patricia Fields, under the EIP;

as well as Shareholder approval for the pro rata vesting of the Performance Rights granted to Mr Loxton and Ms Fields in the event that Mr Loxton or Ms Fields cease their employment in certain circumstances.

6.2 Why Shareholder approval is being sought

ASX Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without Shareholder approval, by ordinary resolution. The purpose of Resolutions 6.1 to 6.4 is to have Shareholders approve the proposed grant of Performance Rights and Service Rights to the Company's Executive Chairman and Executive Director, Mr Wayne Loxton and Ms Patricia Fields pursuant to the Company's employee share scheme, the YOW Equity Incentive Plan (the **EIP**), which was approved by shareholders in general meeting on 23 November 2015.

In addition, the Company seeks Shareholder approval pursuant to section 200E of the Corporations Act for the pro rata vesting of the Performance Rights granted to each of Mr Loxton and Ms Fields in the event that Mr Loxton or Ms Fields cease to be employed by the Company in limited circumstances, as specified in the terms of their invitations.

These circumstances include redundancy and death.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company if it is approved by shareholders under section 200E of the Corporations Act or an exemption applies. The term "benefit" may include the pro rata vesting of Performance Rights (**EIP Interests**) in the limited circumstances outlined above, where Mr Loxton or Ms Fields cease to be employed by the Company. This pro rata vesting of Mr Loxton and Ms Fields EIP interests, in those circumstances, may amount to the giving of a termination benefit requiring Shareholder approval, and as such, approval is sought for these purposes.

The number of EIP Interests that may vest on cessation of Mr Loxton or Ms Fields employment can be calculated by:

$$\frac{(\text{Date of Grant} - \text{Date of termination})(\text{in days})}{(\text{Date of Grant} - \text{Intended Vesting Date})(\text{in days})} \times \text{No. of EIP Interests held on cessation}$$

The value of the EIP Interests may be affected by:

- the market price of Company Shares at the time the employment ceases;
- the exercise price (if any) applicable to the EIP Interests;
- the performance against the performance hurdles at the time the employment ceases;
- the part of the service period has elapsed at the time the employment ceases; and
- the number of EIP Interests that lapse on cessation of employment.

6.3 Grant of EIP Interests to Mr Loxton and Ms Fields

The role and responsibilities of these Directors is material to the success of Yowie Group.

As outlined previously, Shareholder approval must be sought, in accordance with ASX Listing Rule 10.14, for the grant of EIP Interests to Mr Loxton and Ms Fields.

The Remuneration Committee have concluded that the remuneration for Mr Loxton and Ms Fields (including the proposed grants of EIP Interests) are reasonable and appropriate having regard to the circumstances of the Company and Mr Loxton and Ms Fields duties and responsibilities.

6.4 Resolution 6.1 and 6.2 – Issue of Performance Rights to Mr Loxton and Ms Fields

Maximum number of Performance Rights to be issued

If Shareholder approval is granted, the maximum number of Performance Rights that may be granted to Mr Loxton is 694,444 and to Ms Fields is 347,222.

The number of Performance Rights to be issued was determined based on the 5 day VWAP of YOW shares immediately after the release of preliminary results for the year ended 30 June 2016 on 31 August 2016.

Value of Performance Rights

The average value of these Performance Rights determined applying a conventional binomial approximation Performance Rights pricing model is \$0.69 per Performance Right, based on the following inputs as at 27 September 2016:

Risk-free rate: 1.41% (Derived from the 3 year Commonwealth Treasury Bond Rate)
Historical Volatility: 60.00% (based on the YOW closing share price for the previous 12 months)
Closing Share Price: \$0.69 (closing ASX price on 27 September 2016)
Exercise Price: \$0.00
Dividend Yield: 0.00% (based on actual dividends paid in the previous 12 months)

Price of Performance Rights

The Performance Rights will be granted at no cost to Mr Loxton and Ms Fields. Once the Vesting Conditions are met (or waived), the Performance Rights will be automatically exercised for nil consideration. Each Performance Right will convert to one Share.

Importantly, no value will be received by Mr Loxton and Ms Fields if the Performance Rights lapse prior to the vesting date.

Vesting Dates and Conditions

The Vesting Dates for the Performance Rights granted to Mr Loxton and Ms Fields will be 31 August 2019.

All Performance Rights will lapse 30 days after the relevant Vesting Date, unless lapsed earlier.

The Vesting Conditions for the Performance Rights is satisfaction of the following Performance Conditions and Service Condition:

Performance Conditions

The Performance Rights will vest on satisfaction of the following performance criteria over the period 1 July 2016 to 30 June 2019:

Category	Objective	Measure	Weighting
<u>Category 1</u> Achieve Financial targets for Strategic Plan FY2017 to FY2019	Achieve cumulative sales of 90m units. Gross margin minimum of 45%.	Volume gross revenue 90m units cumulative from FY2017 to FY2019. Gateway for LTI will be 80% or 72m units ^A . Gateway for Gross Margin will be 41% ^B .	70% Overall ^c (70% volume target, 30% Gross Margin target)
<u>Category 2</u> Create Shareholder Value	Increase the value of Yowie Brand as measured by market share increase in US market.	Increase in US distribution market share (AOC) measured by Nielsen (or equivalent market industry service provider) versus same measurement share level at July 2016. In US market double market share during the Strategic Plan period July 2017 to June 2019.	15%
<u>Category 3</u> International	Increase global market	Secure a trial, outside of the US market, with a retailer with not less than 10 outlets, for a minimum trial period of 4 weeks, resulting in the retailer ranging the Yowie product. Minimum of 6 new markets outside of the US market during the Strategic Plan period July 2017 to June 2019.	15%

A. Percentage of Performance Rights to vest – 49% overall

Unit Sales	% of Performance Rights to vest
Less than 72m units	None
Between 72m units (80% of target) and 81m units (90% of target)	Base 55% to maximum 75% interpolated vesting on a straight line basis between 72m units and 81m units.
Between 81m units (90% of target) and 90m units (100% of target)	Base 75% to maximum 100% interpolated vesting on a straight line basis between 81m units and 90m units.

B. *Percentage of Performance Rights to vest – 21% overall*

Gross Margin	% of Performance Rights to vest
Less than 41%	None
Between 41% and 45%	Base 70% to maximum 100% interpolated vesting on a straight line basis between 41% gross margin and 45% gross margin.
At least 45%	100%

C. In respect to Category 1 performance criteria, the overachievement of a target in one sub-category, calculated on an interpolated straight line basis, may be used to offset underachievement in the other sub-category, subject to the overall number of Performance Rights vesting not exceeding the total number available.

Service Condition:

Continuous employment, as defined in the EIP, from the grant date of the Performance Rights until the relevant Vesting Date. This condition means that the movement of Mr Loxton and/or Ms Fields to a Non-executive Director position during the period up to vesting does not cause the Performance Rights to become incapable of vesting.

Any Performance Rights which fail to meet the Vesting Conditions before the relevant Vesting Date shall immediately lapse.

6.5 Resolution 6.3 and 6.4 – Issue of Service Rights to Mr Loxton and Ms Fields

Background/reason for grant

The Board has determined that Mr Loxton and Ms Fields be eligible to receive Service Rights (or determined cash value) in respect of their achievements over the financial year ended 30 June 2016. The awarding of the Service Rights was conditional on the company achieving specific short-term incentive (STI) expansion targets over the period from the date of the last annual general meeting (23 November 2015) to 30 June 2016.

Maximum number of Service Rights to be issued

If Shareholder approval is granted, the maximum number of Service Rights that may be granted to Mr Loxton is 694,444 and to Ms Fields is 347,222, for value of \$500,000 and \$250,000 respectively.

The number of Service Rights to be issued was determined based on the 5 day VWAP of YOW shares immediately after the release of preliminary results for the year ended 30 June 2016 on 31 August 2016, being \$0.72.

In the event that shareholder approval is not received for the grant of the Service Rights, the value of the Service Rights as detailed above will be paid in cash.

Price of Service Rights

The Service Rights will be granted at no cost to Mr Loxton and Ms Fields.

Vesting Dates and Conditions

The Vesting Date for the Service Rights granted to Mr Loxton and Ms Fields will be one month after the date of this annual general meeting.

Each Service Right will convert to one Share.

All Service Rights will lapse 12 months after the relevant Vesting Date, unless lapsed earlier.

The STI conditions leading to the proposed grant of Service Rights were the satisfaction of the following Service Conditions:

Service Conditions:

The Service Rights will vest, subject to shareholder approval, if both of the following occurred between the date of the last annual general meeting (23 November 2015) to 30 June 2016:

- (a) the signing of three (3) additional accounts with a retailer with 100 or greater stores; and
- (b) the signing of at least two (2) license agreements with third parties for use of the Yowie chocolate delivery system.

These conditions were satisfied prior to 30 June 2016.

Service Condition:

Continuous employment, as defined in the EIP, from the grant date of the Performance Rights until the relevant Vesting Date. This condition means that the movement of Mr Loxton and/or Ms Fields to a Non-executive Director position during the period up to vesting does not cause the Performance Rights to become incapable of vesting.

6.6 Number of equity incentives issued under the EIP, persons entitled to participate in the EIP, the date that the Company will grant these equity securities and loans

The EIP, under which securities are proposed to be issued to Mr Loxton and Ms Fields, was adopted by shareholders on 23 November 2015. The Company has previously issued or granted securities under the EIP to Mr Loxton and Ms Fields as follows:

Mr Loxton

213,666 LTI performance rights expiring 30 September 2017, for nil consideration; 213,666 LTI performance rights expiring 30 September 2018, for nil consideration; and 1,709,328 achievement award performance rights expiring 1 March 2017, for nil consideration.

Each Performance Right, subject to satisfaction of performance conditions will convert to one Share.

In addition, Mr Loxton currently has vested but unexercised equity issued under the Employee Option Plan, as follows:

- 1,400,000 options granted 20 June 2013, exercisable at 28.5 cents each expiring 30 June 2017; and
- 1,000,000 options granted 28 November 2014, exercisable at 76.6 cents each expiring 31 December 2017.

Ms Fields

106,833 LTI performance rights expiring 30 September 2017, for nil consideration; 106,833 LTI performance rights expiring 30 September 2018, for nil consideration; and 1,281, 996 achievement award performance rights expiring 1 March 2017, for nil consideration.

Each Performance Right, subject to satisfaction of performance conditions will convert to one Share.

In addition, Ms Fields currently has vested but unexercised equity issued under the Employee Option Plan, as follows:

- 1,400,000 options granted 20 June 2013, exercisable at 28.5 cents each expiring 30 June 2017; and
- 1,000,000 options granted 28 November 2014, exercisable at 76.6 cents each expiring 31 December 2017.

Both Mr Loxton and Ms Fields have exercised 1,000,000 options each granted on 20 June 2013, exercisable at 23 cents each expiring 15 December 2015.

Subject to shareholder approval, it is anticipated that the EIP Interests proposed in resolutions 6.1 to 6.4 will be granted to Mr Loxton and Ms Fields shortly after the AGM. Irrespective of these intentions, grants of EIP Interests approved by shareholders under this resolution will be issued within 12 months of the date of this Meeting.

Finally, no loan will be provided by the Company in relation to the grant or exercise of the EIP Interests proposed to be issued to Mr Loxton and Ms Fields.

Other Conditions

Unvested EIP Interests may, in certain circumstances, vest early in accordance with the terms of the EIP Rules, and any Leaver's Policy that may apply from time to time, as approved by the Board.

EIP Interests cannot be transferred, disposed of, or have a security interest imposed over them without Board consent.

Any dealing in Shares is subject to the constraints of Australian insider trading laws and the Company's Share Trading Policy. Participants are specifically prohibited from hedging their Company share price exposure in respect of their EIP Interests during the vesting period.

On the occurrence of a Corporate Control Event (as defined in the Plan Rules), the Board will determine, in its sole and absolute discretion, the manner in which all unvested and vested EIP Interests will be dealt with.

If, in the Board's opinion Mr Loxton or Ms Fields have acted fraudulently or dishonestly or are in breach of their material obligations to the Company, the Board may determine that any or all of their EIP Interests which have not yet vested, lapse.

Directors' Recommendation

As stated in the Notice of Annual General Meeting, any vote cast in respect of this resolution by a member of the Board or KMP or any person who participates in the issue of EIP Interests, and their respective associates, will be disregarded, except as stated in the Notice of Annual General Meeting.

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

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

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

Company means Yowie Group Ltd (ABN 98 084 370 669).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

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

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

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

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

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 capital of the Company.

Shareholder means a holder of a Share.

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

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ACN 084 370 669


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Yowie Group Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:30am (WST) on Saturday, 5 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**
www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item 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 the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

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 the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

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, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the 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.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

PROXY FORM

I/We being a member(s) of Yowie Group Ltd and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:30am (WST) on Monday, 7 November 2016 at Holiday Inn Perth City Centre, 778-788 Hay Street, Perth Western Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 6.1, 6.2, 6.3 and 6.4: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 6.1, 6.2, 6.3 and 6.4, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6.4 Issue of Equity Awards to Directors: Executive Director – Ms Patricia Fields	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Patricia Fields	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Ratification of Prior Issue of Shares – LR 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Ratification of Prior Issue of Shares – LR 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6.1 Issue of Equity Awards to Directors: Executive Chairman – Mr Wayne Loxton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6.2 Issue of Equity Awards to Directors: Executive Director – Ms Patricia Fields	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6.3 Issue of Equity Awards to Directors: Executive Chairman – Mr Wayne Loxton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, 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.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

