



Empired Limited

ACN 090 503 843

Notice of Annual General Meeting and Explanatory Statement

**Annual General Meeting to be held at
Level 2, Meeting Room 8
Perth Convention and Exhibition Centre
21 Mounts Bay Road, Perth WA
on Tuesday, 29 November 2016
commencing at 11.00am (WST)**

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

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Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Empired Limited ACN 090 503 843 (**Empired or Company**) will be held at Level 2, Meeting Room 8 Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth WA, on Tuesday, 29 November 2016 commencing at 11.00am (WST).

AGENDA

Financial statements and report

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the Directors' report and the independent auditor's report.

Resolution 1 – Adoption of Remuneration Report

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

That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report contained in the Company's annual financial report for the year ended 30 June 2016 be adopted by the Company.

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

Resolution 2 – Re-election of Director – Richard Bevan

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

That Mr Richard Bevan, a Director who retires by rotation in accordance with article 6.3(b) of the Constitution and Listing Rule 14.4, and being eligible offers himself for re-election, is re-elected as a Director.

Resolution 3 – Approval to grant Performance Rights to Director - Russell Baskerville

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

That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 1,193,182 Performance Rights to Mr Russell Baskerville (or his nominee) under the LTI Plan on the terms and conditions set out in the Explanatory Statement.

Resolution 4 – Approval of Additional Placement Facility

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

That for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the number of fully paid ordinary securities of the Company on issue (at the time of issue) calculated in accordance with the formula set out in Listing Rule 7.1A.2 for a period of 12 months from the date of this Meeting on the terms and conditions set out in the Explanatory Statement.

Voting Exclusions

For the purposes of the Corporations Act and Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes on the following Resolutions cast by or on behalf of the following persons:

Resolution	Excluded Parties
Resolution 1	Members of Key Management Personnel whose remuneration is detailed in the Remuneration Report and their Closely Related Parties (which includes spouse, child, dependent, other family members and any controlled company).
Resolution 2	n/a
Resolution 3	Any Director who is eligible to participate in the Company's LTI Plan and Associates of those persons.
Resolution 4	A person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder if the resolution is passed, and any of their Associates.

However, the Company need not disregard a vote on Resolutions 1, 3 and 4 if it is cast by:

- the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the Chairman of 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.

In relation to Resolutions 1, 3 and 4, members of Key Management Personnel and their Closely Related Parties (other than the Chairman of the Meeting) may not vote as proxy if the appointment does not specify how the proxy is to vote. The Chairman of the Meeting may vote as proxy in accordance with an express authorisation on the Proxy Form.

By order of the Board of Directors

David Hinton
Company Secretary
19 October 2016

Proxy appointment and voting instructions

Voting eligibility – snapshot date

The Directors have determined that the persons eligible to attend and vote at the Annual General Meeting are those persons who are registered Shareholders at 11.00am (WST) on Sunday, 27 November 2016. Transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged no later than 11.00am (WST) on Sunday, 27 November 2016. Proxy Forms may be lodged:

Online: At www.investorvote.com.au

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

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

By mobile: Scan the QR Code on your proxy form and follow the prompts

Custodian voting: For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

Please write the name of the person you wish to appoint as your proxy in the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be appointed as your 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 on 1300 729 589 (within Australia) or +61 3 9415 4607 (outside Australia) or you may photocopy the Proxy Form.

To appoint a second proxy, you must state on each Proxy Form (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.

Directing your proxy to vote on Resolutions

You may direct your proxy how to vote by marking For, Against or Abstain for 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 the Resolutions 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 Resolutions, your proxy may vote as he or she chooses (except where a voting exclusion applies). If you mark more than one box on a Resolution your vote on will be invalid on that Resolution.

Voting restrictions that may affect your proxy appointment

Members of the Key Management Personnel (except for the Chairman) and their Closely Related Parties are not able to vote your proxy on Resolutions 1 (Adoption of Remuneration Report), and 3 (Approval to grant Performance Rights to a Director) unless you have directed them how to vote. This exclusion does not apply to the Chairman if his appointment as proxy expressly authorises him to vote on matters of Key Management Personnel remuneration.

If you intend to appoint the Chairman, a Director or any other member of Key Management Personnel or any of their Closely Related Parties as your proxy, you are encouraged to direct them how to vote on all the Resolutions.

How the Chairman will vote undirected proxies

At the date of this Notice, the Chairman intends to vote all undirected proxies FOR each of the Resolutions. In exceptional cases the Chairman's intentions may change subsequently and in this event, the Company will make an announcement to the market.

The Proxy Form expressly authorises the Chairman to exercise undirected proxies on all Resolutions including Resolutions 1 (Adoption of Remuneration Report) and 3 (Approval to grant Performance Rights to a Director) even though these Resolutions are connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry, Computershare Investor Services Pty Ltd, before the Meeting or at the registration desk on the day of the Meeting.

Defined terms

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

Questions from Shareholders

At the Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

Ms Carina Becker, Partner at Grant Thornton, as the auditor responsible for preparing the auditor's report for the year ended 30 June 2016 (or her representative) will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

In addition to asking questions at the Meeting, written questions to the Board about the management of the Company or the Remuneration Report, or to the Company's auditor about the content of the independent auditor's report or the conduct of the audit, may be submitted by no later than 11.00am (WST) on Monday, 11 November 2016.

By hand: Level 7, 1 William Street, Perth WA

By mail: PO BOX Z5439, St Georges Terrace, WA, 6831

By fax: +61 8 6333 2323

By email: david.hinton@empired.com

Explanatory Statement

This Explanatory Statement has been prepared to provide information to Shareholders about the business to be conducted at the Meeting.

1. Annual Financial Report

The Directors' report, independent auditor's report and the financial statements of the Company for the year ended 30 June 2016 will be tabled at the Meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the reports and the management of the Company.

2. Resolution 1 – Adoption of Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2016 is set out in the Company's Annual Report which is available at <http://www.empired.com>. The Remuneration Report sets out the remuneration arrangements for Directors and Key Management Personnel of the Company. The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report.

Shareholders will be asked to vote for the adoption of the Remuneration Report at the Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company. The Board will consider the outcome of the vote and comments made by Shareholders at the Meeting when reviewing the Company's remuneration policies.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") to determine whether another meeting be held within 90 days at which all of the Directors (other than the managing director) must go up for re-election.

At the Company's previous annual general meeting the votes against the remuneration report was less than 25% of the votes cast on the resolution. As such, Shareholders will not need to consider a spill resolution at this Meeting.

The Company encourages all Shareholders to cast their votes on Resolution 1 (Adoption of Remuneration Report).

2.1 Voting exclusions

The Company will disregard any votes cast on this Resolution by or on behalf of members of Key Management Personnel whose remuneration details are included in the Remuneration Report and any Closely Related Parties of those persons.

Key Management Personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year ended 30 June 2016. Their Closely Related Parties are defined by the Corporations Act and include certain of their family members, dependants and companies they control.

If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your undirected proxy on this Resolution in accordance with his stated intentions. The Chairman intends to vote all undirected proxies in favour of this Resolution.

If you appoint any other member of the Board, a member of senior management who is named in the Remuneration Report, or their Closely Related Parties as your proxy, they will not be able to vote your proxy on this Resolution unless you have directed them how to vote.

3. Resolution 2 – Re-election of Director – Richard Bevan

Under Listing Rule 14.4 and article 6.3 of the Constitution a director must not hold office without re-election past the third annual general meeting or three years following the director's last election or appointment, whichever is longer. A director who retires in accordance with these requirements is eligible for re-election.

Mr Bevan retires by rotation at this Meeting and, being eligible, offers himself for re-election.

Mr Bevan is a non-executive director and joined the board on 31 January 2008. He has experience in the execution and integration of mergers, acquisitions and other major corporate transactions at a senior management and CEO/MD level in ASX listed and private companies.

Mr Bevan has been involved in a number of businesses including healthcare, construction and engineering, resources and information services. He is currently Managing Director of Cassini Resources Limited and was previously a director of Metals of Africa Limited.

Directors' recommendation

The Directors (other than Mr Bevan) unanimously recommend the re-election of Mr Bevan.

4. Resolution 3 – Approval to grant Performance Rights to Director – Mr Russell Baskerville

4.1 Background

The Company seeks Shareholder approval for the grant of 1,193,182 Performance Rights to Mr Russell Baskerville (or nominee), the Company's Managing Director, under the Company's long term incentive plan (**LTI Plan**).

The proposed grant of Performance Rights forms part of the remuneration package for Mr Baskerville and is intended to:

- (a) provide an appropriate and adequate incentive for Mr Baskerville;
- (b) ensure the Company retains the services of Mr Baskerville; and
- (c) reinforce the commitment of Mr Baskerville as a Director.

4.2 Regulatory requirements

Listing Rule 10.14 generally provides that the approval of shareholders is required before a director of a company can acquire securities issued under an employee incentive scheme. Accordingly, in order for a Director to acquire a beneficial interest in the Performance Rights and any Shares which may be issued on the vesting of Performance Rights, the Company must first obtain Shareholder approval pursuant to Listing Rule 10.14.

Listing Rule 10.15 sets out a number of matters which must be included in a notice of meeting requesting shareholder approval under Listing Rule 10.14. In accordance with Listing Rule 10.15, the information in Sections 4.3 and 4.4 below is provided to Shareholders in relation to Resolution 3.

The grant of the Performance Rights will confer a financial benefit on Mr Baskerville. However, Shareholder approval is not being sought for the purposes of the related party benefit provisions of the Corporations Act (particularly section 208 of the Corporations Act) on the basis that the benefit is considered to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. Section 211 provides that shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the related party's circumstances.

Having considered the Company's circumstances and Mr Baskerville's position as Managing Director, the Board (other than Mr Baskerville) considers that the financial benefit conferred by the grant of the Performance Rights to Mr Baskerville is reasonable and therefore, the exception in section 211 applies.

4.3 Terms of Performance Rights offered to Mr Russell Baskerville

The terms of the Performance Rights proposed to be granted to Mr Baskerville, including the conditions on which the Performance Rights may vest, are set out in Annexure A. Apart from the terms set out in Annexure A, the Performance Rights will otherwise be subject to the rules of the LTI Plan.

In summary, the key terms of the Performance Rights proposed to be granted to Mr Baskerville are as follows:

- (a) The Performance Rights will be granted in 4 tranches, with vesting subject to the satisfaction of the applicable Performance Hurdles and Vesting Conditions:

	Number of Performance Rights	Performance Period	Vesting date
Tranche 1	238,636	2018 Financial year	30 August 2019
Tranche 2	238,636	2019 Financial year	30 August 2019
Tranche 3	477,274	1 July 2016 to 30 June 2019	30 August 2019
Tranche 4	238,636	1 July 2016 to 30 June 2019	30 August 2019

- (b) Tranches 1 and 2 of the Performance Rights are subject to "target" and "stretch" Performance Hurdles which will be satisfied if the Company's basic earnings per Share (calculated in accordance with AASB 133 "*Earnings per share*" (**EPS**) and adjusted for any abnormal costs or transaction costs) in respect of the Performance Period is greater than the Budget EPS for the financial year immediately preceding the relevant performance period by a set percentage. If a Performance Hurdle is satisfied, the Company will disclose the relevant EPS measure in its subsequent Remuneration Report.

- (c) Tranche 3 of the Performance Rights are subject to “target” and “stretch” Performance Hurdles which will be satisfied if the Company’s Total Shareholder Return (**TSR**), for the Performance Period reaches an upper percentile of the TSR of the constituents of the S&P/ASX 200 Industrials Index for the Performance Period. If a Performance Hurdle is satisfied, the Company will disclose the relevant TSR measure in its subsequent Remuneration Report.
- (d) Tranche 4 of the Performance Rights are subject to a Performance Hurdle which will be satisfied if the Company is successful in reaching a company sustainability measure as determined by the Board.
- (e) Unvested Performance Rights will automatically lapse if minimum Performance Hurdles are not achieved in respect to a particular Tranche.
- (f) Mr Baskerville will retain Performance Rights on a pro-rata basis if his engagement ceases due to death, permanent disablement, retirement, redundancy or voluntarily resignation. Performance Rights will not be forfeited if his engagement is taken up with a Related Body Corporate of the Company. Performance Rights will be forfeited if he is dismissed for a material breach of his contract of engagement, negligence or other conduct justifying termination.
- (g) Clawback provisions apply to unvested Performance Rights whereby, Performance Rights are cancelled if an event that existed at the time of grant or the satisfaction of a Performance Hurdle that, if known would reasonably have led the Directors to not grant the Performance Rights or not confirm satisfaction of a Performance Hurdle.
- (h) Performance Rights will vest if a Change of Control Event has occurred or is likely to occur or the occurrence of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX.
- (i) Each Performance Right entitles Mr Baskerville to receive, upon vesting, one Share. The Performance Rights are unquoted and non-transferable. The Performance Rights will not entitle Mr Baskerville to receive dividends on Shares before vesting and do not carry any voting rights.

4.4 Other information required by the Listing Rules

The following further information is provided in accordance with the requirements of the Listing Rules:

- (a) The Performance Rights will be issued to Mr Russell Baskerville, the Managing Director of the Company or his nominee.
- (b) The maximum number of securities that may be acquired by Mr Russell Baskerville is 1,193,182 Performance Rights which may then convert into 1,193,182 Shares if the Performance Hurdles and Vesting Conditions are met.
- (c) The Performance Rights will be granted for no cash consideration.
- (d) Shareholders last approved the grant of Performance Rights under Listing Rule 10.14 at the 2015 annual general meeting. Since that approval and as at the date of this Notice, a total of 444,915 Performance Rights have been issued under the LTI Plan to Mr Russell Baskerville for no cash consideration.

- (e) The persons entitled to participate in the LTI Plan are executive Directors and employees of the Company and its Related Bodies Corporate. Non-executive Directors are not entitled to participate in the LTI Plan.
- (f) There are no loans proposed to be granted to Mr Baskerville for the grant of the Performance Rights to him.
- (g) The Performance Rights will be granted as soon as practicable after the Meeting and in any event within 12 months of the Meeting.

4.5 Interests of Mr Russell Baskerville

Mr Baskerville has a material personal interest in the outcome of Resolution 3. In addition to the Performance Rights to be issued to Mr Baskerville pursuant to Resolution 3, Mr Baskerville has been engaged under an engagement agreement to provide services to the Company as Managing Director.

Under the terms of his engagement agreement, Mr Baskerville is presently entitled to an annual fixed remuneration of \$525,000, which is subject to review on an annual basis.

Set out below is a breakdown of Mr Baskerville's total remuneration package for the last two financial years and the current financial year:

Financial year	Fixed Remuneration	Short term benefits (cash)	Long term benefits (equity)	Total remuneration
2015	\$450,000	\$250,000	\$367,875	\$1,067,875
2016	\$525,000	\$262,500	\$262,500	\$1,050,000
2017	\$525,000	\$262,500	*\$393,750	\$1,181,250

*based upon 33 cents per Performance Right being the Empired share price on 1 July 2016.

Mr Baskerville currently has an interest in 8,650,000 Shares and 794,915 Performance Rights, held prior to the date of this Notice.

If all of the Performance Rights granted to Mr Baskerville pursuant to this Resolution are subsequently converted to Shares, Mr Baskerville will hold 9,843,182 Shares, being 8.0% of the Share capital presently on issue in the Company. This calculation does not take into account the potential vesting of 794,915 Performance Rights currently held by Mr Baskerville comprising 350,000 Performance Rights issued to Mr Baskerville in the 2015 financial year and 444,915 Performance Rights issued to Mr Baskerville in the 2014 financial year.

4.6 Directors' recommendation

The Directors (other than Mr Baskerville) recommend that Shareholders vote in favour of this Resolution.

4.7 Proxy voting restrictions

If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your undirected proxy on this Resolution in accordance with his stated intentions. The Chairman intends to vote all undirected proxies for this Resolution.

If you appoint any other member of the Board, a member of senior management who is named in the Remuneration Report, or their Closely Related Parties as your proxy, they will not be able to vote your proxy on this Resolution unless you have directed them how to vote.

5. Resolution 4 – Approval of Additional Placement Facility

Resolution 4 must be passed as a Special Resolution.

Listing Rule 7.1A permits eligible entities that have obtained the approval of shareholders by Special Resolution at an annual general meeting to issue an additional 10% of issued capital by way of placements over a 12 month period (**Additional Placement Facility**).

The Company is an eligible entity (being an entity with market capitalisation of \$300 million or less and which is not included in the S&P/ASX 300 index) and seeks Shareholder approval under this resolution for the Additional Placement Facility.

5.1 Requirements of Listing Rule 7.1A

(a) Quoted securities

Any equity securities issued under the Additional Placement Facility must be in the same class as an existing class of equity securities of the Company that are quoted on ASX. As at the date of this Notice, the Company has one class of equity securities quoted on ASX, being fully paid ordinary shares.

(b) Number of equity securities that may be issued

Listing Rule 7.1 permits the Company to issue 15% of issued capital over a 12 month period without shareholder approval. The Additional Placement Facility under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1. The effect of Shareholders passing this resolution is to allow the Company to issue up to 25% of its issued capital during the next 12 months without obtaining specific Shareholder approval beforehand.

The exact number of additional equity securities that the Company may issue under the Additional Placement Facility is not fixed but is calculated under a formula prescribed by the Listing Rules (set out below).

At the date of this Notice the Company has 122,217,982 Shares on issue. If Resolution 4 is passed as a Special Resolution, the Company will be permitted to issue (as at the date of this Notice):

- (i) 14,783,246 equity securities under Listing Rule 7.1 (15% placement capacity); and
- (ii) 11,995,317 equity securities under Listing Rule 7.1A (10% Additional Placement Facility).

(c) Formula for calculating the number of equity securities that may be issued under the Additional Placement Facility.

If this Resolution 4 is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of equity securities calculated in accordance with the following formula.

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

Where:

A	<p>The number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue:</p> <ul style="list-style-type: none"> • plus, the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2, • plus, the number of partly paid ordinary securities that became fully paid in the 12 months, • plus, the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4, • less the number of fully paid ordinary securities cancelled in the 12 months.
D	10%
E	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 issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

5.2 Information required under the Listing Rules

(a) *Minimum price*

The issue price of any equity security under the Additional Placement Facility will be no less than 75% of the VWAP for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within five trading days of the date above, the date on which the securities are issued.

(b) *Risk of economic and voting dilution*

If this resolution is passed and the Company issues securities under the Additional Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution including the risk that:

- the market price for equity securities in the same class may be significantly lower on the issue date of the new equity securities than on the date of this Meeting; and
- the new equity securities may be issued at a price that is at a discount to the market price for equity securities in the same class on the issue date or the new equity securities may be issued as consideration for the acquisition of a new asset.

The table below identifies the potential dilution to existing Shareholders following the issue of equity securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares. The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Variable A in Listing Rule 7.1A		Nominal issue price		
		\$0.435 (market price)	\$0.32625 (25% decrease in market price)	\$0.2175 (50% decrease in market price)
Current issued capital A = 119,953, 168 Shares	Shares issued under LR 7.1A	11,995,317	11,995,317	11,995,317
	Voting dilution	10%	10%	10%
	Funds raised	\$5,217,963	\$3,913,472	\$2,608,981
	Economic dilution	0%	2.27%	4.55%
50% increase in issued capital A = 179,929, 752 Shares	Shares issued under LR 7.1A	17,992,975	17,992,975	17,992,975
	Voting dilution	10%	10%	10%
	Funds raised	\$7,826,944	\$5,870,208	\$3,913,472
	Economic dilution	0%	2.27%	4.55%
100% increase in issued capital A = 239,906, 336 Shares	Shares issued under LR 7.1A	23,990,633	23,990,633	23,990,633
	Voting dilution	10%	10%	10%
	Funds raised	\$10,435,925	\$7,826,944	\$5,217,963
	Economic dilution	0%	2.27%	4.55%

This table has been prepared on the following assumptions:

- (i) the latest available market price of Shares as at 12 October 2016 was \$0.435;
- (ii) the Company issues the maximum number of equity securities available under the Additional Placement Facility;

- (iii) existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility;
- (iv) the Company issues Shares only and does not issue other types of equity securities (such as options) under the Additional Placement Facility; and
- (v) the impact of placements under Listing Rule 7.1 or following the exercise of options is not included in the calculations.

- (vi) Economic dilution (ED) is calculated using the following formula:

$$ED = (MP - (NMC / TS)) / MP$$

where:

MP = the market price of shares traded on ASX, expressed in dollars;

MC = market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of shares on issue;

NMC = notional market capitalisation, being the market capitalisation plus the NSV;

NSV = new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and

TS = total shares on issue following new Equity Security issue.

(c) *Placement period*

Equity securities may be issued under the Additional Placement Facility at any time after the date of this Meeting until that date that is 12 months after this Meeting. The approval to the Additional Placement Facility under this resolution will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(d) *Purposes for which equity securities may be issued*

The Company may seek to issue equity securities under the Additional Placement Facility for the following purposes:

- (i) cash consideration to fund business growth, to acquire new assets or make investments, to develop the Company's existing assets and operations and for general working capital; and
- (ii) non-cash consideration to acquire new assets or make investments. In these circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) *Allocation policy*

The Company's allocation policy for the issue of equity securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

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

As at the date of this Notice the proposed allottees under the Additional Placement Facility have not been determined but may include existing substantial Shareholders, other Shareholders and/or new investors. None of the allottees will be a related party or an associate of a related party of the Company. Existing Shareholders may or may not be entitled to subscribe for equity securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

If the Additional Placement Facility is used to acquire new assets or investments, then it is likely that the allottees will be the vendors of these assets/investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any equity securities under the Additional Placement Facility.

(f) *Equity securities issued under previous placement facility approval*

Shareholders approved an Additional Placement Facility at the 2015 annual general meeting.

The total number of equity securities issued in the 12 months before this Meeting is 5,309,729. These represent 4.5% of the total number of equity securities on issue at the commencement of that 12 month period. None of the equity securities issued in the 12 months before this Meeting were issued under the Additional Placement Facility approved at the 2015 annual general meeting.

The details for each separate issue of equity securities issued during the 12 months before this Meeting are set out in Annexure B.

5.3 Directors' recommendation

The Directors recommend that Shareholders vote in favour of this Special Resolution.

Glossary of terms

In this Notice and Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Additional Placement Facility	Has the meaning given to that term on Section 5 of this Explanatory Statement.
Annual General Meeting or Meeting	The annual general meeting of Shareholders or any adjournment thereof, convened by this Notice.
Associate	Has the meaning set out in the Listing Rules.
ASX	ASX Limited ACN 008 624 691.
Board	Board of Directors of the Company.
Chairman	The chairman of the Meeting.
Change of Control Event	A Change of Control Event occurs when pursuant to a takeover an offeror has received acceptances for more than 50% of the Shares which the offeror has offered to acquire in the Company and the offer is declared unconditional or where shareholders in general meeting approve a scheme or amalgamation with any other company or any analogous transaction that results in or will result in existing Shareholders holding 50% or less of the voting shares in the Company after completion or where the Board determines that control of the Company has or is likely to pass to one or more persons.
Closely Related Parties	Has the meaning set out in the Corporations Act.
Company or Empired	Empired Limited ACN 090 503 843.
Constitution	The constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth) as amended from time to time.
Director	A director of the Company.
EPS	Earnings per Share.
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice.
Key Management Personnel	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).
Listing Rules	The listing rules of ASX, as amended from time to time.
LTI Plan	The long term incentive plan for employees adopted by the Company.
Notice or Notice of Annual General Meeting	The notice of Annual General Meeting which accompanies the Explanatory Statement.

Performance Hurdle	A performance hurdle in respect of a tranche of Performance Rights.
Performance Right	A right to subscribe for a Share.
Proxy Form	The proxy form accompanying the Notice.
Related Body Corporate	Has the meaning given to that term in the Corporations Act.
Remuneration Report	The remuneration report contained in the Directors' report for the year ended 30 June 2016.
Resolution	A resolution set out in the Notice.
Share	A fully paid ordinary share in the Company.
Special Resolution	<p>A resolution:</p> <ul style="list-style-type: none"> (a) of which an intention to propose the resolution has been set out and the resolution has been stated in the Notice; and (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.
TSR	Total Shareholder Return (comprised of dividends paid and increase in the price of Shares over the relevant period).
Vesting Conditions	The conditions which must be satisfied before a Performance Right can vest.
Vesting Date	The vesting date for a tranche of Performance Rights.
VWAP	The volume-weighted average price of Shares traded on ASX.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

Annexure A

Terms of Performance Rights for Mr Russell Baskerville

1. Mr Russell Baskerville has been offered of 1,193,182 Performance Rights pursuant to the LTI Plan (**Offer**).
2. The Offer is made pursuant to the terms and conditions of Mr Baskerville's engagement agreement with the Company and the rules of the LTI Plan (**LTI Plan Rules**) and the terms of the Offer must be read in conjunction with the LTI Plan Rules. The Performance Rights will be governed by the LTI Plan Rules and the terms of the Offer.
3. Each Performance Right entitles Mr Baskerville to acquire one (1) Share, by way of issue of new Shares or transfer of existing Shares. The Performance Rights will convert into up to 1,193,182 Shares, subject to satisfaction of the Performance Hurdles and Vesting Conditions described in paragraph (set out below) and otherwise in accordance with the LTI Plan Rules.
4. The Performance Rights are offered in 4 tranches with the following Performance Periods and Vesting Dates (subject to satisfaction of the applicable Performance Hurdles and Vesting Conditions):

	Number of Performance Rights	Performance Period	Vesting date*
Tranche 1	238,636	2018 Financial year	30 August 2019
Tranche 2	238,636	2019 Financial year	30 August 2019
Tranche 3	477,274	1 July 2016 to 30 June 2019	30 August 2019
Tranche 4	238,636	1 July 2016 to 30 June 2019	30 August 2019

* Subject to paragraph 5(h) below.

5. The Vesting Conditions in respect of each tranche of Performance Rights are as follows:
 - (a) Subject to the conditions set out in this paragraph 5, all of a tranche of Performance Rights will vest on the Vesting Date applicable to that tranche.
 - (b) Tranches 1 and 2 of the Performance Rights are subject to "target" and "stretch" Performance Hurdles which will be satisfied if the Company's basic earnings per Share (calculated in accordance with AASB 133 "Earnings per share" (EPS) and adjusted for any abnormal costs or transaction costs) in respect of the Performance Period is greater than the Budget EPS for the financial year immediately preceding the relevant performance period by a set percentage. If a Performance Hurdle is satisfied, the Company will disclose the relevant EPS measure in its subsequent Remuneration Report.

- (c) Tranche 3 of the Performance Rights are subject to “target” and “stretch” Performance Hurdles which will be satisfied if the Company’s Total Shareholder Return (TSR), for the Performance Period reaches an upper percentile of the TSR of the constituents of the S&P/ASX 200 Industrials Index for the Performance Period. If a Performance Hurdle is satisfied, the Company will disclose the relevant TSR measure in its subsequent Remuneration Report.
- (d) Tranche 4 of the Performance Rights are subject to a Performance Hurdle which will be satisfied if the Company is successful in reaching a company sustainability measure as determined by the Board.
- (e) Unvested Performance Rights will automatically lapse if minimum Performance Hurdles are not achieved in respect to a particular Tranche.
- (f) Mr Baskerville will retain Performance Rights on a pro-rata basis if his engagement ceases due to death, permanent disablement, retirement, redundancy or voluntarily resignation. Performance Rights will not be forfeited if his engagement is take up with a Related Body Corporate of the Company. Performance Rights will be forfeited if he is dismissed for a material breach of his contract of engagement, negligence or other conduct justifying termination.
- (g) Clawback provisions apply to unvested Performance Rights whereby, Performance Rights are cancelled if an event that existed at the time of grant or the satisfaction of a Performance Hurdle that, if known would reasonably have led the Directors to not grant the Performance Rights or not confirm satisfaction of a Performance Hurdle.
- (h) Performance Rights will vest if a Change of Control Event has occurred or is likely to occur or the occurrence of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX.
- (i) Each Performance Right entitles Mr Baskerville to receive, upon vesting, one Share. The Performance Rights are unquoted and non-transferable. The Performance Rights will not entitle Mr Baskerville to receive dividends on Shares before vesting and do not carry any voting rights.
- (j) If a Performance Hurdle for a Performance Period in respect of a tranche of Performance Rights is not achieved, that tranche of Performance Rights will not vest, subject to the terms of the Offer and the LTI Plan Rules.
- (k) As soon as practicable after the end of each Performance Period, the satisfaction of the Vesting Conditions will be determined by the Company and compared against the Performance Hurdle for that Performance Period. The Company’s determination shall be final.
- (l) Satisfaction of the Vesting Conditions is to be determined in relation to each Performance Period and each tranche of Performance Rights, subject to the terms of the Offer and the LTI Plan Rules.
- (m) The Performance Rights may also vest at the discretion of the Board within 12 months of the death or permanent disablement of a participant or of cessation of a participant’s employment as a result of redundancy or if at the time of cessation of employment Vesting Conditions have been or will be substantially satisfied.

- (n) The Vesting Date in respect of a tranche of a tranche of Performance Rights is the earlier of:
 - (i) the date specified in paragraph 5 of this Annexure A above; and
 - (ii) the date a “Change in Control Event” (as defined in the LTI Plan Rules) occurs.
 - (o) If the Vesting Conditions for Performance Rights are satisfied during the period of Mr Baskerville’s engagement with the Company or any Related Body Corporate, those Performance Rights will vest and will not be subject to forfeiture.
 - (p) Any Shares that are acquired on vesting of Performance Rights in accordance with the Offer will be issued or transferred to Mr Baskerville free of any holding lock or other restriction on dealing.
6. The grant of the Performance Rights is subject to the approval of shareholders of the Company at the Company’s AGM.

Annexure B

Equity securities issued 12 months prior to AGM

Date of issue	Equity Securities issued	Person	Issue price	Total cash consideration	Use of funds	Non-cash consideration and current value
12/2/2016	3,140,285 fully paid ordinary shares	Intergen shareholders	\$0.30	Nil	Part satisfaction of deferred payments in relation to the acquisition of Intergen Limited 31 October 2014	\$1,366,024
14/7/2016	2,100,000 fully paid ordinary shares	Performance Rights holders	Nil	Nil	Nil; issued on the vesting of Performance Rights	\$913,500
14/7/2016	69,444 fully paid ordinary shares	Simon Bright	Nil	Nil	Nil; issued as part of remuneration	\$30,208

Note: The current value of fully paid ordinary shares is based on a value of \$0.435 per share, being the closing price of Shares as at 12 October 2016.



Empired Ltd ABN 81 090 503 843

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

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

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

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

For all enquiries call:

(within Australia) 1300 729 589
(outside Australia) +61 3 9415 4607

Proxy Form

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Vote and view the annual report online

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

Your access information that you will need to vote:

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



For your vote to be effective it must be received by 11:00am (WST) Sunday, 27 November 2016

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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

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

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

☐

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

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Empired 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 Empired Limited to be held at Level 2, Meeting Room 8, Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia on Tuesday 29 November 2016 at 11:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 3 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 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.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Richard Bevan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to grant Performance Rights to Director - Russell Baskerville	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Additional Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /
