

FOY Group Limited
ACN 003 669 163

**Notice of the 2016 Annual General Meeting
to be held on 30 November 2016**

**Explanatory Memorandum
for the Notice of
Annual General Meeting**

and

Proxy Form

**NOTICE OF THE 2016 ANNUAL GENERAL MEETING TO BE HELD AT SUITE 3A, 18 SMITH ST CHATSWOOD
AT 10.30 A.M. (AEDT) ON 30 NOVEMBER 2016**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN
ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE PLEASE CONSULT YOUR STOCKBROKER,
SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.**

**TO BE VALID, FORMS OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING MUST BE COMPLETED AND
RETURNED TO THE COMPANY NO LATER THAN 10.30 A.M. AUSTRALIAN EASTERN DAYLIGHT TIME ON 28
NOVEMBER 2016**



FOY Group Limited
ACN 003 669 163

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting (**Meeting**) of Shareholders of FOY Group Limited (**FOY or the Company**) will be held at the offices of FOY, Suite 3A, 18 Smith St, Chatswood, NSW, 2067 on 30 November 2016 at 10.30am (Sydney time).

If you have elected to receive a hard copy of the Company's Annual Report, a copy of that Annual Report is also enclosed with this Notice. A copy of the Company's Annual Report is available now on the Company's website at www.foygroup.com.au.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum, Notes and the Proxy Form form part of this Notice.

Terms and abbreviations used in this Notice, the Notes, the Explanatory Memorandum and the Proxy Form are defined in the Glossary.

AGENDA

1. Financial statements and reports

To receive and consider the Annual Financial Report of the Company for the year ended 30 June 2016 together with the Directors' report in relation to that financial year and the Auditor's report on the Annual Financial Report.

2. Resolution 1 - Re-election of Paul Dickson

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

"That Mr Paul Dickson be re-elected as a Director of the Company."

Without limitation, Article 6.7 of the Constitution is relevant to this Resolution.

3. Resolution 2 - Remuneration Report

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

"That the Remuneration Report for the year ended 30 June 2016 be adopted."

Notes:

- (a) The vote on this Resolution is advisory only and does not bind the Directors or the Company.
- (b) The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.
- (c) If 25% or more of votes cast are against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must stand for re-election.
- (d) The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.

The Company will disregard any votes cast (in any capacity) on this Resolution by or on behalf of:

- (e) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; and any of their Closely Related Parties,

unless the vote is cast:

- (f) as proxy for a person entitled to vote, in accordance with that person's directions of how to vote on the proxy form; or
- (g) by the Chairman of the Meeting under an authorisation on the proxy form.

4. Resolution 3 – Approval of Issue of Securities to David McIntosh - in Lieu of Director Fees

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 708,387 Shares to David McIntosh (or his nominee), in full and final satisfaction of all amounts owing by the Company to David McIntosh on account of unpaid directors fees as at the 25 August 2016 of \$141,677, on the terms and conditions set out in the Explanatory Memorandum"

Voting Exclusion: FOY will disregard any votes cast on Resolution 3 by David McIntosh and any of his Associates. However, FOY will not disregard any votes cast on Resolution 3 by such person if:

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

5. Resolution 4 – Approval of Issue of Securities to David McIntosh – Repayment of Expenses Incurred

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue to David McIntosh (or his nominee) 165,000 Shares and 165,000 free attaching Options, in full and final satisfaction of the repayment of an amount of \$33,000 paid by David McIntosh on behalf of the Company, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: FOY will disregard any votes cast on Resolution 4 by David McIntosh and any of his Associates. However, FOY will not disregard any votes cast on Resolution 4 by such person if:

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

6. Resolution 5 – Election of Stuart Clark as a Director of the Company

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

"That for the purpose of rule 6.2(b) of the Company's constitution, Stuart Clark, a director of the Company appointed on 25 August 2016, be elected as a Director of the Company."

7. General Business Update

The Company will provide a general business update.

By order of the Board

Paul Dickson
Executive Chairman

Dated 31 October 2016

Other information

An Explanatory Memorandum accompanies and forms part of this notice of annual general meeting.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

Voting Exclusion Statements

Resolution 1 – Re-election of Paul Dickson

The Company will disregard any votes cast on the resolution by the individual Director proposed for re-election or by his closely related party or as a proxy by a member of the Director proposed for re-election or by his closely related party.

However, the Company need not disregard such a vote if the vote is not cast on behalf of such a person and is cast:

- (a) as a proxy for a person who is entitled to vote, by writing that specifies how the person is to vote on the resolution; or
- (b) by the chair of the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 2 – Remuneration Report

As required by the Corporations Act 2001 (Cth) (**Corporations Act**), the Company will in accordance with section 250R (as regards Resolution 2), disregard any votes cast on this resolution by or on behalf of a member of the key management personnel of the Company details of whose remuneration are included in the Remuneration Report, or are a closely related party of any such member.

However, the Company need not disregard such a vote if the vote is not cast on behalf of such a person and is cast:

- (a) as a proxy for a person who is entitled to vote, by writing that specifies how the person is to vote on the resolution; or
- (b) by the chair of the meeting as a proxy, and the appointment does not specify the proxy is to vote and expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

Resolution 3 – Approval of Issue of Securities to David McIntosh - in Lieu of Director Fees

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by David McIntosh and any of his Associates. However, the Company need not disregard any votes cast on resolution 3 by such person if:

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

Resolution 4 – Approval of Issue of Securities to David McIntosh – Repayment of Expenses Incurred

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by David McIntosh and any of his Associates. However, the Company need not disregard any votes cast on resolution 4 by such person if:

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

FOY Group Limited
ACN 003 669 163

Explanatory Memorandum

This Explanatory Statement has been prepared for the information of the shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Suite 3A, 18 Smith Street, Chatswood, 2067 on Monday 30 November 2016 at 10:30am (Sydney time).

The purpose of this Explanatory Statement is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in this Notice of Annual General Meeting.

Financial Report and Reports of the Directors and Auditors

This item allows Shareholders the opportunity to consider the financial report, directors' report and auditors' report. Under the Corporations Act, the Company is required to lay these three reports that together comprise the Company's annual report before its Shareholders at the Meeting.

Neither the Corporations Act nor the Constitution requires a vote of Shareholders on the reports or statements. However, Shareholders will be given the opportunity to raise questions on the reports and statements at the Meeting.

The Chairman will also give Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

Resolution 1 – Re-Election of a Director – Mr Paul Dickson

Resolution 1 provides for the re-election of Mr Paul Dickson as Director in accordance with article 6.2 of the Constitution. A profile of Mr Dickson is included in the Directors' report in the 2016 annual report. The Directors (other than Mr Dickson who, given his interest in the outcome, declines to make a recommendation) unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 2 – Remuneration Report

Resolution 2 provides Shareholders the opportunity to vote on the remuneration report. Under the Corporations Act, the Company must put the adoption of its remuneration report to Shareholder vote at the Meeting.

The vote on this Resolution is advisory only and does not bind the Board or the Company.

The remuneration report forms part of the director's report within the 2016 annual report.

The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the remuneration report. The Board will consider the outcome of the vote and comments made by Shareholders on the remuneration report at this Meeting when reviewing the Company's remuneration policies.

If 25% or more of the votes cast are "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") that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must stand for re-election. The Company encourages all Shareholders to cast their votes on this Resolution. The Remuneration Report for the 2015 financial year was approved at the 2015 annual general meeting by more than 75% of votes cast on the corresponding resolution to Resolution 2. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

The Directors consider that the remuneration policies adopted by the Company are appropriately structured to provide rewards commensurate with the performance of the Company and the individual.

On that basis, the Directors unanimously recommend that Shareholders vote in favour of this advisory Resolution. The Chairman of the Meeting intends to vote available proxies in favour of the adoption of the Remuneration Report.

Voting exclusions

The Company will disregard any votes cast on Resolution 2:

- by or on behalf of a member of the Key Management Personnel (whose remuneration is disclosed in the remuneration report), and any of their Closely Related Parties; and
- as a proxy by a member of the Key Management Personnel and any of their Closely Related Parties.

However, the Company need not disregard a vote if:

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

Resolution 3 – Approval of Issue of Securities to David McIntosh – in Lieu of Director Fees

Resolution 3 seeks Shareholder approval to the proposed issue of 708,387 Shares (representing 1.03% of the Company's total issued Share capital as at the date of this Notice, such number being 68,989,550 Shares), to David McIntosh (or his nominee). The proposed issue of shares to Mr McIntosh is the result of the agreement of Mr McIntosh to forego cash payment for unpaid directors fees accrued and owed to him in an amount totaling \$141,677.

As at the date of this Notice, Mr McIntosh has a relevant interest in 1,668,288 Shares, which equates to 2.42% of the voting shares of the Company.

Shareholder approval under Listing Rule 10.11 sought

Listing Rule 10.11 provides that an entity must not issue, or agree to issue, equity securities to a related party without the approval of its shareholders. For the purposes of the Corporations Act, a "related party" of the Company includes the directors of the Company. Mr McIntosh is a director of the Company and, accordingly, is a related party of the Company for the purposes of both the Corporations Act and the Listing Rules.

The Company therefore seeks Shareholder approval to issue the Shares to Mr McIntosh (or his nominee) for the purposes of Listing Rule 10.11.

Shareholder approval under Listing Rule 7.1 not sought

Listing Rule 7.2 (exception 14) provides that Shareholder approval under Listing Rule 7.1 is not required for the issue of securities to related parties which are approved under Listing Rule 10.11. Accordingly, the issue of the Shares to Mr McIntosh will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

Shareholder approval under Chapter 2E of the Corporations Act not sought

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Shares issued to related parties (or their nominees), constitute the provision of a financial benefit. For the purpose of the Act, directors are a related party of a company. As such Mr McIntosh is considered a related party of the Company and the proposed issue of Shares to him constitutes the provision of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within an exception to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after shareholder approval is obtained.

The financial benefit being given to Mr McIntosh as a related party of the Company is being given in lieu of remuneration to Mr McIntosh and the Company is of the opinion that it is reasonable in the Company's circumstances. Therefore, it falls within the exception set out in section 211 of the Corporations Act.

Accordingly, Shareholder approval for the purposes of Chapter 2E of the Corporations Act is not being sought.

Information required by Listing Rule 10.13

The following information is provided in accordance with Listing Rule 10.13:

1. 708,387 Shares will be issued to David McIntosh (or his nominee). The equivalent remuneration of Mr McIntosh is \$141,677.
2. All of the Shares will be issued not more than one month after the date of this meeting, or such later date as approved by the ASX (it is intended that the Shares will be issued immediately after this Resolution 3 is

passed).

3. The issue price of each Share will be \$0.20 per Share. The Shares will be issued as fully paid ordinary shares in the capital of the Company and on the same terms as the Company's existing shares on issue.
4. No funds will be raised from the proposed issue of the Shares. The Shares are being issued in full and final satisfaction of the amount of \$141,677 owing by the Company to David McIntosh on account of unpaid director fees.
5. The Company will disregard any votes cast on this Resolution 3 by David McIntosh and any Associates of his. However, the Company need not disregard a vote if:
 - 5.1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - 5.2. 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.

Board recommendation:

The Directors, other than Mr McIntosh, recommend that Shareholders vote in favour of Resolution 4.

Resolution 4 – Approval of Issue of Securities to David McIntosh – Repayment of Expenses Incurred

In November 2015, Mr McIntosh paid on behalf of the Company an invoice for services rendered to the Company issued by Document Delight Pty Ltd for an amount of \$33,000. The Company agreed to repay the amount and Mr McIntosh has agreed to convert this amount owing to him into equity in the Company, which would preserve the Company's cash position. Resolution 4 seeks shareholder approval for the repayment to be satisfied by the:

- (a) issue to David McIntosh (or his nominee) of 165,000 Shares (representing 0.24% of the Company's total issued Share capital as at the date of this Notice, such number being 68,989,550 Shares); and
- (b) grant to David McIntosh (or his nominee) of 165,000 attaching free Options on the terms set out Schedule 1 (representing 0.50% of the Company's options on issue as at the date of this Notice, such number being 33,062,235)

(together, **Repayment Securities**).

Shareholder approval under Listing Rule 10.11 sought

Listing Rule 10.11 provides that an entity must not issue, or agree to issue, equity securities to a related party without the approval of its shareholders. For the purposes of the Corporations Act, a "related party" of the Company includes the directors of the Company. Mr McIntosh is a director of the Company and, accordingly, is a related party of the Company for the purposes of both the Corporations Act and the Listing Rules.

The Company therefore seeks Shareholder approval to issue the Repayment Securities to Mr McIntosh (or his nominee) for the purposes of Listing Rule 10.11.

Shareholder approval under Listing Rule 7.1 not sought

Listing Rule 7.2 (exception 14) provides that Shareholder approval under Listing Rule 7.1 is not required for the issue of securities to related parties which are approved under Listing Rule 10.11. Accordingly, the issue of the Repayment Securities to Mr McIntosh will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

Shareholder approval under Chapter 2E of the Corporations Act not sought

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Securities issued to related parties (or their nominees), constitute the provision of a financial benefit. For the purpose of the Corporations Act, directors are a related party of a company. As such Mr McIntosh is considered a related party of the Company and the proposed issue of Repayment Securities to him constitutes the provision of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (c) the giving of the financial benefit falls within an exception to the provision; or
- (d) prior shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after shareholder approval is obtained.

The financial benefit being given to Mr McIntosh as a related party of the Company is being given as a repayment of expenses incurred by Mr McIntosh on behalf of the Company and the Company is of the opinion that it is reasonable in the Company's circumstances. Therefore, it falls within the exception set out in section 211 of the Corporations Act.

Accordingly, Shareholder approval for the purposes of Chapter 2E of the Corporations Act is not being sought.

Information required by Listing Rule 10.13

The following information is provided in accordance with Listing Rule 10.13:

1. 165,000 Shares and 165,000 attaching Options will be issued to David McIntosh (or his nominee) for repayment of expenses incurred by Mr McIntosh on behalf of the Company in an amount of \$33,000.
2. All of the Shares and Options will be issued not more than one month after the date of this meeting, or such later date as approved by the ASX (it is intended that the Shares and Options will be issued immediately after this Resolution 4 is passed).
3. The issue price of each Share will be \$0.20 per Share. The Shares will be issued as fully paid ordinary shares in the capital of the Company and on the same terms as the Company's existing shares on issue. The Options will be issued for nil consideration and on the terms set out in Schedule 1.
4. No funds will be raised from the proposed issue of the Shares and Options. The Shares and Options are being issued in full and final satisfaction of the amount of \$33,000 owing by the Company to Mr McIntosh on account of expenses incurred by Mr McIntosh on behalf of the Company.
5. The Company will disregard any votes cast on this Resolution 4 by David McIntosh and any Associates of his. However, the Company need not disregard a vote if:
 - 5.1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - 5.2. 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.

Board recommendation:

The Directors, other than Mr McIntosh, recommend that Shareholders vote in favour of Resolution 4.

Resolution 5 - Election of Stuart Clark as a Director of the Company

On 25 August 2016, the Company appointed Mr Stuart Clark as Managing Director.

In a career spanning more than 30 years, Mr Clark has gained extensive commercial, finance and management experience as well as significant capabilities in human resources, project management and change management, in addition to strong operational and strategic skills. He also has extensive experience selling professional services to SMEs.

Currently, Mr Clark holds a Bachelor of Commerce from the University of New South Wales, is a member of the Institute of Chartered Accountants and holds Graduate status with the Australian Institute of Company Directors.

The Board believes that Mr Clark's experience will be instrumental in executing the Company's strategy after the completion of the IGE transaction, both in Australia and Papua New Guinea.

Board recommendation:

The Directors, other than Mr Clark, recommend that Shareholders vote in favour of Resolution 5.

Voting by proxy

Any Shareholder entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder.

The proxy does not need to be a Shareholder of the Company.

A Shareholder 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 no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

Proxies must be:

Mailed or lodged at the Company's office, or

emailed to the email address specified below,

not later than 10.30am (Sydney time) on 28 November 2016.

Address: FOY Group Limited
Suite 3A, 18 Smith St, Chatswood 2067

Email address for lodgement: jherbertson@foygroup.com.au

The proxy form has been enclosed. Please read all instructions carefully before completing the proxy form.

Entitlement to vote

The Directors have decided pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that for the purpose of determining entitlements to attend and vote at the Meeting, Shares will be taken to be held by the persons who are the registered holders at 10.30am (Sydney time) on Monday 28 November 2016. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Glossary

Associate has the same meaning as that under the Corporations Act.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

ASX Confirmation means written confirmation from ASX that FOY has complied with the requirements of Chapters 1 and 2 of the Listing Rules.

Auditor means Hall Chadwick.

Board means the board of Directors of the Company.

Chairman means the chairman of the Meeting.

Closely Related Party means closely related party of a Key Management Personnel and includes (among others), a spouse, child or dependent of the Key Management Personnel and a company controlled by the Key Management Personnel.

Company means FOY Group Limited (ACN 003 669 163).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a Director of the Company.

Equity Securities has the meaning giving in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum to the Notice.

Key Management Personnel means those persons having authority and responsibility for planning, directing and controlling the activities of the Group, whether directly or indirectly. The Company's Remuneration Report identifies the Company's key management personnel.

Listing Rules means the Listing Rules of ASX, except to the extent of any express written waiver given by ASX.

Meeting means this annual general meeting convened by the Notice.

Notice means this notice of meeting.

Option means an option to subscribe for one Share on the terms set out in Schedule 1.

Related Party means a person or entity who is a related party for the purpose of section 228 of the Corporations Act.

Resolution means a resolution to be considered at the Meeting as set out in the Notice.

Share means an ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

SCHEDULE 1: TERMS OF OPTIONS

- (a) **Expiry Date:** The Options will expire on 31 December 2019 (**Expiry Date**). Options not exercised on or before the Expiry Date will automatically lapse.
- (b) **Entitlement:** Each Option entitles the holder (**Optionholder**) to subscribe for one fully paid ordinary share (**Share**) which will rank equally in all respects with the then issued ordinary shares of the Company.
- (c) **Exercise Price:** The Options have an exercise price of \$0.20 (subject to adjustment to the price as a result of a reconstruction in accordance with paragraph (e)) (**Exercise Price**).
- (d) **Rights in new issues:** There are no participating entitlements inherent in any Option to participate in new issues of capital which may be offered to Shareholders during the currency of the Option (unless that Option has been exercised and Shares issued in respect of that Option prior to the record date for determining entitlements for the new issue). The Company must give notice to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.
- (e) **Reconstruction:** In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in a manner which will comply with the Listing Rules and Corporations Act applying to a reconstruction of capital at the time of reconstruction.
- (f) **Bonus Issues and pro-rata issues:**

If between the date of issue and the date of exercise of an Option the Company makes 1 or more rights issues (being a pro rata issue of Shares in the capital of the Company that is not a bonus issue), the exercise price of Options will be reduced in respect of each rights issue according to the following formula:

$$NE = OE - ((E[P-(S + D)]) / (N + 1))$$

Where:

NE is the new exercise price of the Option; OE is the old exercise price of the Option;

E is the number of underlying Shares into which 1 Option is exercisable;

P is the average closing sale price per Share (weighted by reference to volume) recorded on the stock market of the ASX during the 5 trading days ending on the day before the ex rights date or ex entitlement date (excluding special crossing and overnight sales);

S is the subscription price for a Share under the rights issue;

D is the dividend due but not yet paid on each Share at the relevant time; and

N is the number of Shares that must be held to entitle holders to receive a new Share in the rights issue.

If there is a bonus issue to the holders of Shares, the numbers of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

- (g) **Quotation:** The Company will not apply for quotation of the Options on ASX. However, if and when the Options comprise part of a class of options that is eligible to be quoted under the terms of the Listing Rules and the Corporations Act, and subject to paragraph (k), the Company will use reasonable endeavours to apply for quotation of the Options on ASX.
- (h) **Transfer:** An Option must not be transferred unless and until it is quoted on ASX.
- (i) **Exercise:** The Optionholder may exercise any number of the Options on or before the Expiry Date by:
 - (i) delivering to the Company an application for Shares:
 - (A) duly executed by the holder,
 - (B) specifying the number of Options being exercised (**Exercise Number**);
 - (C) consenting to be a member of the Company and to be bound by its Constitution, (**Application Form**) together with the Option Certificate in respect of the Options being exercised; and
 - (ii) transferring to the Company an amount equal to the Exercise Number multiplied by the Exercise Price (**Application Price**) by way of an electronic funds transfer to the nominated bank account of the Company.
- (j) **Issue of Shares:** The Company must within 3 Business Days of the receipt of the Application Form or the Application Price (whichever is later):
 - (i) issue to the holder the Exercise Number of Shares;
 - (ii) subject to paragraph (k), apply to ASX to have the Shares issued granted official quotation;
 - (iii) procure that a holding statement for the Exercise Number of Shares is sent to the Optionholder; and

(iv) if applicable, issue a replacement Option Certificate for the balance of any unexercised Options.

- (k) **Restricted securities:** If the Options are restricted securities (as defined in Listing Rule 19.12), then the Company must apply for quotation of the Options (if the Options may otherwise be quoted under paragraph (g)) within 10 Business Days of the end of the applicable escrow period in accordance with Listing Rule 2.8.2 (but the Company is not obliged to apply for quotation prior to this time)

PROXY FORM

Shareholder Details

Name:

Address:

Contact Telephone No:.....

Contact Name (if different from above):.....

Step 1. Appoint a Proxy to Vote on Your Behalf

I/We being a Shareholder/s of FOY Group Limited and entitled to attend and vote hereby appoint

☐

The Chairman
of the Meeting
(mark with an 'X')

OR

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

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Chairman sees fit) at the General Meeting of FOY Group Limited to be held in Sydney on 30 November 2016 at Suite 3A, 18 Smith St, Chatswood NSW 2067, commencing at 10.30am (Sydney time) and at any adjournment of that General Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Step 2. Items of Business

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

		For	Against	Abstain*
Resolution 1	Re-election of Paul Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of issue of securities to David McIntosh – in lieu of directors fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of issue of securities to David McIntosh – repayment of expenses incurred	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of Stuart Clark as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Appointment of a second proxy

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

%

Individual or Shareholder 1

Sole Director and
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary