

# ASIA PACIFIC DIGITAL LIMITED

Annual General Meeting  
Notice of Meeting & Explanatory Notes  
to be held at 11.00am (AEDT) on Friday, 25 November 2016 at  
Edwin Flack Room, Sofitel Wentworth, Level 5, 61-101 Phillip Street, Sydney



## Notice of Meeting



Sydney: Ground Floor, 35 Saunders Street Pyrmont, NSW 2009  
Singapore: 77A Amoy Street Singapore 069896

21 October 2016

Dear Shareholder

### **Invitation to Asia Pacific Digital Limited (APD or Company) Annual General Meeting 2016**

The Directors of Asia Pacific Digital Limited cordially invite you to attend the Company's Annual General Meeting (**AGM**) at 11.00am (AEDT) on Friday, 25 November 2016 at the Edwin Flack Room, Sofitel Wentworth, Level 5, 61-101 Phillip Street, Sydney.

Enclosed are your Notice of Meeting and Proxy Form.

The business of the meeting includes the Company's 2016 Remuneration Report, the re-election of directors and various securities related matters.

If you require further information, the Company's 2016 Annual Report is available at: <http://www.apdgroup.com>

The Directors of APD have set out their voting recommendation in relation to each item of business to be conducted at the AGM in the Explanatory Memorandum enclosed with this letter.

If you are unable to attend the meeting, we encourage you to complete and return the proxy form to Computershare Investor Services Pty Limited either by mailing the proxy form using the enclosed reply paid envelope, via facsimile, or online at [www.investorvote.com.au](http://www.investorvote.com.au). To be valid, proxies must be received no later than 11.00am (AEDT) on Wednesday, 23 November 2016.

Yours sincerely

A handwritten signature in black ink, appearing to read "Roger Sharp", written over a light grey circular stamp.

**Roger Sharp**  
Chairman

## Notice of Meeting

# Agenda

Notice is hereby given that the 2016 Annual General Meeting of shareholders of Asia Pacific Digital Limited ACN 000 386 685 will be held at 11.00am (AEDT) on Friday, 25 November 2016 at the Edwin Flack Room, Sofitel Wentworth, Level 5, 61-101 Phillip Street, Sydney.

Additional information concerning the proposed resolutions to be placed before the meeting is contained in the explanatory notes which accompany and form part of this notice of meeting.

## Ordinary Business

1. **To receive and consider** the annual Financial Report, the Directors' Report and the Auditor's Report of the Company for the year ended 30 June 2016.

2. **To adopt the Remuneration Report**

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

That the Remuneration Report of the Company for the financial year ended 30 June 2016 be adopted.

*Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.*

*Refer to voting exclusions on this resolution.*

3. **To re-elect Mr. Roger Sharp, Executive Chairman and Mr. Fionn Hyndman, Non-Executive Director, retiring by rotation**

To consider and, if thought fit, pass the following ordinary resolutions:

- (a) That Mr. Roger Sharp be re-elected as an Executive Chairman of the Company.

*Note: Information about Mr. Sharp appears in the Explanatory Memorandum.*

- (b) That Mr. Fionn Hyndman be re-elected as a Non-Executive Director of the Company.

*Note: Information about Mr. Hyndman appears in the Explanatory Memorandum.*

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### Special Business

#### 4. To approve the issue of securities to Directors

To consider and, if thought fit, to pass the following ordinary resolutions:

- (a) That, in accordance with the provisions of Listing Rule 10.11 of the ASX Listing Rules and Part 2E of the *Corporations Act 2001* (Cth) and for all other purposes, the Company be authorised to issue ordinary shares comprising an aggregate value of up to \$60,000 to Fionn Hyndman on the terms described in the Explanatory Memorandum, in lieu of Directors' fees, remuneration or other costs and expenses which he would otherwise be entitled to be paid or reimbursed for in cash at an issue price equal to the volume weighted average market price of the ordinary shares over the last 30 days prior to the date of the AGM.
- (b) That, in accordance with the provisions of Listing Rule 10.11 of the ASX Listing Rules and Part 2E of the *Corporations Act 2001* (Cth) and for all other purposes, the Company be authorised to issue ordinary shares comprising an aggregate value of up to \$100,000 to Peter Hynd on the terms described in the Explanatory Memorandum, in lieu of Directors' fees, remuneration or other costs and expenses which he would otherwise be entitled to be paid or reimbursed for in cash at an issue price equal to the volume weighted average market price of the ordinary shares over the last 30 days prior to the date of the AGM.
- (c) That, in accordance with the provisions of Listing Rule 10.11 of the ASX Listing Rules and Part 2E of the *Corporations Act 2001* (Cth) and for all other purposes, the Company be authorised to issue ordinary shares comprising an aggregate value of up to \$100,000 to Roger Sharp on the terms described in the Explanatory Memorandum, in lieu of Directors' fees, remuneration or other costs and expenses which he would otherwise be entitled to be paid or reimbursed for in cash at an issue price equal to the volume weighted average market price of the ordinary shares over the last 30 days prior to the date of the AGM.
- (d) That, in accordance with the provisions of Listing Rule 10.11 of the ASX Listing Rules and Part 2E of the *Corporations Act 2001* (Cth) and for all other purposes, the Company be authorised to issue ordinary shares comprising an aggregate value of up to \$65,000 to Mark Dalgleish on the terms described in the Explanatory Memorandum, in lieu of Directors' fees, remuneration or other costs and expenses which he would otherwise be entitled to be paid or reimbursed for in cash at an issue price equal to the volume weighted average market price of the ordinary shares over the last 30 days prior to the date of the AGM.
- (e) That, in accordance with the provisions of Listing Rule 10.11 of the ASX Listing Rules and Part 2E of the *Corporations Act 2001* (Cth) and for all other purposes, the Company be authorised to issue ordinary shares comprising an aggregate value of up to \$65,000 to Laura Ashton on the terms described in the Explanatory Memorandum, in lieu of Directors' fees, remuneration or other costs and expenses which he would otherwise be entitled to be paid or reimbursed for in cash at an issue price equal to the volume weighted average market price of the ordinary shares over the last 30 days prior to the date of the AGM.

*Refer to voting exclusions on these resolutions.*

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**5. To approve the prior issues of securities to refresh the Company's 15% placement capacity**

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

That, for the purposes of Listing Rule 7.4 and for all other purposes, the 15% placement capacity of the Company be refreshed by the previous issue of 3,290,165 shares at an issue price of \$0.30 on 23 May 2016 on the basis set out in the Explanatory Memorandum, being ratified and approved.

*Refer to voting exclusions on this resolution.*

*By order of the Board*

A handwritten signature in black ink, appearing to read 'SM', enclosed within a large, loopy oval shape.

**Samuel Monkivitch**  
*Company Secretary*

## Notice of Meeting

### **Explanatory Notes on Items of Business**

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#### **Item 1 - Financial Statements**

As required by section 317 of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Financial Report, Directors' Report and Auditor's Report of the Company and its subsidiaries for the financial year ended 30 June 2016 (**Reports**) will be laid before the Annual General Meeting.

The Reports are available on APD's website at [www.apdgroup.com](http://www.apdgroup.com).

Shareholders will be provided with the opportunity to ask questions about, or make comments on, the Reports, management or about APD generally but there is no requirement for a formal resolution on this item. Accordingly, there will be no formal resolution put to the Annual General Meeting in respect of the Reports.

#### **Item 2 - Adoption of Remuneration Report**

*The Board recommends that shareholders vote in favour of the resolution to adopt the Remuneration Report.*

The Company is required under the Corporations Act to include, in the business of its Annual General Meeting, a resolution to adopt the Remuneration Report for the financial year ended 30 June 2016. The vote on this resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report includes an explanation of the Company's remuneration policy and the remuneration arrangements in place for Directors and other key management personnel.

APD is reliant on its employees to deliver the Company's targeted performance. Remuneration policies have been developed to provide market-competitive compensation in order to protect the interests of shareholders while the Company is built throughout the region.

The Company's remuneration policy is aligned with both its financial and strategic business objectives and recognises that people are a major contributor to sustained improvements in performance.

The Remuneration Report:

- sets out the Board's policies in respect of the nature and level of remuneration paid to Directors and other key management personnel of the Company;
- discusses the link between the Board's policies and the Company's performance;
- explains why the performance conditions were chosen and how performance is measured against them;
- sets out the remuneration details for each Director and each member of the Company's senior management team; and
- makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives and Executive Directors.

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### Item 3 - Re-election of directors

- (a) **Roger SHARP**, *Executive Chairman*. Appointed 1 April 2014. Served as *Non-Executive Director* from 16 October 2012 to 31 March 2014. Resides in Singapore.

Mr. Sharp is the founder of North Ridge Partners Pty Ltd, an established technology investment firm which is the major shareholder in Asia Pacific Digital Limited. He has more than 30 years' experience in technology, finance and international markets and prior to founding North Ridge Partners in 2004 held senior roles including with ABN AMRO Bank as CEO of Asia-Pacific Equities and Global Head of Technology. He was Chairman of [travel.com.au](http://travel.com.au) Limited (ASX: TVL) until its sale in January 2008, is a Non-Executive Director of Webjet Limited (ASX: WEB), and is Chairman of GeoOp Limited (NZAX: GEO). Mr. Sharp has BA LLB qualifications from the University of Auckland and is a Member of the Australian Institute of Company Directors.

- (b) **Fionn HYNDMAN**, *Non-Executive Director*. Appointed 1 January 2011. Resides in Singapore

Mr. Fionn Hyndman is Commercial Director of APAC at Outbrain Inc., a position he was appointed to in October 2016. Previously Mr. Hyndman served as a Partner at Asia Pacific Growth Management, a technology advisory and investment firm, based in Singapore. Prior to that, he spent many years in digital advertising, having launched one of Asia's larger digital performance businesses at the time, dgmAsia. He also served as the Managing Director of dgmAustralia. Mr Hyndman has 20 years of experience in digital media, transformation and strategy, and the evolving digital opportunities across APAC. He has been a Non-Executive Director of Asia Pacific Digital Limited since January 1, 2011 and served as a Non-Executive Independent Director of its predecessor, Digital Performance Group Ltd., from December 24, 2010.

### Item 4 - Approval of issue of shares to Directors

*The Directors may benefit from an issue of shares made under this Item 4 and therefore do not provide any recommendation in respect of this resolution.*

The Company seeks authorisation from shareholders to issue ordinary shares, comprising an aggregate value of up to \$390,000, to Directors in lieu of the cash payments to which they would otherwise be entitled by way of Directors' fees and executive salaries at an issue price equal to the volume weighted average market price of the ordinary shares over the last 30 days prior to the date of the AGM. Resolutions 4(a) to 4(e) seek shareholder approval in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act. Resolutions 4(a) to 4(e) are to be passed as ordinary resolutions.

Pursuant to Listing Rule 10.11, a "related party" of a listed company is precluded from participating in any issue of securities in a company without the prior approval of shareholders.

Shareholder approval is required under Listing Rule 10.11 because the Directors are related parties of the Company.

If approval is given under Listing Rule 10.11 approval is not required under Listing Rule 7.1.

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Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company.

- (a) The shares may be issued to each of Fionn Hyndman, Peter Hynd, Roger Sharp, Mark Dalgleish and Laura Ashton as Directors of the Company;
- (b) The maximum value of securities that may be issued to each of the Directors calculated in accordance with the formula set out in (c) below, is as follows:
  - (i) Fionn Hyndman: \$60,000
  - (ii) Peter Hynd: \$100,000
  - (iii) Roger Sharp: \$100,000
  - (iv) Mark Dalgleish: \$65,000
  - (v) Laura Ashton: \$65,000
- (c) The price for shares to be issued will be equal to the volume weighted average market price of the ordinary shares over the last 30 days prior to the date of the AGM;
- (d) The shares will be issued to the Directors within one (1) month of the date of the AGM (or such longer period of time as ASX may in its discretion approve);
- (e) The shares, once issued, will rank equally with the existing shares on issue;
- (f) The shares will be issued in lieu of a cash payment for director's fees, executive salaries and/or other costs and expenses which the Directors would otherwise be entitled to be paid or reimbursed for, and will therefore deliver a significant cash saving to the Company.

### **Item 5 – Approval of prior issues of securities to refresh the Company's 15% placement capacity**

*The Directors believe that resolution 5 is in the best interests of the Company and its shareholders and, recommend that shareholders vote in favour of this resolution.*

Item 5 seeks the approval of shareholders for the prior issue of ordinary shares that have occurred in the 12 months prior to the date of the AGM and have not already been approved by shareholders, for the purposes of Listing Rule 7.4.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the company's issued capital at the commencement of that 12-month period.

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

The Company is seeking Shareholder approval to the issues of securities described below. The Board believes that it is in the best interests of the Company to maintain the ability to issue up to its full placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval so that the Company retains financial flexibility and can take advantage of commercial opportunities that may arise.



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The Company issued 3,290,165 ordinary shares at \$0.30 per share on 23 May 2016 under the Company's 15% placement capacity comprising:

- (a) 548,361 shares to Pyvis Nominees Pty Ltd; and
- (b) 2,741,804 shares to Illimite Pty Ltd,

in repayment of funds owed by the Company under a secured debt facility. The shares rank equally with the existing ordinary shares on issue.

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### **Voting Exclusion Statement**

The Corporations Act 2001 (Cth) (**Corporations Act**) and the Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by or on behalf of certain persons, on certain resolutions to be considered at the Annual General Meeting. These voting exclusions are described below.

#### **Item 2 - Adoption of Remuneration Report**

The Company will disregard any votes cast on this resolution by, or on behalf of:

- (a) a member or a former member of the key management personnel (**KMP**), whose remuneration is disclosed in the Remuneration Report in any capacity;
- (b) a closely related party of such KMP; or
- (c) a member of such KMP (or any of their closely related parties) acting as proxy,

unless the vote is cast by:

- (a) a KMP (or any of its closely related parties) as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- (b) the Chairman of the Meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

A closely related party includes close family members and companies the KMP controls.

#### **Items 4(a) to 4(e) – Approval of issue of shares to Directors**

Each relevant Executive Director or Non-Executive Director:

**4(a)** The Company will disregard any votes cast on this resolution by:

- (i) Fionn Hyndman and any of his associates. 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 direction 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.
- (ii) any member of the KMP of the Company and any closely related party of a KMP member, acting as a proxy, if their proxy appointment does not specify the way the proxy is to vote on the relevant resolution, unless: the proxy is the Chairman of the meeting; and the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP member.

**4(b)** The Company will disregard any votes cast on this resolution by:

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- (i) Peter Hynd and any of his associates. 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 direction 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.
- (ii) any member of the KMP of the Company and any closely related party of a KMP member, acting as a proxy, if their proxy appointment does not specify the way the proxy is to vote on the relevant resolution, unless: the proxy is the Chairman of the meeting; and the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP member.

### **4(c)** *The Company will disregard any votes cast on this resolution by:*

- (i) Roger Sharp and any of his associates. 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 direction 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.
- (ii) any member of the KMP of the Company and any closely related party of a KMP member, acting as a proxy, if their proxy appointment does not specify the way the proxy is to vote on the relevant resolution, unless: the proxy is the Chairman of the meeting; and the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP member.

### **4(d)** *The Company will disregard any votes cast on this resolution by:*

- (i) Mark Dalgleish and any of his associates. 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 direction 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.
- (ii) any member of the KMP of the Company and any closely related party of a KMP member, acting as a proxy, if their proxy appointment does not specify the way the proxy is to vote on the relevant resolution, unless: the proxy is the Chairman of the meeting; and the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP member.

### **4(e)** *The Company will disregard any votes cast on this resolution by:*

- (i) Laura Ashton and any of her associates. 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 direction 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.
- (ii) any member of the KMP of the Company and any closely related party of a KMP member, acting as a proxy, if their proxy appointment does not specify the way the proxy is to vote on the relevant resolution, unless: the proxy is the Chairman of the meeting; and the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP member.

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### ***Item 5 - Approval of prior issues of securities to refresh the Company's 15% placement capacity***

*The Company will disregard any votes cast on Item 5 by Pyvis Nominees Pty Ltd or Illimite Pty Ltd (and any of their associates) and person that participated in the issue or any person who benefited from the issue of the shares and the associates of such 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 direction 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*

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## Notes

### 1 Determination of voting entitlement

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Annual General Meeting (**AGM**), the Directors have determined that shares will be taken to be held by persons registered as holders of the Company's shares as at 7.00pm (AEDT) on Wednesday, 23 November 2016 (**Record Date**).

### 2 Votes of members

On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a corporate representative at the AGM shall have one vote. On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, has one vote for each share held by them as at the Record Date.

### 3 Proxies

Please note that:

- (a) a member entitled to attend and vote at the AGM is entitled to appoint no more than two proxies;
- (b) an instrument appointing a proxy must be in the form of the proxy form attached to this Notice of Meeting;
- (c) where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If a member appoints two proxies, and the appointment does not specify the proportion of the member's voting rights, each proxy may exercise one-half of the voting rights;
- (d) a proxy need not be a member of the Company;
- (e) a proxy form may specify the manner in which the proxy is to vote in respect of a particular resolution and, where the proxy form so provides, the proxy is not entitled to vote on that resolution except as specified in the proxy form;
- (f) a proxy has the authority to vote on the member's behalf as he or she thinks fit, on any motion to adjourn the AGM, or any other procedural motion, unless the member gives a direction to the contrary;
- (g) a valid proxy form will be deemed to confer authority to demand or join in demanding a poll;
- (h) to be valid, a proxy form must be signed by the member or the member's attorney or, if the member is a corporation, executed in accordance with that corporation's constitution and the Corporations Act (and may be signed on behalf of the corporation by its attorney); and

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- (i) to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received by no later than 11.00am (AEDT) on Wednesday, 23 November 2016 by the Company's Share Registry, Computershare Investor Services Pty Ltd, by one of the following methods:

- by mail: GPO Box 242  
Melbourne VIC 3001
- by facsimile: 1800 783 447 (within Australia)  
+61 3 9473 2555 (outside Australia)
- online: You may vote online at [www.investorvote.com.au](http://www.investorvote.com.au). You will need the control number, holder number and postcode as shown on your proxy form.

**Custodian voting** – for Intermediary Online subscribers only (custodians), please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

A form of proxy accompanies this Notice of Meeting.

### 4 Corporate representatives

A shareholder, or proxy, that is a corporation and entitled to attend and vote at the AGM may appoint an individual to act as its corporate representative. Evidence of that appointment of a corporate representative must be in accordance with section 250D of the Corporations Act and be lodged with the Company before the AGM.

### 5 Attorneys

A shareholder entitled to attend and vote at the AGM may appoint an attorney to attend and vote at the AGM on the shareholder's behalf. An attorney need not be a shareholder of the Company. The power of attorney appointing the attorney must be duly signed and specify the name of each of the shareholder, the Company and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

To be effective, the power of attorney must also be returned in the same manner, and by the same time, as outlined above for proxy forms.

### 6 Evidence of signing authority

If a proxy form or appointment of a corporate representative is signed on behalf of an individual or corporation under power of attorney or other authority, the power of attorney or other authority under which the relevant instrument is signed, or a copy of that power of attorney or authority, certified as a true copy by statutory declaration, must accompany the instrument unless the power of attorney or other authority has previously been noted by the Company's share registry.

### 7 Voting at the AGM

APD plans for every resolution arising at the AGM to be decided on a poll. Upon a poll, every shareholder who is present in person or by proxy, or by representative or by attorney, will have one vote for each share held by that person.