

SAPEX Group Limited

ACN 619 195 283

Notice of Annual General Meeting

Venue: Automic Group, Level 5, 126 Phillip Street
Sydney NSW 2000

Date: *Friday, 31 May 2019*

Time: Commencing at 2pm (Sydney time)

Contents

	Page
Key dates	1
Notice of Annual General Meeting	2
Proxy Appointment, Voting and Meeting Instructions.....	4
Explanatory Statement.....	5
Glossary	9
Proxy Form	enclosed

Key dates

The key dates for the Annual General Meeting (**AGM**) are set out below.

Event	Date
Last day for receipt of proxies	2pm Wednesday, 29 May 2019
Annual General Meeting	2pm Friday, 31 May 2019

Proxy Forms received after **2pm** (Sydney time) on **Wednesday, 29 May 2019** will be disregarded.

Your Vote

The business of the AGM affects your shareholding and your vote is important.

To vote in person, attend the AGM on the date and at the place set out above.

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

Questions

Shareholders are invited to contact the Company Secretary Lee Tamplin on +61 2 8072 1429 if they have any questions regarding the AGM.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of SAPEX Group Limited ACN 619 195 283 (**Sapex** or **Company**) will be held at **Automic Group, Level 5, 126 Phillip Street Sydney NSW 2000** on **Friday, 31 May 2019** commencing at **2pm (Sydney time)**.

The Explanatory Statement, which accompanies and forms part of this Notice, contains information to assist Shareholders to decide how to vote on the matters to be considered at the AGM.

Terms used in this Notice are defined in the Glossary.

Agenda

1. Ordinary Resolutions

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 purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Report for the calendar year ended 31st December 2018."

Resolution 2 - Re-election of Daniel Powell

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

"That Daniel Powell, who retires in accordance with Clause 19.4 of the Company's Constitution and, being eligible offers himself for election, is appointed a Director of the Company."

There are no voting exclusions in relation to this Resolution.

Resolution 3 - Re-election of Peter Van Ratingen

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

"That Peter Van Ratingen, who retires in accordance with Clause 20.2 of the Company's Constitution and, being eligible offers himself for election, is appointed a Director of the Company."

There are no voting exclusions in relation to this Resolution.

2. Special Resolutions

Resolution 4 - Amendment of section 1.1 "Definitions" of the Constitution

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

"That, for the purpose of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend the Constitution with immediate effect by amending the definition of "Approved Exchange" by replacing the words "or SIM Venture Securities Exchange" with "or Australian Securities Exchange"."

There are no voting exclusions in relation to this Resolution.

Resolution 5 - Amendment of section 12 "Restricted Securities" of the Constitution

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

"That, for the purpose of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend the Constitution with immediate effect by amending the entire section of section 12 "Restricted Securities" to now read as follows:

The Company must comply in all respects with the requirements of the Listing Rules relating to Restricted Securities. Notwithstanding any other provisions of this Constitution, for so long as the Company has any Restricted Securities on issue:

- (a) a holder of Restricted Securities must not be disposed of (as the term "disposed" is defined in the Listing Rules) or agree or offer to dispose of the securities during the escrow period applicable to those Restricted Securities, except as permitted by the Listing Rules or the Approved Exchange;*
- (b) if the Restricted Securities are in the same class (as the term "class" is defined in the Listing Rules) as quoted securities (as the term "security" is defined in the Listing Rules), the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issue sponsored subregister (as the term "issue sponsored subregister" is defined in the Listing Rules) and are to have a holding lock (as the term "holding lock" is defined in the Listing Rules) applied for the duration of the escrow period applicable to those securities;*
- (c) the Company must refuse to acknowledge any disposal (including without limitation to registering any transfer) of Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or the Approved Exchange;*
- (d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities (as the term "security" is defined in the Listing Rules) except as permitted by the listing rules or Approved Exchange; and*
- (e) if a holder of Restricted Securities breaches a restriction (as the term "restriction" is defined in the Listing Rules) deed or a provision of the Company's Constitution restricting a disposal (as the term "disposal" is defined in the Listing Rules) of those securities, the holder will not be entitled to any dividend distribution, or to exercise any voting rights, in respect of those securities (as the term "security" is defined in the Listing Rules) for so long as the breach continues.*

There are no voting exclusions in relation to this Resolution.

By order of the Board of Directors

Lee Tamplin

Company Secretary

29 April 2019

Proxy Appointment, Voting and Meeting Instructions

See attached proxy form.

To be valid, properly completed forms must be received by the Company no later than **2pm** Australian Eastern Standard Time (AEST) on **Wednesday, 29 May 2019**.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company that is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary. Capitalised terms defined within this Notice of Annual General Meeting but which are not defined in the Glossary also apply within this Notice of Annual General Meeting.

ORDINARY RESOLUTIONS

Resolution 1 – Adoption of Remuneration Report

Background

The Corporations Act requires the audited financial report (which includes the financial statements and directors' declaration), the directors' report and auditor's report to be laid before the AGM. There is no requirement in the Corporations Act or the Company's constitution for Shareholders to approve the financial report, the directors' report or the auditor's report.

The audited financial report, directors' report and auditor's report are incorporated within the Company's Annual Report.

The Company's Annual Report is available from the Company's website <https://sapexgroup.investorcentre.online/#company-updates> and/or from the NSX Company Announcements Website.

In accordance with Section 250S of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions or make comments in relation to the management and/or auditors of the Company, the financial report, directors' report and the auditor's report but no formal Resolution to adopt the reports will be put to Shareholders at the AGM (save for Resolution 1 for adoption of the Remuneration Report).

Adoption of Remuneration Report

The Corporations Act requires that at a listed company's annual general meeting, a Resolution that the Remuneration Report be adopted must be put to the Shareholders.

The Remuneration Report is set out on pages 8 to 13 of the Annual Report.

The Remuneration Report sets out the Company's:

- (a) remuneration arrangements for the directors and senior management of the Company; and
- (b) the policies behind, and the structure of, the remuneration arrangements of the Company and the link between remuneration of employees and the Company.

The Chair of the meeting must allow a reasonable opportunity for its Shareholders to ask questions about or make comments on the Remuneration Report at the AGM.

Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual

general meetings, at least 25% of the votes cast on a Remuneration Report Resolution are voted against adoption of the Remuneration Report and at the first of those AGMs a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those AGMs.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second AGM. All of the Non-Executive Directors of the Company who were in office when the directors' report (as included in the company's Annual Report for the previous financial year) was approved, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the Company.

Previous voting results

At the Company's previous AGM the Remuneration Report Resolution was passed on a show of hands; the votes cast via proxies against the Remuneration Report considered at that AGM were fewer than 25%. Accordingly, the Spill Resolution is not relevant for this AGM.

Voting restrictions

Members of the Key Management Personnel and their proxies and Closely Related Parties are restricted from voting on a resolution put to Shareholders that the Remuneration Report of the Company be adopted.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

According to sections 250R(4) and 250R(5) of the Corporations Act, the voting restriction does not apply where:

- (a) The Chairman or any other member of the Key Management Personnel is appointed in writing (by a Shareholder who is not a member of the Key Management Personnel or a Closely Related Party of Key Management Personnel) as a proxy with specific instructions on how to vote on a resolution to adopt the Remuneration Report of the Company; or
- (b) the Chairman is appointed in writing (by a Shareholder who is not Key Management Personnel or a Closely Related Party of Key Management Personnel) as a proxy with no specific instructions on how to vote on a non-binding shareholder vote on remuneration, where the Shareholder provides express authorisation for the Chairman to do so.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of Resolution 1 of this Meeting, subject to compliance with the Corporations Act.

Resolution 2 – Re-election of Daniel Powell

Clause 19.4 of the Company's current constitution and NSX Listing Rule 6.47 both require that, any Director appointed to fill casual vacancies must retire from office at the next AGM. That Director will then be eligible for re-election at the next AGM.

Accordingly, Daniel Powell seeks re-appointment as a director of the Company.

Background

Mr Powell has 30 years of extensive management experience in the banking and finance industry, from retail to institutional markets, covering distribution, sales, marketing, strategy and product development.

Mr Powell was a director of ASCALON Capital Managers, a member of the board with Oasis Asset Management (ING Australia Limited) and a member of the executive board at ING Australia Limited and SEALCORP Holdings Limited.

At Onevue Group (2015-2017), Mr Powell was the Head of Platform Sales and Relationship Management. Prior to Onevue Group, Mr Powell was Head of SFG Alliance Service, Director of Corporate & IFA Distribution at AMP, Executive Director of Sales & Marketing at ING Australia, Director of Distribution & Sales at St George Bank (SEALCORP Holdings Ltd) and Senior Vice President of BT Portfolio Services at BT Financial Group.

Mr Powell holds a Bachelor of Business from Curtin University, Western Australia.

Directors' recommendation

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

Resolution 3 – Re-election of Peter Van Ratingen

Clause 20.2 of the Company's current constitution requires that, one third of the Directors must retire from office at each annual general meeting. The Directors to retire will be those who have been longest in office since their last election.

Accordingly, Peter Van Ratingen seeks re-appointment as a director of the Company.

Background

Mr Ratingen's extensive career over a 25 year period has focused on business management and has involved holding numerous global positions in the consulting, insurance and financial services industries. His roles included the Asia Pacific regional Head of Bancassurance, European COO for CIGNA Insurance, Country President for Chubb Insurance, Indonesia & Philippines, and regional General Manager for PPG International Ltd. His unique Asian managerial experience in a number of Fortune 500 companies also provides Sapex's board with the expertise to enhance the Dura-Base product with the networks to expand its reach within South East Asia.

Mr Ratingen holds a Bachelor of Science from Murdoch University and Post Graduate Computer Science qualifications from Curtin University.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

SPECIAL RESOLUTIONS

Resolutions 4 & 5 – Amendment of section 1.1 Definitions of the Constitution & Amendment of section 12 "Restricted Securities" of the Constitution

The Company proposes to apply to the ASX for admission to the official list of the ASX, with all ordinary shares to be quoted on the official list following such admission.

A requirement under condition 2 of section 1.1 of the ASX Listing Rules is that the Company must have a constitution which is consistent with the ASX Listing Rules.

Accordingly the definition of "Approved Exchange" under section 1.1 of the Constitution does not specifically state that "Australian Securities Exchange" for the purposes of the definition of Approved Exchange.

To ensure the Company complies with the ASX Listing Rules for its proposed admission to the official list of the ASX, the Company proposes to amend its Constitution according to Resolution 4.

Additionally, in regards to Resolution 5, the Company notes the proposed changes to the escrow of securities outlined in paragraph 4.1 of the ASX public consultation paper dated 28 November 2018.

To facilitate the Company complying with the proposed change to the ASX Listing Rules, the Company proposes to amend its Constitution according to Resolution 5.

As Resolutions 4 & 5 are special resolutions, it must be approved by at least 75% of the total number of votes cast by Shareholders entitled to vote on the resolutions.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 4 and 5.

Glossary

In this Explanatory Statement, the following terms have the following meaning:

ASIC	Australian Securities & Investments Commission.
ASX	The Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules	means the Listing Rules of the ASX.
Board or SAPEX Board	Board of Directors of the Company.
Chairman or Chair	The chair of the Board.
Closely Related Party	means a member of the Key Management Personnel who is: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of the member's spouse;(c) a dependent of the member or the member's spouse;(d) anyone of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;(e) a company the member controls; or(f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
Company or Sapex or SAA	SAPEX Group Limited ACN 619 195 283
Constitution	means the constitution of the Company for the time being in force.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Annual General Meeting or Meeting or AGM	Annual General meeting of Shareholders and Board of Directors of the Company or any adjournment of it, convened by this Notice.
Annual Report	means the Annual Report of the Company for the calendar year ending 31 December 2018 lodged with the NSX.
Key Management Personnel	has the same definition as <i>AASB 124 Related Party Disclosures</i> which defines key management personnel as “those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity”.
Listing Rules	The Listing Rules of NSX.
Non-Executive	A Director who is not an employee of the Company.

Director

Notice or Notice of Annual General Meeting The notice of Annual General Meeting, which accompanies this Explanatory Statement.

NSX National Stock Exchange of Australia Limited.

Proxy Form The proxy form accompanying the Notice.

Remuneration Report means the remuneration report contained in the Annual Report of the Company for the calendar year ending 31 December 2018

Resolution A resolution set out in the Notice.

Share Fully paid ordinary share in the capital of the Company.

Shareholder A registered holder of a Share.



Sapex Group Limited | ACN 619 195 283

AGM Registration Card

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Vote by Proxy: SAA

Your proxy voting instruction must be received by **2:00pm (Sydney time) on Wednesday 29 May 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

Joint holding: Where the holding is in more than one name, all of the Shareholders 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 Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).