



AMCOM TELECOMMUNICATIONS LIMITED
ABN 20 062 046 217

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11.00 am (Perth time)
DATE: Wednesday 21 November 2012
PLACE: Level 1, Media Suite, Perth Convention Exhibition Centre
21 Mounts Bay Road, Perth WA 6000

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

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on (08) 9244 6000.

Your 2012 Annual Report is now available on- line at www.amcom.com.au

If you would like to have a copy report mailed to you at no cost, please do not hesitate to contact the Company Secretary on (08) 9244 6000.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Amcom Telecommunications Limited to which this Notice of Annual General Meeting relates will be held at 11.00 am (Perth time) on Wednesday 21 November 2012 at:

Level 1, Media Suite,
Perth Convention Exhibition Centre
21 Mounts Bay Road, Perth WA 6000

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- (a) send or deliver the proxy form to Level 22, 44 St Georges Terrace, Perth, Western Australia 6000; or
- (b) send the proxy form by facsimile to the Company on facsimile number (08) 9244 6592,

so that it is received not later than 11.00am (Perth time) on Monday 19 November 2012.

Proxy forms received later than this time will be invalid.

VOTING BY BODIES CORPORATE

A Shareholder that is a body corporate may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at the Annual General Meeting or in the capacity as the Shareholder's proxy. The appointment may be a standing one. Unless otherwise specified in the appointment, the representative may exercise, on that body corporate's behalf, all of the powers that the body could exercise at a meeting or in voting on a resolution.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2012 Annual General Meeting of Shareholders of Amcom Telecommunications Limited will be held at Level 1, Media Suite, Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth Western Australia at 11.00am (Perth time) on Wednesday 21 November 2012.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company on Monday 19 November 2012 at 5.00pm (Perth time).

Please read this Notice of Annual General Meeting and Explanatory Statement and consider directing your proxy on how to vote on each resolution by marking the appropriate box on the proxy form. A proxy form accompanies this Notice of Annual General Meeting.

Terms and abbreviations used in this Notice of Annual General Meeting, the Explanatory Statement and the Proxy Form are defined in the Glossary on Page 13.

BUSINESS OF THE MEETING

The Explanatory Statement to this Notice of Annual General Meeting describes the matters to be considered at the meeting.

Financial statements and reports

To receive and consider the financial statements and the reports of the Directors and of the auditors for the year ended 30 June 2012.

Resolution 1 – Remuneration Report

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

“That the Remuneration Report as set out in the Company’s 2012 Annual Report for the year ended 30 June 2012 be adopted.”

Voting exclusion statement

The following persons may not vote, and the Company will disregard any votes cast on this resolution;

- by or on behalf of a member of the key management personnel whose remuneration details are included in the Remuneration Report, or their closely related parties; and
- by a member of the key management personnel or their closely related parties as proxy,

unless the vote is cast as proxy on behalf of a person entitled to vote on this resolution, and that vote has been cast as specified on the Proxy Form; or where there is no specified voting direction, the vote is cast by the Chairman of the meeting as proxy and has been expressly authorised to vote on this resolution, even though it is connected with the remuneration of key management personnel (KMP).

Notes

This resolution is advisory only and does not bind the Company or the directors.

Shareholders should note that the result of the vote on this resolution may affect the 2013 Annual General Meeting. Under the Corporations Act, if 25% or more of votes cast at the Meeting are against this resolution (constituting the 'first strike'), a resolution on whether to hold a further meeting to spill the Board (a spill resolution) would be put to shareholders if a 'second strike' occurs at the 2013 Annual General Meeting. This spill resolution would be included in the 2013 Notice of Meeting.

Resolution 2 – Re-election of Mr Ian Warner

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

"That, Mr Ian Warner, being a Director of the Company, who retires by rotation in accordance with the Company's constitution and the ASX Listing Rules, and being eligible, offers himself for re-election."

Resolution 3 – Re-election of Mr Peter Clifton

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

"That, Mr Peter Clifton, being a Director of the Company, who retires by rotation in accordance with the Company's constitution and the ASX Listing Rules, and being eligible, offers himself for re-election."

Resolution 4 – Approval of grant of performance rights to Mr Clive Stein

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

"That, for the purposes of ASX Listing Rules 7.1, 10.14 and for all other purposes, Shareholders approve and authorise the Directors to grant 310,000 Tranche D Performance Rights (each to acquire one Ordinary Share in the capital of the Company) for nil consideration to Mr Clive Stein, and to allot and issue Ordinary Shares on the vesting of those Performance Rights, in accordance with the Performance Rights Plan and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

In accordance with ASX Listing Rules 7.3, 10.15 and 14.11, the Company will disregard any votes cast on Resolution 4 by:

- Mr Clive Stein and any of his Associates; and
- any other Director of the Company or Associate of that Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company). However, the Company need not disregard a vote if it is cast:
 - a) by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - b) is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

DATED: 5th October 2012

BY ORDER OF THE BOARD

**David Hinton
Chief Financial Officer &
Company Secretary**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting.

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

- **Financial statements and reports**

The Corporations Act 2001 (Cth) requires the company's financial statements and reports for the last financial year to be laid before the Annual General Meeting. The financial statements and reports are contained in the Company's 2012 Annual Report.

The 2012 Annual Report is available from the Amcom website (www.amcom.com.au).

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

The Company's auditor, Ernst & Young, will be present at the Meeting and shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

- **Resolution 1 – Remuneration Report**

The Remuneration Report is set out in the Director's Report on pages 34 to 45 of the Company's 2012 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of the KMP of the Company and sets out remuneration details for the KMP;
- details and explains any performance conditions applicable to the remuneration of the KMP of the Company; and
- provides an explanation of share based compensation payments for each member of the KMP of the Company.

- **Resolution 2 – Re-election of Mr Ian Warner**

The Company's Constitution and ASX Listing Rules provides that a Director, excluding the Managing Director, may not hold office for a continuous period in excess of 3 years or past the third annual general meeting, following the Director's appointment, whichever is the longer, without submitting himself for re-election.

Mr Warner was re-elected at the Company's 2009 annual general meeting. Accordingly, under Rule 78 of the Constitution and Listing Rule 14.4, he must be submitted for re-election at the Company's 2012 Annual General Meeting.

Mr Warner joined the Board in 1999 as a non-executive Director and is the Deputy Chairman. He is also a member of the Remuneration and Nomination Committee and of the Audit and Risk Committee. The Directors (other than Mr Warner) recommend that Shareholders vote in favour of Resolution 2. Mr Warner, who has an interest in the outcome of Resolution 2, declines to make a recommendation.

- **Resolution 3 – Re-election of Mr Peter Clifton**

The Company's Constitution and ASX Listing Rules provides that a Director, excluding the Managing Director, may not hold office for a continuous period in excess of 3 years or past the third annual general meeting, following the Director's appointment, whichever is the longer, without submitting himself for re-election.

Mr Clifton was re-elected at the Company's 2009 annual general meeting. Accordingly, under Rule 78 of the Constitution and Listing Rule 14.4, he must be submitted for re-election at the Company's 2012 Annual General Meeting.

Mr Clifton joined the Board in 1999 and is a member of the Remuneration and Nomination Committee and of the Audit and Risk Committee. The Directors (other than Mr Clifton) recommend that Shareholders vote in favour of Resolution 3. Mr Clifton, who has an interest in the outcome of Resolution 3, declines to make a recommendation.

- **Resolution 4 – Approval of grant of performance rights to Mr Clive Stein**

Resolution 4 seeks Shareholder approval to the grant of 310,000 Tranche D Performance Rights to Mr Clive Stein, on the terms and conditions set out in this Explanatory Statement.

Background to the grant of Performance Rights

On 16 February 2010, the Board established an employee incentive scheme which became known as "Amcom Telecommunications Limited Performance Rights Long Term Incentive Plan" (Performance Rights Plan).

It is proposed that these Performance Rights will be issued to Mr Stein pursuant to the Performance Rights Plan.

The purpose of the proposed grant of Tranche D Performance Rights to Mr Stein is to provide an appropriate long term remuneration strategy and incentive for Mr Stein to assist the Company to achieve an increase in shareholder wealth and to assist the Company to retain the services of Mr Stein.

The Board considers that vesting of the Tranche D Performance Rights should be aligned to what the Board believe are the Shareholders expectations of a superior Total Shareholder Return (TSR) in the longer term.

Mr Stein will only benefit from the grant of the Tranche D Performance Rights if the relevant Vesting Conditions attaching to these Performance Rights are fulfilled and he is issued with Ordinary Shares on vesting of the Performance Rights.

The Tranche D Performance Rights proposed to be granted to Mr Stein reflect the level of commitment to be provided by Mr Stein to the Company and the Vesting Conditions take into account the responsibilities of Mr Stein and the time commitment required from him. The Tranche D Performance Rights to be granted to Mr Stein also reflect the value the Board believes Mr Stein brings to the enhancement of the Company and the relative importance of the performance objectives set by the Company.

The Board considers that the proposed grant of Tranche D Performance Rights to Mr Stein:

- aligns Mr Stein's incentives with Shareholder interests;
- assists the Company to retain the services of Mr Stein by providing an attractive long term retention tool that builds an ownership of the Company mindset; and
- ensures that the extent to which Mr Stein benefits from any award is reasonably and objectively linked to the Company's comparative performance against the Index over a long term period.

The Board accordingly considers it appropriate for part of Mr Stein's remuneration package to include non-cash, incentive based remuneration such as Performance Rights. If Shareholders approve Resolution 4, the Tranche D Performance Rights will be granted to Mr Stein no later than three months after the date of the Meeting the subject of this notice, however, the Tranche D Performance Rights will only vest if the Vesting Conditions attaching to the Tranche D Performance Rights are met.

Key details of the Performance Rights

It is proposed that Mr Stein is to be granted 310,000 Tranche D Performance Rights by the Company on the following key terms:

- 310,000 Tranche D Performance Rights will be granted to Mr Stein pursuant to Resolution 4.
- Mr Stein is not required to pay any amount to acquire the Tranche D Performance Rights. If the Tranche D Performance Rights vest, Mr Stein will be allocated with a corresponding number of Ordinary Shares for a nil exercise price. These shares will not be subject to any additional trading restrictions.
- Mr Stein will not be entitled to receive any dividends on these Performance Rights nor do the Performance Rights carry any voting rights.
- The Tranche D Performance Rights granted to Mr Stein are subject to Vesting Conditions as follows:
 - i. 103,333 Tranche D Performance Rights will vest if Mr Stein is employed by the Company on the last day of the Vesting Period (Retention Component);
 - ii. 103,333 Tranche D Performance Rights will vest if Amcom achieves a TSR, relative to the Index for the Vesting Period, which is equal to or greater than the Index; and
 - iii. 103,334 Tranche D Performance Rights will vest if Amcom achieves a TSR, relative to the Index for the Vesting Period, which is 10% greater than the Index.
- As soon as practical after the conclusion of the Vesting Period on 30 June 2015, the Board will determine the extent to which the Vesting Conditions have been satisfied and will issue to Mr Stein the corresponding number of Ordinary Shares. Should the Vesting Conditions not be satisfied, in whole or in part, then the relevant number of Tranche D Performance Rights will lapse. If Mr Stein ceases to be employed by the Company at any time prior to completion of the Vesting Period, the Tranche D Performance Rights granted to him will lapse, unless determined otherwise by the Board.
- If a Change of Control occurs at any time during the Vesting Period, then the 310,000 Tranche D Performance Rights will vest and Mr Stein will be allocated 310,000 Ordinary Shares.
- In the event of any future capital reorganisations, bonus issues, rights issues or special distributions in relation to the issued Ordinary Share capital of the Company, the number of Ordinary Shares issued upon vesting of the Tranche D Performance Rights and the Vesting Conditions may be adjusted in such manner as the Board in its absolute discretion determines.

The other terms and conditions of the Tranche D Performance Rights are summarised in Schedule 1 to this Explanatory Statement.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides, in summary, that, subject to certain exceptions, a listed company may not issue or agree to issue equity securities in any 12 month period which exceeds 15% of the number of ordinary shares of the company on issue at the beginning of the 12 month period,

except with the prior approval of shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

As the grant of up to 310,000 Tranche D Performance Rights pursuant to Resolution 4 will not exceed the 15% annual limit in ASX Listing Rule 7.1, assuming Shareholders approve Resolution 4, the Company is not required to seek Shareholder approval of the grant of 310,000 Tranche D Performance Rights for the purposes of ASX Listing Rule 7.1.

However, as the Company is seeking Shareholder approval of the grant of the Tranche D Performance Rights, and the issue of Ordinary Shares on the vesting of those Performance Rights, for the purposes of ASX Listing Rule 10.14 in any event, Shareholder approval is also sought for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides, in essence, that the approval of shareholders by ordinary resolution is required before any of the following persons can acquire securities under an employee incentive scheme (such as the Performance Rights Plan):

- (a) a Director;
- (b) an associate of a Director; or
- (c) a person whose relationship with the Company or a person referred to in paragraph (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

Mr Stein is a Director of the Company for the purpose of ASX Listing Rule 10.14. Accordingly, in order for Mr Stein to acquire the Performance Rights and Ordinary Shares on the vesting of the Performance Rights under the Performance Rights Plan, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.14.

Disclosure Requirements

ASX Listing Rules 7.3 and 10.15 set out a number of matters which must be included in a notice of meeting seeking shareholder approval under ASX Listing Rules 7.1 and 10.14.

In accordance with ASX Listing Rules 7.3 and 10.15, the following information is disclosed to Shareholders in relation to Resolution 4:

- (a) Mr Stein is a Director of the Company;
- (b) subject to Shareholder approval being obtained the maximum number of Performance Rights that may be granted to Mr Stein for which approval is required is 310,000 Tranche D Performance Rights. If all 310,000 Tranche D Performance Rights vest, Mr Stein will be entitled to 310,000 Ordinary Shares;
- (c) the Tranche D Performance Rights will be granted to Mr Stein as an incentive, for no cash consideration. Any Ordinary Shares issued on conversion of those Performance Rights will be issued for no cash consideration. Accordingly, no funds will be raised by the grant of the Tranche D Performance Rights or any subsequent issue of Ordinary Shares to Mr Stein on exercise of those Performance Rights;
- (d) accordingly, no loans will be made by the Company in connection with the acquisition of Tranche D Performance Rights or Ordinary Shares on conversion of the Tranche D Performance Rights by Mr Stein;
- (e) since the Performance Rights Plan was approved by the Board on 16 February 2010, Shareholders have approved a total of 1,233,667 Performance Rights that have been issued to Mr Stein comprising the following tranches; 716,667 Tranche A, 192,000 Tranche B and 325,000 Tranche C;

- (f) as at the date of this Notice, Mr Stein is the only person referred to in ASX Listing Rule 10.14 who is entitled to participate in the Performance Rights Plan;
- (g) the Performance Rights will be granted no later than 3 months after the date of the General Meeting and it is anticipated that the allotment will be on one date;
- (h) the Performance Rights to be granted to Mr Stein will not be quoted on ASX. Any Ordinary Shares issued to Mr Stein on exercise of those Performance Rights will rank equally in all respects with all other Ordinary Shares in the Company and the Company will apply for the Ordinary Shares to be quoted on ASX;
- (i) the proposed grant of Tranche D Performance Rights to Mr Stein will be made pursuant to the terms and conditions set out in the section entitled "Key details of the Performance Rights Plan" of this Explanatory Statement and the terms and conditions of the Performance Rights Plan as summarised in Schedule 1 to this Explanatory Statement;
- (j) details of any securities issued under the Performance Rights Plan will be published in each annual report of the Company relating to the period in which the securities were issued; and
- (k) a voting exclusion statement in respect of Resolution 4 is in both the Notice and the section entitled "Voting exclusion statement" of this Explanatory Statement.

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 one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Stein is a Related Party and the proposed grant of the Tranche D Performance Rights and subsequent issue of Ordinary Shares to Mr Stein on vesting of those Performance Rights, constitutes the giving of a financial benefit. Accordingly, Shareholder approval is required unless an exception applies.

An exception to the prohibition in Chapter 2E of the Corporations Act is if the benefit is remuneration to an officer of the Company that would be reasonable given:

- (a) the circumstances of the Company; and
- (b) the officer's circumstances (including the responsibilities of the officer).

The Board considers that the proposed grant of Performance Rights to Mr Stein is reasonable remuneration. Accordingly, shareholder approval for the purposes of Chapter 2E of the Corporations Act is not required.

However, in the interests of making full disclosure to Shareholders, the Company has detailed below some of the information that would have been required to be disclosed to Shareholders had it been seeking shareholder approval for the purposes of Chapter 2E of the Corporations Act, which the Board considers may, together with the information disclosed in this Notice of Annual General Meeting with respect to Resolution 4, assist Shareholders in making a fully informed decision with respect to Resolution 4:

(a) As at the date of this Notice, the issued capital structure of the Company is as follows:

	Number
Ordinary Shares – listed	244,541,792
Series B Employee Ordinary Shares - unlisted	15,309
Performance Rights:	
- Tranche B (1)	480,000
- Tranche C (2)	1,315,000
- Tranche D (3)	825,000

- (1) Tranche B Performance Rights expire on 30 June 2013 with 50% by number vesting if the holder is employed on 30 June 2013; plus 25% if TSR is equal to but less than 110% of the Index and the final 25% if the TSR exceeds 110% of the Index. Tranche B performance Rights convert to Ordinary Shares on a ratio of 1:1.3165. Change of control provisions apply.
- (2) Tranche C Performance Rights expire on 30 June 2014 with 33 1/3% by number vesting if the holder is employed on 30 June 2014; plus 33 1/3% if TSR is equal to but less than 110% of the Index and the final 33 1/3% if the TSR exceeds 110% of the Index. Change of control provisions apply.
- (3) Tranche D Performance Rights on issue are on the same terms as those proposed for Mr Stein.

If Shareholders approve Resolution 4 the issued capital structure will become:

	Number
Ordinary Shares - listed	244,541,792
Series B Employee Ordinary Shares - unlisted	15,309
Performance Rights:	
- Tranche B	480,000
- Tranche C	1,315,000
- Tranche D	1,135,000

If Shareholders approve the grant of 310,000 Tranche D Performance Rights to Mr Stein, under Resolution 4, and all Tranche D Performance Rights subsequently vest such that the 1,135,000 Ordinary Shares are issued may result in the dilution of the shareholdings of all other existing Shareholders of approximately 0.5% (based on the existing number of Ordinary Shares on issue as at the date of this Notice and assuming that no other Performance Rights Tranches vest and no other securities are issued by the Company in the meantime).

(b) As at the date of this Notice, Mr Stein holds the following securities in the Company representing 0.8% of the issued capital of the Company on a fully diluted basis:

Ordinary Shares – listed (1)	1,000,000
Performance Rights:	
- Tranche B	192,000
- Tranche C	325,000

- (1) 333,333 of these Ordinary Shares are held by Mr Stein under a loan agreement with the Company that was approved by Shareholders at the Company's Annual General Meeting in 2003. The current loan balance is \$60,250.

- (c) In August 2012, Mr Stein was issued 943,492 Ordinary shares as a result of the vesting of 716,667 Tranche A Performance Rights under the Amcom Executive Long Term Incentive Plan. The issuance of the Tranche A Performance Rights were approved by Shareholders in April 2010.
- (d) Details of Mr Stein's remuneration for the financial year ended 30 June 2012 (based on information extracted from the Company's 2012 Remuneration Report) are as follows:

	\$
Salary and superannuation	494,571
Short term incentive - cash	173,100
Non- monetary benefits	68,956
Share based payment (Tranche A, B & C)	291,210
Long service leave	<u>3,417</u>
Total	<u>\$1,031,254</u>

Details of the estimated remuneration of Mr Stein for the year ending 30 June 2013 inclusive of the proposed Tranche D performance Rights as it may appear in the Company's 2013 Remuneration Report are as follows:

	\$
Salary and superannuation	496,800
Short term incentive – cash (1)	-
Non- monetary benefits	70,000
Share based payment (Tranche B & C) (2)	139,802
Share based payment (Tranche D) (3)	72,891
Long service leave	<u>3,417</u>
Total	<u>\$782,910</u>

- (1) Mr Stein is a participant of the 2013 Amcom short term incentive plan (STI). The amount of the STI payable is based upon the Company achieving certain profit levels and Mr Stein achieving key performance indicators aligned with corporate goals and objectives. As the amount of the STI is dependent upon future events it is not possible to estimate the amount of the STI.
- (2) Should the vesting conditions not be achieved and Mr Stein is not an employee at the end of the Vesting Period for those Tranches then Mr Stein will not receive any benefit. If the vesting conditions are partially achieved then Mr Stein will received a reduce benefit as partial vesting will result in a lower number of shares being issued.
- (3) Estimated cost in the 2013 financial year of the Tranche D Performance Rights based upon the assumptions outlined at (j) below. The Company will value the Performance Rights at the grant date, based upon valuation inputs at that time, accordingly the actual cost is likely to be different to this estimate.
- (e) For the period from 30 June to 4 October 2012 the TSR of the Company was 22% and over the same period the Index increased by 10%.
- (f) The Board considers that the issue of securities to Mr Stein is a more effective and appropriate incentive for the Company as opposed to the payment of additional cash compensation.
- (g) Mr Stein has a material personal interest in the outcome of Resolution 4 as he is a recipient of the Tranche D Performance Rights proposed to be issued under that Resolution. The Company's remaining Directors do not have an interest in the outcome of Resolution 4, except where they are Shareholders. As set out in the proxy form, the Chairman of the General Meeting intends to vote all undirected proxies in favour of Resolution 4.
- (h) The Directors, other than Mr Stein, recommend that Shareholders vote in favour of Resolution 4 for the reasons given in the section above entitled "Background to the grant of Performance Rights" of this Explanatory Statement.

(i) The Company will incur costs in respect of the proposed grant of the Tranche D Performance Rights to Mr Stein as follows:

1. The fees payable to ASX for quotation of the Ordinary Shares if and when the performance conditions applicable to the Tranche D Performance Rights are satisfied and the Tranche D Performance Rights are vested. At the rates applying at the date of this Notice, these fees would be approximately \$1,500;
2. A value equal to the weighted average trading price of shares on ASX in the five days immediately before the date of valuation, will be included as wages for the purposes of the Pay-roll Tax Act 2002 (WA), Pay-roll Tax Assessment Act 2002 (WA) and the Taxation Administration Act 2003 (WA). If this value in addition to the other wages that are taxable in the jurisdiction is in excess of the annual pay-roll tax threshold, the Company will have a liability in respect of pay-roll tax in that jurisdiction; and
3. The cost of the Tranche D Performance Rights will be expensed in the Company's Statement of Comprehensive Income over the Vesting Period in accordance with AASB2 Share-based payments. This cost will be similar to the indicative total value of the Tranche D Performance Rights, as detailed in paragraph (i) below. Based upon that indicative valuation the total cost would be approximately \$218,674 over the Vesting Period with approximately \$72,891 being recorded as an expense in respect to the financial year ended 30 June 2013. This cost is of a non-cash nature.

(j) The Company has obtained from an independent party an indicative valuation of the Tranche D Performance Rights proposed to be offered to Mr Stein.

The indicative valuation of the Tranche D Performance Rights is calculated in accordance with the principles of AASB 2 Share –Based Payments.

The key inputs to determine the indicative fair value of the Tranche D Performance Rights are:

Share price on valuation date \$1.115 (10 September 2012)
Volatility 33.73%
Dividend Yield 4.42%
Risk Free Rate 3.15%
Exercise Price Nil

For the purposes of the valuation, it is assumed that 100% of the Performance Rights will vest.

The indicative fair value of the Tranche D Performance Rights is \$0.7054 per Performance Right based upon the above inputs.

The Company will determine the fair value to be ascribed to the Performance Rights at the grant date based upon valuation inputs current at grant date. As that date is in the future the ascribed fair value is likely to vary to the indicative valuation. The most sensitive input to the valuation of the Performance Right is the Share price as at grant date. As a guide if the Share price was \$1.16 then the fair value per Performance Right would be \$0.76 and if the Share price was \$1.06 then the fair value per Performance Right would be \$0.65.

Directors' recommendation

Mr Stein declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4 for the reasons set out in the section above entitled "Background to the grant of Performance Rights" of this Explanatory Statement.

Voting exclusion statement

In accordance with ASX Listing Rules 7.3, 10.15 and 14.11, the Company will disregard any votes cast on this resolution by Mr Clive Stein and his Associates, and any other Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and by an Associate of a Director. As non-executive Directors are ineligible to participate in the scheme they are entitled to vote on this resolution. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

GLOSSARY

Annual General Meeting means the meeting convened by the Notice of Annual General Meeting.

Associate means an associate as defined in section 9 of the Corporations Act, except that a reference to "Associate" in relation to an ASX Listing Rule has the meaning given to it in ASX Listing Rule 14.11.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Bonus Share means Ordinary Shares issued pursuant to the Terms of Issue.

Change of Control means when in relation to the Company, any person, either alone or together with any Associate, acquires a relevant interest (as defined in the Corporations Act) in more than 50% of the issued shares in the Company, or any similar event which the Board Determines, in its discretion, is a Change of Control.

Closely Related Party of a member of a KMP means any of the following:

- a spouse, child or dependant of the member;
- a child or dependant of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- a company the member controls; or
- a person prescribed by regulations (as at the date of this Notice of Annual General Meeting, no additional persons have been prescribed by regulation).

Company and **Amcom** mean Amcom Telecommunications Limited (ABN 20 062 046 217).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Annual General Meeting.

Eligible Employees means such employees of the Company or a Related Company, including executive Directors, or such other persons as the Board, in its discretion, determines.

Index means the S&P/ASX 300 Accumulation Index.

Key Management Personnel or **KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of KMP of the Company include its Directors (whether executive or otherwise) and certain senior executives.

Notice of Annual General Meeting means this notice of Annual General Meeting and the accompanying Explanatory Statement and Proxy Form.

Ordinary Share means a fully paid ordinary share in the issued capital of Amcom.

Participant means an Eligible Employee to whom a Performance Right has been granted under the Performance Rights Plan.

Performance Rights Plan means the Amcom Telecommunications Limited Performance Rights Long Term Incentive Plan.

Performance Right means an entitlement to one Ordinary Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the Performance Rights Plan.

Proxy Form means the proxy form and instructions accompanying the Notice of Annual General Meeting.

Resolutions means the resolutions set out in the Notice of Annual General Meeting, or any one of them, as the context requires.

Shareholder means a shareholder of the Company.

Total Shareholder Return (or TSR) is measured by the following formula

$$\text{TSR} = \frac{((\text{Share Price End of Period} - \text{Share Price Begin of Period}) + \text{Dividends per share})}{\text{Share Price Begin of Period}}$$

The Share Price Begin of Period is \$1.08 being the closing price quoted on ASX on 29 June 2012. The Share Price End of Period will be measured as the 5 day VWAP up to and including the last day of the Vesting Period.

Vesting Period means the period commencing on 2 July 2012 and expiring on 30 June 2015 (inclusive).

Vesting Conditions means the time and performance conditions, determined by the Board from time to time and described in the section of the Explanatory Statement headed, "Key details of the Performance Rights".

VWAP means the volume weighted average price of Amcom shares traded on ASX.

SCHEDULE 1 – SUMMARY OF THE MATERIAL TERMS OF THE AMCOM TELECOMMUNICATIONS LIMITED PERFORMANCE RIGHTS LONG TERM INCENTIVE PLAN

The material terms and conditions of the Performance Rights Plan are summarised below.

- a) **(Participants)**: The rules of the Performance Rights Plan enable participation by all Eligible Employees as determined by the Board. Such employees will be offered the opportunity to acquire Performance Rights.
- b) **(Renouncing an Offer)**: Subject to the approval of the Board, Eligible Employees may renounce an offer in favour of their spouse, a body corporate in which they hold not less than 50% of the issued voting share capital, the trustee of a trust in which they are a beneficiary, the trustee of a superannuation fund in which they are a member, or such other person as the Board in its discretion determines.
- c) **(Board)**: The Performance Rights enable Participants to acquire Ordinary Shares in Amcom. The Board has the discretion to determine the terms and conditions of an offer of Performance Rights under the Performance Rights Plan.
- d) **(Vesting Conditions under the Plan)**: Performance Rights offered under the Performance Rights Plan may be subject to Vesting Conditions as determined by the Board and specified in various offer documents that are provided to Eligible Employees. The Board has discretion to waive Vesting Conditions.
- (e) **(Consideration)**: Unless otherwise determined by the Board, no amount is payable upon the grant or the issue of an Ordinary Share following the vesting of a Performance Right.
- (f) **(Transfer)**: Performance Rights cannot be transferred.
- (g) **(Forfeiture)**: Performance Rights will be forfeited if any Vesting Conditions are not or cannot be satisfied by the end of the applicable vesting period. Unvested Performance Rights will also be forfeited if a Participant commits fraud, defalcation, gross misconduct or a serious breach of obligations in relation to Amcom's affairs.
- (h) **(Vesting of Performance Rights)**: If the Vesting Conditions are attained during the Term, as soon as practicable after the date the Vesting Period concludes, the Board will determine that the Vesting Condition has been satisfied, provide a Participant with a vesting notice (**Vesting Notice**) and will procure that a Participant is issued with the number of Ordinary Shares specified in the Vesting Notice. The Performance Rights Plan does not impose any disposal restrictions on Ordinary Shares issued upon exercise of Performance Rights. Participants will have full entitlements attaching to Ordinary Shares when acquired.
- (i) **(Capital reorganisations, issues and distributions)**: The Performance Rights are subject to adjustments as to the number of shares the subject of each Performance Right in the event of capital reorganisations, bonus issues, rights issues or special distributions.
- (j) **(Attorney)**: Each Participant appoints the Company and other specified persons as his/her attorney to give effect to the Performance Rights Plan rules.
- (k) **(Jurisdiction)**: If the Board determines that the laws of a particular jurisdiction require an offer under the Performance Rights Plan to be made subject to certain terms and conditions, the Board may direct that for the purpose of that jurisdiction the Performance Rights Plan rules will be read subject to those terms and conditions as specified in an addendum to the Performance Rights Plan rules.
- (l) **(Amendment of the Plan)**: Subject to certain limitations, the Board has the ability to amend the Performance Rights Plan rules at any time.

PROXY FORM

**APPOINTMENT OF PROXY
AMCOM TELECOMMUNICATIONS LIMITED
ABN 20 062 046 217**

I/We

being a Shareholder of Amcom Telecommunications Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Annual General Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit (see note below for Resolution 1) at the Annual General Meeting to be held at 11.00 am (Perth time) on 21 November 2012 at Level 1, Media Suite, Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth Western Australia and at any adjournment thereof. **If no directions are given, the Chairman will vote in favour of Resolutions 2, 3 and 4.**

Important for Resolution 1

If the Chairman of the Annual General Meeting is your proxy or is appointed as your proxy by default and you have not directed him how to vote on Resolution 1 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote on Resolution 1 below, the Chairman will not cast your votes on Resolution 1 and your votes will not be counted in computing the required majority if a poll is called on these items.

If you appoint the Chairman of the Annual General Meeting as your proxy you can direct the Chairman how to vote on Resolution 1 by either marking the relevant boxes below (for example if you wish to specifically vote against or abstain from voting) or by marking this box **in which case the Chairman intends to vote and will vote in favour of Resolution 1.**

I/We (except where I/we have indicated a different voting intention below):

- a. direct the Chairman of the Annual General Meeting to vote in accordance with the Chairman's voting intentions on Resolution 1 to vote in favour of this Resolution; and
- b. authorise, in respect of Resolution 1 that the Chairman of the Annual General Meeting to vote as described even though Resolution 1 are connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Group.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Ian Warner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Peter Clifton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of grant of performance rights to Mr Clive Stein	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your votes are not to be counted in computing the required majority on a poll.

Signed this day of 2012.

By : Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

Instructions for Completing 'Appointment of Proxy' Form

1. Shareholders entitled to attend and vote at the Annual General Meeting are entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, the Shareholder may specify the proportion or number of shares that each proxy may vote. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of shares each proxy may vote, each proxy may exercise half the voting rights of the Shareholder.
2. A proxy may be an individual or a body corporate. A duly appointed proxy need not be a Shareholder. In the case of joint Shareholders, all joint Shareholders must sign the Proxy Form.
3. In the case of a Shareholder who is a body corporate, the Shareholder should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act (if a company). Section 127(1) 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.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy 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.
5. Where a Proxy Form is lodged and is executed under power of attorney, the power of attorney (or a certified copy of the power of attorney) must be lodged together with the Proxy Form.
6. To vote by proxy, please complete and sign the Proxy Form accompanying the Notice of Annual General Meeting as soon as possible and either:
 - (a) send or deliver the proxy form to Amcom Telecommunications Limited at Level 22, 44 St Georges Terrace, Perth, Western Australia; or
 - (b) send the proxy form by facsimile to the Company on facsimile number (+618) 9244 6592,

so that it is received not later than 11:00 am (Perth time) on 19 November 2012.

Proxy forms received later than this time will be invalid.