

DATADOT TECHNOLOGY LIMITED

ACN 091 908 726

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of members of DataDot Technology Limited (**Company**) is to be held for the purpose of conducting the business of the meeting as itemised.

Venue: Conference Room 1
Level 6
University of NSW City Campus
1 O'Connell St
Sydney
New South Wales 2000
(corner of O'Connell and Bent Streets)

Date: Wednesday, 26 November 2014

Time: 10.00 a.m. (Sydney time)

BUSINESS OF THE MEETING

Financial Statements and Reports

To receive and consider the Financial Statements and Reports of the Directors and Auditor for the financial year ended 30 June 2014.

1 Re-election of Director – Bruce Rathie

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

"That Mr Bruce Rathie, who retires by rotation in accordance with the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

2 The issue of Shares to Mr Bruce Rathie or his associates

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

"That, in accordance with ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the Company hereby approves and authorises the Directors to issue up to 5,000,000 fully paid ordinary shares in the Company at an issue price of \$0.027 per share to Mr Bruce Rathie or his nominee on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes on Resolution 2 by Mr Bruce Rathie and his nominee and any of his associates. However, the Company need not disregard a vote if it is cast:

- (a) by Mr Rathie or an associate of Mr Rathie as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- (b) by the Chair as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3 Ratification of Share Issue

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

“That, for the purpose of ASX Listing Rule 7.4, the issue of 70,000,000 fully paid ordinary shares in the Company at \$0.027 per share issued on 13 October 2014 to sophisticated and professional investors, as further detailed in the Explanatory Memorandum to the Notice of Meeting, is hereby ratified.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 by a person who participated in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of those persons, other than votes cast:

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

4 Issue of Share Options to Mr Bruce Rathie

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

“That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the grant to Mr Bruce Rathie (or his nominee) of 2,000,000 options on the terms and conditions detailed in the Explanatory Memorandum, is approved.”

Voting Exclusion Statement

The Company will disregard any votes on Resolution 4 by Mr Bruce Rathie and his nominee and any of his associates. However, the Company need not disregard a vote if it is cast:

- (a) by Mr Rathie or an associate of Mr Rathie as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- (b) by the Chair as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5 Issue of Share Options to Mr Gary Flowers

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

“That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the grant to Mr Gary Flowers (or his nominee) of 1,000,000 options, on the terms and conditions detailed in the Explanatory Memorandum, is approved.”

Voting Exclusion Statement

The Company will disregard any votes on Resolution 5 by Mr Gary Flowers and his nominee and any of his associates. However, the Company need not disregard a vote if it is cast:

- (a) by Mr Flowers or an associate of Mr Flowers as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or

- (b) by the Chair as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6 Issue of Share Options to Ms Alison Coutts

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

“That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the grant to Ms Alison Coutts (or her nominee) of 1,000,000 options, on the terms and conditions detailed in the Explanatory Memorandum, is approved.”

Voting Exclusion Statement

The Company will disregard any votes on Resolution 6 by Ms Alison Coutts and her nominee and any of her associates. However, the Company need not disregard a vote if it is cast:

- (a) by Ms Coutts or an associate of Ms Coutts as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- (b) by the Chair as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7 Remuneration Report

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

“In accordance with Section 250R of the Corporations Act, the Company adopts the Remuneration Report as set out in the Directors’ Report.”

Voting Exclusion Statement

The Company will disregard any votes on Resolution 7 by or on behalf of a member of the Key Management Personnel of the Company (including Directors) (“**KMP**”), or their closely related parties. However, the Company need not disregard a vote cast by a KMP or closely related party of the KMP if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the KMP.

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

Other Information

The Explanatory Memorandum accompanies and forms part of this Notice.

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

Voting by Proxy

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

The proxy does not need to be a shareholder of the Company. A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

Proxies must be:

- (a) lodged at the Company's share registry, Boardroom Pty Limited; or
- (b) faxed at the fax number specified below,

not later than 10.00 a.m. (Sydney time) on Monday 24 November 2014.

Boardroom Pty Limited (hand deliveries)

Boardroom Pty Limited
Level 7
207 Kent St
Sydney NSW 2000

Boardroom Pty Limited (postal deliveries)

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Fax number for lodgment

+612 9290 9655

Voting Site

www.votingonline.com.au/DDTagm2014

A form of proxy is provided with this notice.

Entitlement to Vote

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the meeting all shares will be taken to be held by the persons who held them as registered Shareholders at 7.00 p.m. (Sydney time) on Monday 24 November 2014. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

By Order of the Board
DataDot Technology Limited

Graham Loughlin
Company Secretary

20 October 2014

DATADOT TECHNOLOGY LIMITED

ACN 091 908 726

EXPLANATORY MEMORANDUM

This Explanatory Memorandum relates to the Annual General Meeting of the Company to be held at Conference Room 1, Level 6, University of NSW City Campus, 1 O'Connell St Sydney on Wednesday, 26 November 2014 at 10.00 a.m. (Sydney time).

Financial Report and Reports of the Directors and Auditors

This item allows Shareholders the opportunity to consider the Financial Report, Directors' Report and Auditor's Report of the Company. Under Section 317 of the Corporations Act the Company is required to lay these 3 reports, together comprising the Company's Annual Report, before its Shareholders at its Annual General Meeting.

Resolution 1: Re-election of Bruce Rathie

Under ASX Listing Rule 14.4 a Director, other than the Managing Director, must not hold office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

Under Rule 6.4 of the Company's Constitution one-third of the Company's Directors, other than the Managing Director and not including a Director appointed by the remaining Directors, or the number nearest to but not exceeding one-third, must retire after 3 years or at the third annual general meeting following the Director's appointment, unless re-elected.

Resolution 1 provides for the re-election of Bruce Rathie as Director of the Company in accordance with Listing Rule 14.4 and Rule 6.4 of the Company's Constitution.

Mr Rathie joined the Board as a non-executive Director and Chairman on 16 October 2009 and was appointed Executive Chairman in January 2012. He has held several senior positions in investment banking and commercial law including: Managing Director, Jardine Fleming Australia Capital Limited; Director, Corporate Finance, Ord Minnett Inc.; and Director, Investment Banking, Salomon Brothers/Salomon Smith Barney Australia. Mr Rathie is currently Chairman of eftpos Payments Australia Limited and a Director of Calzada Limited and Capricorn Society Limited. He is Chairman of the Remuneration and Nomination Committee and a Member of the Audit and Risk Management Committee.

The Board, other than Mr Rathie, recommends the reappointment of Mr Rathie as a director.

Resolution 2: Issue of Shares to Mr Bruce Rathie or his associates

Background

On 3 October 2014, the Company announced that the Board had approved the issue of 5,000,000 ordinary shares at 2.7 cents per share, the same price as the Share Placement and Share Purchase Plan announced on that date, to Mr Bruce Rathie, subject to Shareholder approval.

Resolution 2 seeks Shareholder approval for the issue and allotment of a total of 5,000,000 ordinary shares in the Company ("**Shares**") at \$0.027 per Share to Mr Bruce Rathie, a director of the Company, or his nominees or associates.

Reasons for Shareholder Approval

ASX Listing Rule 10.11 states that, unless an exception applies, a company must not issue, or agree to issue, equity securities to a related party of the Company without the approval of ordinary shareholders under that Rule. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

In accordance with Listing Rule 7.2 (exception 14), as approval is being sought under Listing Rule 10.11, approval is not required to be obtained under Listing Rule 7.1.

Further, Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit (which includes the grant of Shares) to a related party of the public company unless either:

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

Although the issue of Shares to Mr Rathie might be said to fall within a nominated exception under the Corporations Act for Shareholder approval (being on arm's length terms), your Directors consider it prudent to seek Shareholder approval nonetheless under the Corporations Act (as well as Listing Rule 10.11).

Relevant Disclosures

The following additional information in relation to the Shares to be issued is provided to Shareholders to satisfy the requirements of Listing Rule 10.13 and Chapter 2E of the Corporations Act:

- (a) the related party proposing to participate in the placement of Shares to be issued is Mr Bruce Rathie (or his nominee), who is a related party by virtue of his being a Director;
- (b) the maximum number of Shares to be issued to Mr Rathie is 5,000,000;
- (c) the Shares are intended to be issued as soon as possible following the Annual General Meeting but in any event within 1 month after the date of the Annual General Meeting;
- (d) the issue price for the Shares will be \$0.027 per share and the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing shares;
- (e) Use of proceeds

Proceeds from the capital raised will be used to finance:

- a. additional sales capability for industrial DataDotDNA and DataTraceDNA products in the US;
- b. additional sales capability for DataDotDNA products in Australia, targeting the industrial and marine sectors; and
- c. further development of DataDot Live for deployment in the insurance sector.

(f) Valuation

Shares in the same class as those Shares proposed to be issued are currently traded on the ASX and as such will have a tradeable market value. The closing share price of the Company on 25 September 2014 was \$0.03.

Based solely on the closing share price on 25 September 2014 being multiplied by the number of Shares to be issued, the total indicative market value of the Shares is \$150,000. Additionally the VWAP of the Company's shares for the 15 days prior to 25 September 2014 is \$0.0314, giving the Shares an indicative market value of \$157,000

Under the terms of the proposed issue, Mr Rathie will subscribe for the Shares at an issue price of \$0.027 per Share. Compared to the closing price on 25 September 2014 (being \$0.03 per share) the issue price represents a discount of 10%. The issue price represents a 14% discount to the VWAP for the 15 days prior to 25 September 2014.

The Shares are to be issued at the same price as those issued under the Share Placement and Share Purchase Plan.

(g) Current interests

The Shares currently held directly and indirectly by Mr Rathie both as at the date of the Notice of Meeting, and assuming that the Shares are approved and issued are set out below:

Director	Shares currently held (directly and indirectly)	% of total share capital currently 711,167,466	Proposed Shares to be Issued	Proposed Options to be issued (Resolution 4)	Shareholding upon issue of Shares	% of issued capital - undiluted (assumes Shares are issued but the Options are not exercised)	% of issued capital fully diluted (assumes Shares are issued and the Options are exercised and all Share Rights vest)
Mr Bruce Rathie	25,565,854	3.59%	5,000,000	2,000,000	30,565,854	4.27%	4.16%

(h) Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors

- a. At the time the Shares are issued, the ordinary shares in the Company may be trading at a price higher than the issue price of the Shares. The effect of movements in the market price of the shares is set out below:

Market Price	Valuation of 5,000,000 Shares
\$0.020	\$100,000
\$0.025	\$125,000
\$0.030	\$150,000
\$0.035	\$175,000
\$0.040	\$200,000

- b. Prior to the date of the Notice of Meeting, the highest price of fully paid ordinary shares in the Company trading on ASX during the last 12 months was \$0.04, which most recently occurred on 25 August 2014, and the lowest price of shares in the Company trading on the ASX during the past 12 months was

\$0.01 on 6 November 2013. The most recent closing price of shares in the Company trading on the ASX prior to the date of the Notice of Meeting was \$0.026 which occurred on 17 October 2014.

- c. It is not considered from an economic and commercial point of view there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits forgone by the Company that will result from the issue of Shares pursuant to Resolution 2.

Directors' Recommendation

The Directors, other than Mr Rathie, recommend that Shareholders vote in favour of Resolution 2 for the reasons set out above.

Mr Rathie does not make a recommendation in relation to Resolution 2 as he has an interest in the outcome of Resolution 2.

Resolution 3: Ratification of Share Issue of 70,000,000 Ordinary Shares

Resolution 3 seeks to ratify the issue of 70,000,000 fully paid ordinary shares in the Company that was completed on 13 October 2014.

Overview

Under ASX Listing Rule 7.1 a company must not, without the approval of its ordinary shareholders, issue more than 15% of its equity securities in any 12 month period, unless an exception applies in Listing Rule 7.2.

Listing Rule 7.4 allows a company which makes an issue that complies with Listing Rule 7.1 to obtain subsequent shareholder approval for the issue and so reinstate the company's ability to issue up to 15% of its capital under Listing Rule 7.1. Resolution 3 complies with Listing Rule 7.4 and, if passed, will reinstate the Company's ability to issue up to 15% capital within a 12 month period.

On 13 October 2014, the Company issued 70,000,000 fully paid ordinary shares to sophisticated and professional investors (as contemplated under the Corporations Act) at an issue price of \$0.027 per share under the Share Placement. 70,000,000 ordinary shares represent 97.3% of the number of ordinary shares that may be issued under Listing Rule 7.1, taking into account the exceptions allowed in Listing Rule 7.2. The shares issued ranked equally with existing ordinary shares then on issue.

Proceeds from the capital raised will be used to finance:

- (a) additional sales capability for industrial DataDotDNA and DataTraceDNA products in the US;
- (b) additional sales capability for DataDotDNA products in Australia, targeting the industrial and marine sectors; and
- (c) further development of DataDot Live for deployment in the insurance sector.

Resolutions 4, 5 and 6: Issue of Options to Directors

Resolutions 4, 5 and 6 seek the approval of Shareholders in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act for the issue of Options to Directors (or their nominees).

On the recommendation of the Remuneration and Nomination Committee the Board submits for Shareholder approval the issue of 4,000,000 Options to Directors of the Company.

Overview

The purpose of this resolution is to obtain Shareholder approval to grant Options to assist in the reward and retention of the Directors of the Company. The Board does not consider there are any significant opportunity costs to the Company or benefits foregone by the Company in granting Director Options on the terms proposed. The grant of Director Options is consistent with the Company's long-term incentive remuneration policy, providing Directors with the opportunity to participate in the future growth of the Company through share ownership.

The Board considers the grant of Director Options to each of Mr Rathie, Mr Flowers and Ms Coutts reasonable in the circumstances given the necessity to attract and retain Directors of the highest calibre while preserving the Company's cash reserves. The Board notes that smaller companies are increasingly providing equity securities to directors to strengthen the alignment of shareholders' and directors' interests. The Board supports this trend where the realised value of equity grants is dependent on significant improvement in the share price and costs to the Company are minimal.

The Board considers that the number of Director Options proposed to be granted to Mr Rathie, Mr Flowers and Ms Coutts will ensure that the Company's Director emoluments remain competitive with the market.

The key terms of the proposal are:

- (a) the exercise price of the Options will be 5 cents per Share or such higher price as may be necessary to ensure that the exercise price is not less than 143% of the Share price at the date the Options are granted ;
- (b) the Options will expire three years after the date of grant; and
- (c) exercising the Options requires a cash payment to the Company.

The value of each Option is \$0.015

The grant of Options to Directors was considered appropriate as it:

- (a) provides a low-cost, non-cash incentive (related to increase in share price) that aligns Shareholders' and Directors' interests;
- (b) sets a high hurdle for exercise of the Options to convert into Shares; and
- (c) requires a payment by Directors to the Company on exercise of the Options to convert into Shares.

These benefits are not achieved through other incentives such as cash bonus and Share issues.

Reason for Shareholder Approval

Listing Rule 10.11 prevents the Company from issuing options to Directors or their nominees or associates without the approval of Shareholders.

Issuing options to Directors also requires Shareholder approval as a related party transaction under the Corporations Act.

Terms of Options

The proposed terms of the Options are:

Director and/or Nominee	Mr Bruce Rathie (Executive Chairman)	Mr Gary Flowers (Non-Executive Director)	Ms Alison Coutts (Non-Executive Director)
Maximum no. of Options	2,000,000	1,000,000	1,000,000
Exercise Price	Each Option will entitle the holder to subscribe for one Share at an exercise price of 5 cents per Share or such higher price as may be necessary to ensure that the exercise price is not less than 143% of the Share price at the date the Options are granted.		
Exercise Condition	Must be exercised while a Director or within 1 month of ceasing to be a Director.		
Vesting Period	Fully vested at grant		
Expiry Date	The Options will be exercisable at any time prior to 5.00 p.m. Sydney time 3 years after the issue date (" Expiry Date "). Options not exercised on or before the Expiry Date will lapse.		
Method of Exercise of Options	The Options may be exercised wholly or in part by completing an application form for Shares (" Notice of Exercise ") delivered to the Company and received by it any time prior to the Expiry Date.		
Other Conditions	<p>(a) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation.</p> <p>(b) Any Notice of Exercise received by the Company on or prior to the Expiry Date will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received.</p> <p>(c) There will be no participating entitlements inherent in the Options to participate in new issues of capital that may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company and will be afforded 7 Business Days before the record date (to determine entitlements to the issue), to exercise Options.</p> <p>(d) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option holder are to be changed in a manner consistent with the ASX Listing Rules.</p> <p>(e) The Options are non-transferable.</p>		

Relevant Disclosures

The following additional information in relation to the Options to be granted is provided to Shareholders to satisfy the requirements of the Listing Rules and the Corporations Act:

- (a) The Options will be allotted and granted on a date which will be no later than 1 month after the date of the AGM, unless otherwise extended by way of ASX granting a waiver to the Listing Rules.
- (b) The Options will be issued for nil consideration.
- (c) Any funds raised by the exercise of the Options are intended to be used for the Company's general working capital purposes.
- (d) The Directors have determined the value of the Options using the Black Scholes model for pricing of financial options. This valuation model uses inputs including time to expiration, strike price, value of underlying financial instrument, implied volatility and the risk free interest rate.
- (e) For the purposes of this Explanatory Statement, in order to provide an indicative value of the Options for the purposes of the Black Scholes model, it has been assumed that the Options have been issued on 29 September 2014 so that they expire on 29 September 2017.
- (f) Using this method of valuation the Company has determined a value of \$0.015 for each Option to be granted to the Directors. Accordingly, on the basis of this calculation, the total financial benefit to be given to Directors amounts to:

Mr Rathie: \$30,000

Mr Flowers: \$15,000

Ms Coutts: \$15,000

The assumptions used by the Company in calculating the value of the Options were as follows:

Share Price: \$0.03

Exercise Price: \$0.05

Volatility: 97%

Vesting Date: Date of grant

Expiry date: 3 years from date of grant

Risk Free Rate: 3.57%

Dividends: Nil

- (i) The following table sets out the number of Shares and Options on issue both at the date of the Notice of Meeting of the Company and assuming that the Options are approved and issued to the Directors. The number of Shares on issue at the date of the Notice of Meeting of the Company does not include Shares that will be issued pursuant to the Share Purchase Plan that is underway at the date of the Notice of Meeting.

Detail	Ordinary Shares	Options
Date of Notice	711,167,466	nil
If Options approved	711,167,466	4,000,000

The Shares and Options currently held directly and indirectly by the Directors both as at the date of the Notice of Meeting, and assuming that the Options are approved and issued are set out below:

Director and/or Nominee	Proposed Options to be Issued	Options currently held	Shares currently held (directly and indirectly)	% of issued capital - undiluted (assumes the Options are not exercised)	% of issued capital - fully diluted (assumes the Options are exercised and all Share Rights vest)
Mr Bruce Rathie (Executive Chairman)	2,000,000	nil	30,565,854	4.27%	4.16%
Mr Gary Flowers (Non-Executive Director)	1,000,000	nil	6,940,732	0.97. %	1.08%
Ms Alison Coutts (Non-Executive Director)	1,000,000	nil	nil	nil	0.14%

[*This table assumes that Mr Rathie will be issued the Shares under Resolution 2.]

At the time any Options are exercised and Shares are issued pursuant to their exercise, the ordinary shares in the Company may be trading at a price that is higher than the exercise price of the Options.

- (j) Prior to the date of the Notice of Meeting, the highest price of fully paid ordinary shares in the Company trading on ASX during the last 12 months was \$0.04, which most recently occurred on 15 September 2014, and the lowest price of shares in the Company trading on the ASX during the past 12 months was \$0.01, on 6 November 2013. The most recent closing price of shares in the Company trading on the ASX prior to the date of the Notice of Meeting was \$0.026 which occurred on 17 October 2014.
- (k) It is not considered from an economic and commercial point of view that there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits forgone by the Company that will result from the issue of Options pursuant to Resolutions 4, 5 and 6.

Directors' Recommendation

- (a) Mr Flowers and Ms Coutts (Mr Rathie abstaining) recommend that Shareholders vote in favour of Resolution 4 for reasons set out above;
- (b) Mr Rathie and Ms Coutts (Mr Flowers abstaining) recommend that Shareholders vote in favour of Resolution 5 for reasons set out above;

- (c) Messrs Rathie and Flowers (Ms Coutts abstaining) recommend that Shareholders vote in favour of Resolution 6 for reasons set out above.

In relation to the Director to whom the Options are to be issued in each instance under Resolutions 4 to 6 inclusive, that Director makes no recommendation because he/she has an interest in the outcome of that Resolution, namely the proposed Options grant to them.

Resolution 7: Remuneration Report

Resolution 7 provides Shareholders the opportunity to vote on the Company's Remuneration Report. Under Section 250R(2) of the Corporations Act, the Company must put the adoption of its Remuneration Report to a vote at the annual general meeting. The Remuneration Report is contained in the Directors' Report.

Section 250R(3) of the Corporations Act provides that Resolution 7 is advisory only and does not bind the Directors or the Company, and a failure of Shareholders to pass Resolution 7 will not require the Directors to alter any arrangements in the Remuneration Report.

The Chairman will allow reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman intends to exercise all undirected proxies in favour of Resolution 7. If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 7, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Glossary

In this Notice and Explanatory Memorandum:

\$ means Australian Dollars.

ASX means ASX Limited ACN 008 624 691, and where the context permits the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report in the Financial Report.

Board means the board of Directors.

Chair or **Chairman** means the person appointed to chair the Meeting convened by this Notice.

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

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

Listing Rules means the listing rules of ASX.

Meeting means the annual general meeting to which this Notice relates.

Notice means this notice of meeting.

Official Quotation means official quotation on ASX.

Option means option to acquire Shares.

Proxy Form means the proxy form attached to the Notice.

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

Shareholder means a shareholder of the Company.

Share Placement means the issue by way of a placement on 13 October 2014 to professional and sophisticated investors of 70,000,000 Shares at an issue price of \$0.027 per Share.

Share Purchase Plan means the share purchase plan announced by the Company on 3 October 2014.

Share Rights means share rights granted under the Company's Executive Share Rights Plan.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.