



## **Titomic Limited**

ACN: 602 793 644

### **Notice of Annual General Meeting and Explanatory Memorandum**

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Date of Meeting:	Tuesday, 21 November 2017
Time of Meeting:	2:30pm AEDT Registration from 2:15pm AEDT
Place of Meeting:	Holding Redlich Level 8, 555 Bourke Street Melbourne, Victoria, Australia 3000

<p>This is an important document. It should be read in its entirety. If you are in doubt as to the course you should follow, consult your financial or other professional adviser.</p>
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18 October 2017

Dear Shareholder,

Titomic Limited (the Company) has convened the Annual General Meeting (AGM) of Shareholders to be held on Tuesday 21st November 2017 and we invite you to attend.

The meeting will be held at the offices of Holding Redlich, Level 8, 555 Bourke Street, Melbourne, Victoria, Australia 3000 to commence at 2:30pm with registration open from 2:15pm to consider the following items of business:

- The 2017 Annual Report
- Adoption of the Remuneration Report for the period ended 30 June 2017
- Election of Richard Willson, who under the Constitution is up for Director appointment
- Re-election of Professor Richard Fox, who under the Constitution is up Director rotation
- Approval of additional capacity to issue shares under ASX Listing Rule 7.1A

Attached to this letter is a Notice of the AGM and an Explanatory Memorandum setting out details on each of the resolutions to be proposed at the meeting.

If you are unable to attend the Meeting, we encourage you to vote using the Proxy Form, which is also enclosed.

If you are able to attend, please bring this letter and package with you to facilitate your entitlement to vote.

The Board recommends that you vote in favour of all resolutions tabled.

We look forward to meeting those Shareholders who can attend the Annual General Meeting in person.

Thank you for your continued support.

Yours sincerely;

**Peter Vaughan**  
Company Secretary & CFO  
Titomic Limited

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**TITOMIC LIMITED**

ACN: 602 793 644

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 2017 Annual General Meeting of Titomic Limited ACN 602 793 644 will be held at the offices of Holding Redlich, Level 8, 555 Bourke Street, Melbourne, Victoria, Australia 3000 on Tuesday, 21<sup>st</sup> November 2017 at 2:30pm AEDT.

The attached Explanatory Statement is provided to supply Shareholders with information to allow them to make an informed decision regarding the Resolutions set out in this Notice of Meeting. The Explanatory Statement is to be read in conjunction with this Notice.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

**1. Agenda - Ordinary Business****2017 Annual Financial Statements**

To receive and consider the Annual Financial Report of the Company for the financial year ended 30 June 2017 together with the Remuneration Report, Director's Declaration and the reports of the Directors and company Auditor.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the Company's Annual Financial Report.

A representative of Company's Auditor, Pitcher Partners, will be present at the Meeting and Shareholders will have an opportunity to ask the Auditor's representative questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies, and the independence of the Auditor.

The Titomic Limited 2017 Annual Report can be viewed online at the Company's website [www.titomic.com](http://www.titomic.com) on the "Financials" page under "Investors & Press".

**Resolution 1 Adoption of 2017 Remuneration Report**

To consider and if thought fit, to pass, with or without amendment, the following resolution as a non-binding ordinary resolution:

*"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2017 included in the Directors' Report, which is attached to the Company's Annual Financial Report as required under section 300A of the Corporations Act, be adopted by the Company."*

**Voting Exclusion Statement:**

In accordance with the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of the following persons:

- a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- a Closely Related Party of such a member.

However, the Company need not disregard a vote cast by an Excluded Person on Resolution 1 as a proxy if the vote is not cast on behalf of an Excluded Person, and either:

- the Excluded Person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
- the Excluded Person is the Chairman of the Meeting and the appointment of the Chairman as proxy:
  - does not specify the way the proxy is to vote on Resolution 1; and
  - expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions on page 3 of this Notice of Annual General Meeting.

## NOTICE OF 2017 ANNUAL GENERAL MEETING

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Further details in respect of Resolution 1 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

### **Resolution 2 Election of Non-Executive Director – Richard Willson**

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

*"That, for all purposes, Richard Willson, a Non-Executive Director of the Company appointed to fill a casual vacancy on the Board during the year, be elected and thus confirmed to serve as a Director of the Company".*

Further details in respect of Resolution 2 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

### **Resolution 3 Re-Election of Non-Executive Director – Richard Fox**

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 Rule 14.4, clause 20.3 of the Constitution and for all other purposes, Richard Fox, a Non-Executive Director of the Company retires and, being eligible, be re-elected as a Director of the Company."*

Further details in respect of Resolution 3 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

## **Special Resolution**

### **Resolution 4 Approval of Additional Capacity to Issue Shares under ASX Listing Rule 7.1A**

To consider and if thought fit, pass the following resolution as a special resolution:

*"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve an additional capacity of the Company to issue equity securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."*

#### **Voting Exclusion Statement:**

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast on this Resolution by a person who may participate in the 10% placement issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons.

As at the date of this Notice of Meeting the Company has no specific plans to issue equity securities under the 10% placement issue and therefore it is not known who (if any) may participate in a potential (if any) issue of equity securities under the 10% placement issue.

However, the Company will not disregard a vote if:

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

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions on page 3 of this Notice of Annual General Meeting.

Further details in respect of Resolution 4 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

## NOTICE OF 2017 ANNUAL GENERAL MEETING

### 1. Proxy Instructions

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder. Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder.

To be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority) must be received by the Company by 2:30pm AEDT on Sunday 19 November 2017 (being 48 hours before the commencement of the meeting). Any proxy forms received after that time will not be valid for the meeting.

Completed proxy forms should be sent to the Company's share registrar, Computershare Investor Services Pty Ltd. Details are set out on the appended proxy form.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on by marking either "For", "Against" or "Abstain" on the form of proxy for that item of business.

Subject to the voting restrictions set out in the Voting Exclusion Statement, the Chairperson will vote undirected proxies on, and in favour of all Resolutions.

If the proxy is the Chairman, the Chairman can also vote undirected proxies and provided that proxy form expressly authorises the Chairman to vote even though the Resolutions are connected with the remuneration of key management personnel.

A form of proxy accompanies this Notice.

### 2. Undirected Proxies

The Chairman of the meeting will vote undirected proxies on, and in favor of, all of the proposed resolutions (this includes Resolutions 1, and 4).

If you appoint the Chairman of the meeting as your proxy (or if he may be appointed by default), but you do not direct the Chairman how to vote in respect of Resolutions 1 and 4 your election to appoint the Chairman as your proxy will be deemed to constitute an express authorisation by you directing the Chairman to vote your proxy in favor of Resolutions 1 and 5 (unless you have exercised your right to direct the Chairman otherwise in respect of a particular Resolution by marking the 'against' or 'abstain' column in respect of any of the relevant resolutions).

This express authorisation acknowledges that the Chairman may vote your proxy even if he or she has an interest in the outcome of Resolutions 1 and 4, even if the Resolutions are connected directly or indirectly with remuneration of a member of the KMP of the Company (or if the Company is part of a consolidated entity, for the entity) and accordingly your votes will be counted in calculating the required majority if a poll is called.

### 3. Corporate Representatives

Corporate representatives are requested to bring appropriate evidence of appointment as a representative in accordance with the constitution of the Company. Attorneys are requested to bring the original or a certified copy of the power of attorney pursuant to which they were appointed. Proof of identity will also be required for corporate representatives and attorneys.

### 4. Determination of voting entitlement

For the purpose of section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Board has determined that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm AEDT on 17 November 2017.

Unless a poll is demanded in advance of voting on a resolution, voting on each resolution will initially be by way of a show of hands. On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a representative, shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

## NOTICE OF 2017 ANNUAL GENERAL MEETING

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### 5. Votes

Unless a poll is demanded in advance of voting on a resolution, voting on each resolution will initially be by way of a show of hands. On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a representative, shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

### 6. Questions and Comments by Shareholders at the Meeting

A reasonable opportunity will be given to Shareholders to ask questions and/or make comments on the management of the Company at the Meeting.

A reasonable opportunity will be given for Shareholders to ask questions of the Company's external auditor, Pitcher Partners. These questions should be relevant to:

- a) the conduct of the audit;
- b) the preparation and contents of the audit report;
- c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- d) the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to Pitcher Partners if the question is relevant to the content of the audit report or the conduct of its audit of the Company's financial report for the year ended 30 June 2017. Relevant written questions for the external auditor must be received by the Company by no later than 2:30pm AEDT on Tuesday 14<sup>th</sup> November 2017. A representative of Pitcher Partners will provide answers to the questions at the Meeting.

For and on behalf of the Board of Directors;



**Peter Vaughan**  
Company Secretary  
Titomic Limited

Dated: 18 October 2017

## EXPLANATORY STATEMENT

### EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

### RECEIPT OF ANNUAL FINANCIAL REPORT

In accordance with the Company's Constitution, the business of the meeting will include receipt and consideration of the Company's Financial Report and reports of Directors and Auditors for the year ended 30 June 2017.

In accordance with the Corporations Act 2001, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Financial Report.

During the discussion of this item, the Company's auditor will be present and will answer qualifying questions.

### ORDINARY RESOLUTIONS

#### Resolution 1 Adoption of 2017 Remuneration Report

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 30 June 2017.

The Remuneration Report sets out details of the remuneration received by the directors and key Company executives, in addition to describing Board policy in respect of remuneration. Resolution 1 seeks Shareholder approval of the adoption of the Remuneration Report by the Company.

The outcome of the vote on this resolution is advisory only and not binding on the Company or the Board.

The Corporations Act provides that members of the Key Management Personnel (as set out on page 14 of the Company's 2017 Annual Report, and is defined in the Corporation Act to include the Chairman) whose remuneration details are included in the Remuneration Report (and any closely related party of those members) are not permitted to vote on a resolution to approve the Remuneration Report.

However, Sections 250U to 250Y of Corporations Act provide for a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report must contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2017 Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Company has not received a first strike.

The Remuneration Report is set out in the Company's 2017 Annual Report which can be viewed online at the Company's website, [www.titomic.com](http://www.titomic.com) on the "Financials" page under "Investors & Press".

## EXPLANATORY STATEMENT

### Voting Restrictions

Key Management Personnel (**KMP**) and their closely related parties are not permitted to vote on this Resolution. KMPs of the Company are the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's KMPs for the financial year ending 30 June 2017. 'Closely related parties' are defined in the Corporations Act 2001, and include certain of their family members, dependents and companies they control.

However, a KMP may cast a proxy where the proxy specifies in writing how the KMP is to vote (except proxies cast on behalf of another KMP). The Chair is permitted to vote undirected proxies where the shareholder expressly authorises the chair to exercise the proxy.

Accordingly, if you have appointed the Chair as your proxy you must either direct the Chair how to vote or you must tick the box on the proxy form expressly authorising the Chair to vote undirected proxies notwithstanding that the Chair or KMP may benefit.

**If you do not direct the Chair how to vote or you do not mark the box authorising the Chair to vote undirected proxies, the Chair will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on this resolution.**

The Board abstains from making a recommendation in relation to shareholders voting on Resolution 1.

### **Resolution 2 Election of Non-Executive Director – Richard Willson**

Under clause 19.4 of the Constitution, any director appointed to fill a casual vacancy or as an addition to the Board, holds office until the next Annual General Meeting and is then eligible for re-election.

Accordingly, Richard Willson retires in accordance with clause 20.4 of the Constitution and being eligible offers himself for re-election.

<i>Appointed to the Board</i>	17 May 2017
<i>Last elected by shareholders</i>	Not Applicable
<i>Qualifications</i>	Bachelor of Accounting from the University of South Australia, is a fellow of CPA Australia, and a Fellow of the Australian Institute of Company Directors.
<i>Experience</i>	Richard is an accountant with more than 20 years' experience in CFO, Company Secretarial and Non-Executive Director roles, predominantly within the mining and agricultural sectors for both publicly listed and private companies.
<i>Committees</i>	Committee Member of the Company's Remuneration Committee, and Committee Chairman of the Company's Audit and Risk Committee.

**The Directors (with Richard Willson abstaining) recommend that you vote in favour of this Ordinary Resolution.**



## EXPLANATORY STATEMENT

### Resolution 3 Re- Election of Non-Executive Director – Professor Richard Fox

Under clause 20.3 of the Constitution, while the Company is admitted to the Official List, one third of the Directors (or if their number is not a multiple of three, the number nearest one third) must retire from office at each Annual General Meeting and be eligible for re-election. The Directors to retire pursuant to clause 20.3 of the Constitution will be those who have been longest in office since their last election.

Accordingly, Richard Fox retires by rotation in accordance with clause 20.3 of the Constitution and being eligible offers himself for re-election.

<i>Appointed to the Board</i>	11 November 2014
<i>Last elected by shareholders</i>	Not Applicable
<i>Qualifications</i>	PhD from the University of Sydney.  Professor Richard Fox is a member of a number of Australian and international professional societies, committees and editorial boards.
<i>Experience</i>	Professor Richard Fox is a co-founder of Force Industries a leading manufacturer of composite sports boards. Richard is the former Director of Research at St Vincents' Hospital, Melbourne, and a past Director of Clinical Hematology and Medical Oncology at Royal Melbourne Hospital. Richard was the inaugural Chair of the Cancer Research Centre for Cancer Therapeutics.
<i>Committees</i>	Committee Chairman of the Company's Remuneration Committee, and Committee Member of the Company's Audit and Risk Committee.

**The Directors (with Richard Fox abstaining) recommend that you vote in favour of this Ordinary Resolution.**

## SPECIAL RESOLUTION

### Resolution 4 – Approval of additional capacity to issue Shares under ASX Listing Rule 7.1A

#### ASX Listing Rule 7.1A

In 2012, the ASX introduced ASX Listing Rule 7.1A which enables certain 'eligible entities' to issue equity securities of up to 10% of their issued share capital through placements over the 12-month period commencing after the annual general meeting at which the additional approval is obtained (Additional Placement Capacity). ASX Listing Rules require that Shareholders approve the Additional Placement Capacity by special resolution, at an annual general meeting before any equity securities are issued under the Additional Placement Capacity.

For the purposes of ASX Listing Rule 7.1A an 'eligible entity' is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an 'eligible entity' for the purpose of ASX Listing Rule 7.1A. The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. Therefore, if the Additional Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 10% of the Company's issued share capital pursuant to ASX Listing Rule 7.1A and up to 15% pursuant to ASX Listing Rule 7.1. If the Additional Placement Capacity is not approved, the Directors will still be allowed to issue equity securities of up to 15% of the Company's issued capital pursuant to ASX Listing Rule 7.1.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity to be able to take advantage of being able to immediately place securities without having to incur additional costs to the Company or awaiting the necessary delays to prepare for, and hold another shareholders' meeting to specifically approve such a further issuance of securities.

## EXPLANATORY STATEMENT

Whilst the Company currently has no intention or reason to issue this additional placement capacity, in the future having this additional placement capacity to immediately issue securities could be used for reasons such as;

- to settle debts of the company in lieu of cash payments to preserve cash reserves; or
- to perform a minor capital raising to raise funds to pay for an unforeseen expenditure; or
- to perform a minor capital raising to raise funds to take advantage of an opportunity to accelerate current company deliverables and timelines; or
- to provide the new securities as consideration for a strategic acquisition or another complementary entity, business, piece of intellectual property, rights, technology, equipment, or assets.

The Directors advise that this additional placement capacity will only be used by the Company if it is necessary due to timing constraints pertaining to the underlying transaction(s) for which it is used.

### **Formula for calculating 10% Placement Facility**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of equity securities calculated in accordance with the following formula:

#### **(A x D) – E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- a) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- b) plus the number of partly paid shares that became fully paid in the 12 months;
- c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- d) less the number of fully paid shares cancelled in the 12 months.
- e) Note that A is has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.

### **ASX Listing Rule 7.3A**

In accordance with ASX Listing Rule 7.3A the Company provides the following information.

Any securities issued under the Additional Placement Capacity will be in the same class as existing quoted securities of the Company. The Company has the following classes of quoted equity securities as at the date of this Notice of Meeting;

- Ordinary fully paid shares ASX code TTT.

The issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

## EXPLANATORY STATEMENT

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in Table 1). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- Wednesday 21<sup>st</sup> November 2018; and
- the date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2 or such longer period if allowed by the ASX.

Any approval of the Additional Placement Capacity at this Meeting will cease to be valid if and from the date that ordinary shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

The Company may issue equity securities under the Additional Placement Capacity for the following purposes:

- non-cash consideration: for the acquisition of new assets or the settlement of obligations (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rules); or
- cash consideration: to raise funds for working capital, to fund product research, development and commercialisation programs or for the acquisition of new assets.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A (4) and 3.10.5A upon issue of any equity securities.

The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue.

The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial position of the Company; and
- advice from the Company's advisors.

The Directors have not decided if they will issue any securities under the Additional Placement Capacity and so allottees under the Additional Placement Capacity have not yet been determined. If Directors decide to issue securities under the Additional Placement Capacity, allottees may include existing Shareholders, existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Table 1 shows the dilution of Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2).

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

**Table 1**

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.225 50% decrease in Issue Price	\$0.45 Issue Price	\$0.90 100% increase in Issue Price
<b>Variable A</b> 113,298,217 Shares	<b>10% Voting Dilution</b>	11,329,822 Shares	11,329,822 Shares	11,329,822 Shares
	<b>Funds Raised</b>	\$2,549,210	\$5,098,420	\$10,196,840
<b>50% increase in Variable A</b> 169,947,326 Shares	<b>10% Voting Dilution</b>	16,994,733 Shares	16,994,733 Shares	16,994,733 Shares
	<b>Funds Raised</b>	\$3,823,815	\$7,647,630	\$15,295,259
<b>100% increase in Variable A</b> 226,596,434 Shares	<b>10% Voting Dilution</b>	22,659,643 Shares	22,659,643 Shares	22,659,643 Shares
	<b>Funds Raised</b>	\$5,098,420	\$10,196,840	\$20,393,679

Table 1 has been prepared based on the following assumptions:

- Variable A is based on the number of Shares on issue on Thursday 5 October 2017.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under ASX Listing Rule 7.1.
- The issue of equity securities under the additional placement capacity includes only shares.
- The issue price of \$0.45 was the closing price of Shares as traded on ASX as at 5:00pm on Thursday 5 October 2017. This price may fluctuate between the time of preparing this Notice and the date of the Meeting.

### **GLOSSARY**

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

**AEDT** means Australian Eastern Daylight Savings Time.

**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 board of directors of the Company.

**Chairman** means the person chairing the Meeting from time to time.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependent of the member or of the member's spouse; or
- (d) anyone else who is one of the member's family, and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** or **Titomic** or **TTT** means Titomic Limited (ACN 602 793 644).

**Constitution** means the Company's constitution.

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

**Director** means a current director of the Company.

**Explanatory Statement** means the explanatory statement to this Notice of Meeting.

**Key Management Personnel** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Directors.

**Meeting** means the 2017 Annual General Meeting of the Shareholders of the Company to be held at 2.30pm on Tuesday 21<sup>st</sup> November 2017, to which the Notice of Meeting and Explanatory Statement relate.

**Notice** or **Notice of Meeting** means this notice of meeting of the Company 18 October 2017.

**Right** means a right to acquire a Share

**Resolution** means a resolution referred to in the Notice.

**Option** means an option to acquire a Share

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

Words importing the singular include the plural and vice versa.

All references to currency are in Australian dollars.



ABN 77 602 793 644

TTT  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

XX

For your vote to be effective it must be received by 2:30pm (AEDT) on Sunday, 19 November 2017

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form →**



View the annual report or update your securityholding, 24 hours a day, 7 days a week:

**<http://www.investorcentre.com>**

- ☒ Access the annual report
- ☒ Review your securityholding
- ☒ Update your securityholding

**Your secure access information is:**

SRN/HIN: I999999999



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

#### Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Titomic Limited hereby appoint

☐

the Chairman  
of the Meeting OR



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Titomic Limited to be held at Holding Redlich, Level 8, 555 Bourke Street, Melbourne, Victoria on Tuesday, 21 November 2017 at 2:30pm (AEDT) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

### STEP 2

#### Items of Business



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

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Non-Executive Director - Richard Willson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-Election of Non-Executive Director - Richard Fox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Additional Capacity to Issue Shares under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date    /    /

TTT

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Computershare +