



Notice of annual general meeting and explanatory memorandum

Adacel Technologies Limited

ACN 079 672 281

Date: Tuesday 26 November 2019

Time: 3.30 pm (AEDT)

Place: PricewaterhouseCoopers
Level 19
2 Riverside Quay
Southbank Victoria 3006

NOTICE OF 2019 ANNUAL GENERAL MEETING

NOTICE is given that the 2019 Annual General Meeting of Adacel Technologies Limited ACN 079 672 281 (the Company) will be held at the offices of PricewaterhouseCoopers, Level 19, 2 Riverside Quay, Southbank, Victoria on Tuesday 26 November 2019 at 3.30 pm (AEDT)

BUSINESS

Shareholders are invited to consider the following items of business at the Annual General Meeting:

Ordinary Business

1. FINANCIAL AND RELATED REPORTS

Agenda Item 1	Financial and Related Reports
Description	To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2019.

2. ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

Resolution 1	Adoption of Remuneration Report (Non-binding resolution)
Description	Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2019 Annual Report and is available from the Company's website (www.adacel.com). In accordance with section 250R of the Corporations Act, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT the Remuneration Report for the financial year ended 30 June 2019 included in the Directors' Report of the Annual Report as required under section 300A of the Corporations Act, be adopted by the Company."</i>
Voting Exclusion	The Company will disregard any votes cast on this resolution: <ul style="list-style-type: none">• by or on behalf of a member of the Key Management Personnel (KMP) named in the remuneration report for the year ended 30 June 2019, or that KMP's Closely Related Party, regardless of the capacity in which the vote is cast;• as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party, unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:<ul style="list-style-type: none">○ in accordance with their directions of how to vote as set out in the proxy appointment; or○ by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

3. RE-ELECTION OF DIRECTORS

Resolution 2A	Re-election of Ms Natalya Jurcheshin as Director
Description	Ms Natalya Jurcheshin retires as a Director of the Company in accordance with article 76.1 of the Company's Constitution and, being eligible, offers herself for re-election under article 76.4 of the Constitution.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT Ms Natalya Jurcheshin, having retired from her office as a Director in accordance with article 76.1 of the Company's Constitution and, being eligible under article 76.4 of the Constitution, having offered herself for re-election, be re-elected as a Director of the Company."</i>

Resolution 2B	Re-election of Mr Silvio Salom as Director
Description	Mr Silvio Salom retires as a Director of the Company in accordance with article 76.1 of the Company's Constitution and, being eligible, offers himself for re-election under article 76.4 of the Constitution.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT Mr Silvio Salom, having retired from his office as a Director in accordance with article 76.1 of the Company's Constitution and, being eligible under article 76.4 of the Constitution, having offered himself for re-election, be re-elected as a Director of the Company."</i>

Dated 28 October 2019

By order of the Board of Adacel Technologies Limited



Sophie Karzis
Company Secretary

QUESTIONS FROM SHAREHOLDERS

In order to provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, PricewaterhouseCoopers, in relation to the conduct of the external audit for the year ended 30 June 2019, or the content of its audit report. Please send your questions to:

The Company Secretary, **Adacel Technologies Limited**
C/- Boardroom Pty Limited, Level 7, 411 Collins Street,
Melbourne VIC 3000
T. 03 9492 9200
E. sk@ccounsel.com.au

Written questions must be received by no later than **5.00 pm (AEDT) on Tuesday 19 November 2019**.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will also be provided to shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including Remuneration Report.

During the course of the Annual General Meeting, the Chairman will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give a representative of the Auditor the opportunity to answer written questions addressed to it. However, there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to shareholders.

VOTING INFORMATION

Voting by proxy

- (a) A shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the shareholder is entitled to cast two or more votes at the meeting, two proxies, to attend and vote instead of the shareholder.
- (b) Where two proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the meeting.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.
- (e) A proxy form accompanies this notice. If a shareholder wishes to appoint more than one proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a

(notarially) certified copy of that power of authority by **3.30 pm (AEDT) on Sunday 24 November 2019**:

- online by going to **investorvote.com.au** or by scanning the QR code, found on the enclosed proxy form with your mobile device
- by post at GPO Box 242, Melbourne, Victoria 3001; or
- by personal delivery at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067; or
- by facsimile: Australia – 1800 783 447, overseas - +61 3 9473 2555; or
- Custodian voting - For Intermediary Online subscribers only (custodians) please visit **www.intermediaryonline.com** to submit your voting intentions.

Voting and other entitlements at the Annual General Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations 2001* that shares in the Company which are on issue at **7.00 pm (AEDT) on Sunday 24 November 2019** will be taken to be held by the persons who held them at that time for the purposes of the Annual General Meeting (including determining voting entitlements at the meeting).

Proxy voting by the Chair

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolution 1. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolution 1. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Company's Chairman, Mr Michael McConnell, will chair the Meeting and intends to vote all available undirected proxies in favour of each item of business.

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolution 1, he or she will not vote your proxy on that item of business.

EXPLANATORY MEMORANDUM TO NOTICE OF 2019 ANNUAL GENERAL MEETING

1. FINANCIAL AND RELATED REPORTS

Agenda Item 1	Financial and Related Reports
Explanation	<p>Section 317 of the Corporations Act requires the Company's Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2019 to be laid before the Company's 2019 Annual General Meeting. There is no requirement for a formal resolution on this item.</p> <p>The Financial Report contains the financial statements of the consolidated entity consisting of Adacel and its controlled entities.</p> <p>As permitted by the Corporations Act, a printed copy of the Company's 2019 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2019 Annual Report is available from the Company's website (www.adacel.com).</p> <p>The Chair of the meeting will allow a reasonable opportunity at the meeting for shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor PricewaterhouseCoopers questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2019, the preparation and content of its audit report and the independence of PricewaterhouseCoopers in relation to the conduct of the audit.</p>

2. ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

Resolution 1	Adoption of Remuneration Report (Non-binding resolution)
Explanation	<p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2019 Annual Report and is available from the Company's website (www.adacel.com).</p> <p>The Remuneration Report:</p> <ul style="list-style-type: none"> • describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance; • sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and • explains the differences between the basis for remunerating non-executive Directors and senior executives, including the Chief Executive Officer. <p>The vote on this resolution is advisory only and does not bind the Directors. However, the Board will take into account any discussion on this resolution</p>

	and the outcome of the vote when considering the future remuneration policies and practices of the Company.
Voting Exclusion	A voting exclusion statement applies to this resolution, as set out in the Notice.
Board Recommendation	The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.
Chair's available proxies	The Chair of the Meeting intends to vote all available proxies in favour of this resolution.

3. RE-ELECTION OF DIRECTORS

Resolution 2A	Re-election of Ms Natalya Jurcheshin as Director
Explanation	<p>Article 76.1 of the Constitution requires one third of the Directors (or if their number is not three or a multiple of three, then the number nearest, but not exceeding, one third) to retire at each Annual General Meeting of the Company. It also states that no director (except a Managing Director) may retain office for more than 3 years without submitting himself or herself for re-election, even though the submission results in more than 1/3 of the directors retiring from office. Article 76.2 provides that the Director/s to retire under article 76.1 are those who have held office as Director the longest period of time since their last re-election to office.</p> <p>Ms Natalya Jurcheshin (along with Mr Silvio Salom) has held office as Director for the longest period of time since her last re-election, and she retires as Director of the Company at the 2019 Annual General Meeting and being eligible under article 76.4 of the Constitution, offers herself for re-election as Director.</p>
About Ms Natalya Jurcheshin	<p>Ms Natalya Jurcheshin has been a Non-Executive Director since 7 October 2016.</p> <p>Ms Jurcheshin is a senior financial leader with a breadth and depth of experience in managing, improving and growing finance functions of companies and playing an instrumental part in their strategic growth. She has over 25 years' experience in finance roles, starting her career in the audit and assurance practice at Arthur Andersen (now part of Ernst & Young), working with clients in a wide variety of industries in Australia and in Eastern Europe. She has 12 years' experience as a Chief Financial Officer with ASX listed biotech Circadian Technologies Limited (10 years) and the Melbourne Symphony Orchestra (2 years). Natalya does not currently hold and has not held directorships in other listed companies at any time in the 3 years immediately before the end of the 2019 financial year.</p> <p>Ms Jurcheshin does not currently hold a relevant interest in Shares and is considered by the Board to be an independent director.</p>
Board Recommendation	The Board, with Ms Natalya Jurcheshin abstaining, recommends that shareholders vote in favour of Resolution 2A.
Chair's available proxies	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 2A.

Resolution 2B	Re-election of Mr Silvio Salom as Director
Explanation	<p>Article 76.1 of the Constitution requires one third of the Directors (or if their number is not three or a multiple of three, then the number nearest, but not exceeding, one third) to retire at each Annual General Meeting of the Company. It also states that no director (except a Managing Director) may retain office for more than 3 years without submitting himself or herself for re-election, even though the submission results in more than 1/3 of the directors retiring from office. Article 76.2 provides that the Director/s to retire under article 76.1 are those who have held office as Director the longest period of time since their last re-election to office.</p> <p>Mr Silvio Salom (along with Ms Natalya Jurcheshin) has held office as Director for the longest period of time since his last re-election, and he retires as Director of the Company at the 2019 Annual General Meeting and being eligible under article 76.4 of the Constitution, offers himself for re-election as Director.</p>
About Mr Silvio Salom	<p>Mr Silvio Salom has been a Non-Executive Director since 28 October 1997.</p> <p>Mr Salom was the Managing Director of Adacel Technologies Limited from incorporation in October 1997 until 16 June 2006 and has been a non-executive Director since 16 June 2006. Mr. Salom was the founder and Managing Director of the Company's predecessor, Adacel Pty Ltd from its establishment in 1987. Silvio has extensive experience in the strategic and operational management of hi-tech companies with particular expertise in information technology related to the manufacturing, environmental, defence, transport, multimedia and telecommunications industry sectors. Silvio does not currently hold and has not held directorships in other listed companies at any time in the 3 years immediately before the end of the 2019 financial year.</p> <p>Mr Salom has a relevant interest in 5,195,191 Shares in the Company.</p>
Board Recommendation	<p>The Board, with Mr Silvio Salom abstaining, recommends that shareholders vote in favour of Resolution 2B.</p>
Chair's available proxies	<p>The Chair of the Meeting intends to vote all available proxies in favour of Resolution 2B.</p>

DEFINITIONS	
Board	means the board of Directors of Adacel.
Closely Related Party (of a member of KMP of an entity)	has the definition given to it by section 9 of the Corporations Act, and means: <ul style="list-style-type: none"> a) a spouse or child of the member; or b) a child of the member's spouse; or c) a dependant 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 regulations for the purposes of this definition (nothing at this stage).
Company or Adacel	means Adacel Technologies Limited, ACN 079 672 281.
Constitution	means the constitution of Adacel.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a Director of the board of Adacel.
Explanatory Memorandum	means this explanatory memorandum accompanying and forming part of the Notice.
FY19	means the financial year from 1 July 2018 to 30 June 2019.
Key Management Personnel or KMP	means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.
Meeting	means the annual general meeting of the Company for 2019 for which the Notice relates.
Notice	means this notice of meeting of the Company, including the accompanying Explanatory Memorandum.
Resolution	means a resolution set out in this Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of at least one Share.

-ENDS-



Adacel Technologies Limited
ABN 15 079 672 281



Need assistance?



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



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **3.30pm (AEDT) Sunday 24 November 2019**.

Proxy Form

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 FOR POSTAL FORMS

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

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

Online:

Use your computer or smartphone to appoint your proxy and vote at www.investorvote.com.au or scan your personalised QR code below using your smartphone.

Your secure access information is



Control Number: 132800

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

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

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

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.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Adacel Technologies 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 Adacel Technologies Limited to be held at PricewaterhouseCoopers, Level 19, 2 Riverside Quay, Southbank Victoria 3006 on Tuesday 26 November 2019 at 3.30pm (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 in step 2) 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.

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 (Non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2A	Re-election of Ms Natalya Jurcheshin as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2B	Re-election of Mr Silvio Salom as Director	<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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

