



**This document is important and requires your immediate attention.**

**Advanced Braking Technology Ltd**  
**ACN 099 107 623**

**Notice of Annual General Meeting  
and Explanatory Statement**

For the purpose of providing information to Shareholders regarding the Annual General Meeting of Advanced Braking Technology Ltd to be held at 10.30am (WST) on Thursday 27<sup>th</sup> October 2011.

## Contents

- A. Notice of Annual General Meeting
- B. Explanatory Statement
- C. Proxy form

### Important note

This booklet sets out information to assist Shareholders to assess the resolutions to be considered at the Annual General Meeting.

You should read this information carefully and in its entirety before making a decision as to how to vote at the Meeting. No responsibility is taken for the contents of this booklet by ASIC, ASX or any of their officers.

If you do not fully understand the contents of this information you should consult your financial or legal adviser for assistance

A notice of annual general meeting and proxy form are included in this booklet. Shareholders are urged to complete and return the enclosed proxy form as soon as possible, irrespective of whether or not they intend to attend the Meeting.

## **Questions**

If you have any queries regarding the contents of this booklet or in relation to the Annual General Meeting, please contact the Company Secretary, Ms Clare Madelin, on (08) 9273 4804 or (08) 9273 4800.

## **Important note**

This booklet sets out information to assist Shareholders to consider the resolutions before the Meeting.

## **Time and Place of Meeting and How to Vote**

### **Venue**

The Annual General Meeting of the Shareholders of Advanced Braking Technology Ltd (**Company**) will be held at the Company's Western Australian premises at:

Unit 1, 3 McDonald Street  
Osborne Park  
Perth WA 6017

Commencing at:

10.30 am (WST) on Thursday 27<sup>th</sup> October 2011.

### **How to Vote**

You may vote by attending the Meeting in person, by proxy or authorised representative.

### **Voting in Person**

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 10.30 am (WST) on Thursday 27<sup>th</sup> October 2011.

### **Voting by Proxy**

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

- send the proxy by facsimile to the Company Secretary, Ms Clare Madelin on facsimile number (08) 9201 9986 (International: + 618 9201 9986); or
- deliver to the Company Secretary, at Unit 1, 3 McDonald Street Osborne Park WA 6017; or
- post to PO Box 1177, Osborne Park, WA 6916;

so that it is received no later than 10.30 am (WST) on 25<sup>th</sup> October 2011.

**Your proxy form is enclosed.**

# Advanced Braking Technology Ltd

## ACN 099 107 623

### Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Advanced Braking Technology Ltd (**Company**) for 2011 will be held at 10.30 am (WST) on Thursday 27<sup>th</sup> October 2011.

#### Agenda

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting describes the matters to be considered as ordinary business and special business.

#### Ordinary Business

##### Accounts and Reports

To receive and consider the financial report and the reports of the Directors and of the Auditor for the financial year ended 30 June 2011.

This item of business is intended to provide an opportunity for Shareholders to raise questions on the reports themselves and on the performance of the Company generally.

##### Resolution 1 – Adoption of Remuneration Report

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

"That, the Remuneration Report for the year ending 30 June 2011 as set out on page 20 to 24 of the Company's 2011 Annual Report be adopted."

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

##### Resolution 2 – Re-Election of Mr David Slack

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

"That, Mr David Slack being a Director of the Company who was appointed on 2 November 2009, retires in accordance with clause 13.2 of the Company's constitution and, being eligible and offering himself for re-election, be re-elected as a Director of the Company."

#### Special Business

##### Resolution 3 – Approval of agreement to pay Mr David Humann's Director's Fees with fully paid ordinary shares in the Company.

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 10.11 and for all other purposes, approval is given for the Company to enter into an agreement whereby Mr David Humann's Director's fees which currently amount to \$92,650 per annum, plus GST if applicable, may be paid bi-annually, if he so elects, by the issue of fully paid ordinary shares in the Company at the weighted average trading price of the Company shares as quoted on the ASX in the previous 30 days."

*Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr Humann or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting 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.*

**Resolution 4 – Approval of agreement to pay Professor Malcolm Richmond’s Director’s Fees with fully paid ordinary shares in the Company.**

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 10.11 and for all other purposes, approval is given for the Company to enter into an agreement whereby Professor Malcolm Richmond’s Director’s fees, which currently amount to \$55,000 per annum, before statutory superannuation contributions, may be paid bi-annually, if he so elects, by the issue of fully paid ordinary shares in the Company at the weighted average trading price of the Company shares as quoted on the ASX in the previous 30 days. The amount so paid will be based on net amount after tax, as appropriate.”

*Voting Exclusion: The Company will disregard any votes cast on this resolution by Professor Richmond or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting 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.*

**Resolution 5 – Approval of agreement to pay Mr David Slack Director’s Fees with fully paid ordinary shares in the Company.**

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 10.11 and for all other purposes, and subject to Resolution 2 being passed, approval is given for the Company to enter into an agreement whereby Mr Slack’s Director’s fees which currently amount to \$55,000 per annum before statutory superannuation contributions, may be paid bi-annually, if he so elects, by the issue of fully paid ordinary shares in the Company at the weighted average trading price of the Company shares as quoted on the ASX in the previous 30 days. The amount so paid will be based on net amount after tax, as appropriate.”

*Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr Slack or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting 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.*



Dated this 14th day of September 2011  
By Order of the Board

Clare Madelin  
Company Secretary

Notes:

1. A Shareholder of the Company who is entitled to attend and vote at a general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides or it is cast by the person chairing the meeting 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. .
3. In accordance with Regulation 7.11.37 of the *Corporations Regulations* 2001, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 5.00pm (WST) on 25 October 2011.

# Explanatory Statement

## 1. General Information

This Explanatory Statement and all attachments are important documents. They should be read carefully.

This Explanatory Statement has been prepared for the Shareholders of Advanced Braking Technology Ltd (**Company**) in connection with the Annual General Meeting of the Company.

There are 5 resolutions to be put to the Meeting. Resolution 1 is a non-binding vote for advisory purposes and Resolutions 2 to 5 inclusive are ordinary resolutions. A short explanation of the resolutions is set out below.

## 2. Resolution 1 – Adoption of Remuneration Report

The Remuneration Report is set out on pages 20 to 24 of the Company's 2011 Annual Report. The Report sets out the remuneration details for each Director and specified executives of the Company. Further details of the Company's remuneration and performance evaluation policies are contained on page 47 of the Company's 2011 Annual Report.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting. Under section 250R(2) of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to the vote. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must go up for re-election.

The Company encourages all Shareholders to cast their vote in relation to Resolution 1 and if Shareholders choose to appoint a proxy, Shareholders are encouraged to direct their proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the Proxy Form or, where the Chairman is appointed as proxy, by marking the applicable box in the Proxy Form directing the Chairman to vote in accordance with the Chairman's voting intentions.

In accordance with section 250R(4) of the Corporations Act, any undirected proxies held by the Chairman of the Meeting, other Directors or other Key Management or their closely related parties will not be voted on Resolution 1.

## 3. Resolution 2 – Re-Election of Mr David Slack

Resolution 2 seeks Shareholder approval for the re-election of Mr David Slack as a Director of the Company.

Article 13.2 of the Company's Constitution provides that one-third of the Directors shall retire from office at every annual general meeting of the Company and that such Director is eligible for re-election at that annual general meeting.

Details of the qualifications and experience of Mr Slack are contained on pages 17 and 18 of the Company's 2011 Annual Report. Each of the other Directors intends to vote in favour of Mr Slack's re-election. If approved by Shareholders, the appointment will take effect immediately following the end of the Annual General Meeting.

## 4. Resolutions 3, 4 and 5 – Approval of agreements to pay Mr David Humann's, Professor Malcolm Richmond's and Mr David Slack's Directors' Fees, plus GST if appropriate, with fully paid ordinary shares in the Company if they so elect.

Resolutions 3, 4 and 5 seek Shareholder approval for the Company to enter into agreements pay Mr David Humann's Directors Fees of \$92,650 per annum plus GST, Professor Malcolm Richmond's Directors Fees of \$55,000 per annum, before statutory superannuation contributions, and, if he is re-elected, Mr David Slack's Directors Fees of \$55,000 per annum, before statutory superannuation contributions, by the issue of fully paid ordinary shares in the Company if they individually so elect. If they do not so elect, the payments will be made in cash. All amounts paid (whether in shares or in cash) will be based on net amount after tax, as appropriate.

#### 4.1 Material terms of Agreements

The material terms of the agreements to be entered into with each of Mr Humann, Professor Richmond and Mr Slack (**Agreements**) are as follows:

- (a) Professor Richmond and Mr Slack are each to be paid Directors' fees of \$55,000 per annum before superannuation guarantee contribution and Mr Humann is to be paid Director's fees of \$92,650 per annum, which, if they so elect, may be paid by the issue of Shares in the Company equivalent to the value to the directors' fees, plus GST and less PAYG where appropriate. Mr Humann's, Professor Richmond's and Mr Slack's remuneration will be reviewed annually by the Board or a sub committee of the Board based on performance and Board meeting attendance.
- (b) The issue of Shares will occur bi-annually on the 30 June and the 31 of December of each year to Mr Humann, Professor Richmond and Mr Slack while they remain Directors of the Company, and if they so elect to receive payment in Shares, rather than in cash. Directors' fees owing in relation to any period commencing or ending on a date other than 30 June or 31 December will be satisfied on a pro rata basis.
- (c) The number of Shares to be issued to Mr Humann, Professor Richmond or Mr Slack in respect of any half-year will be calculated by dividing the amount owed in respect of Directors' fees for the half year by the volume weighted average trading price of the Company's Shares on ASX in the 30 day period prior to 30 June or 31 December, as applicable. Any fractions of a Share are to be rounded down to the nearest whole number.
- (d) The Shares will be issued within 30 days of 30 June or 31 December, as applicable.
- (e) Mr Humann's, Professor Richmond's and Mr Slack's directorships are for no fixed term.
- (f) Upon Mr Humann's, Professor Richmond's or Mr Slack's cessation as a Director, the above provisions will operate in relation to the ceasing director by substituting a reference to 30 June or 31 December as applicable, with the date Mr Humann, Professor Richmond or Mr Slack ceases to be a Director.
- (g) The Agreements are conditional upon Shareholder approval being obtained.

#### 4.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a company to obtain Shareholder approval by ordinary resolution prior to issuing or agreeing to issue equity securities to a related party of the Company, unless one of the exceptions in ASX Listing Rule 10.12 applies.

A related party of a company includes its directors and, accordingly Mr Humann, Professor Richmond and Mr Slack are related parties for the purposes of ASX Listing Rule 10.11. None of the exceptions in ASX Listing Rule 10.12 apply to the Agreements. Accordingly, Resolutions 3, 4 and 5 require Shareholder approval for the purposes of ASX Listing Rule 10.11.

#### 4.3 ASX Waiver

ASX Listing Rule 10.13.3 provides that securities approved for issue in accordance with ASX Listing Rule 10.11 must be issued not more than 1 month after the date of the meeting. The Agreements provide for Shares to be issued to Mr Humann, Professor Richmond and, if he is re-elected, Mr Slack on a 6 monthly basis and therefore the issue of Shares under the Agreements are outside of the 1 month period and would not comply with ASX Listing Rule 10.13.3. The Company is required to obtain a waiver from ASX providing for an exemption from the requirements of ASX Listing Rule 10.13.3 in relation to the Agreements so that it may issue the Shares beyond the 1 month limit (**Waiver**).

At the date of this Notice, the Company has not received a Waiver from ASX. Should the waiver not be granted to the Company prior to the date of the Annual General Meeting, Resolutions 3, 4 and 5 will not be put to Shareholders at the Meeting and the resolutions will have no further effect.

Shareholders should also note that, in the event the Waiver is granted, the issue of Shares pursuant to Resolutions 3, 4 and 5 would be subject to any conditions that ASX may impose in granting the Waiver.

#### **4.4 Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party without obtaining the approval of the company's shareholders, unless one of a number of exceptions applies.

A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities.

Section 211(1) of the Corporations Act provides that shareholder approval is not needed to give a financial benefit if:

- (a) the benefit is remuneration to a related party as an officer or employee of the public company; and
- (b) to give the remuneration would be reasonable given the circumstances.

As the issue of securities to Mr Humann, Professor Richmond and Mr Slack is remuneration equivalent to the payment of \$92,650 cash for Mr Humann (plus GST if appropriate) and \$55,000 each in respect of Professor Richmond and Mr Slack (amounts which are within the maximum amount of remuneration to be paid to non-executive Directors as approved by shareholders at the Company's annual general meeting on 1 November 2005), the issue of the securities does not need shareholder approval pursuant to Chapter 2E. Accordingly, the Company is not seeking Shareholder approval for the purposes of Chapter 2E in respect of the Shares proposed to be issued to Mr Humann, Professor Richmond or Mr Slack.

#### **4.5 Resolution 3 – Approval of agreement to pay Mr David Humann's Directors Fees with fully paid ordinary shares in the Company**

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 3:

- (a) the proposed allottee of the securities to be issued pursuant to Resolution 3 is Mr Humann or his nominee;
- (b) the number of Shares to be issued to Mr Humann or his nominee will vary according to the trading price of the Company's Shares, but will be in accordance with the terms of Mr Humann's Agreement set out above;
- (c) the issue of the Shares will occur within 30 days of 30 June and 31 December, as applicable, for each year that Mr Humann remains a Director (or otherwise in accordance with Mr Humann's Agreement);
- (d) as noted above, Mr Humann is a director of the Company and as such is a related party of the Company;
- (e) the Shares will be issued for an issue price to be determined by the volume weighted average of the trading price of the Company's Shares in the 30 days preceding 30 June and 31 December, as applicable;
- (f) the Shares will rank equally with all other Shares on issue; and
- (g) the issue of the Shares will be in satisfaction of director's fees, plus GST where appropriate, owed by the Company to Mr Humann from time to time and therefore no funds will be raised from the issues.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares the subject of Resolution 3 as approval is being obtained under ASX Listing Rule 10.11.

#### **4.6 Resolution 4 – Approval of agreement to pay Professor Malcolm Richmond's Directors Fees with fully paid ordinary shares in the Company**

For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the proposed allottee of the securities to be issued pursuant to Resolution 4 is Professor Richmond or his nominee;
- (b) the number of Shares to be issued to Professor Richmond or his nominee will vary according to the trading price of the Company's Shares, but will be in accordance with the terms of Professor Richmond's Agreement set out above;

- (c) the issue of the Shares will occur within 30 days of 30 June and 31 December, as applicable, for each year that Professor Richmond remains a Director (or otherwise in accordance with Professor Richmond's Agreement).
- (d) as noted above, Professor Richmond is a director of the Company and as such is a related party of the Company;
- (e) the Shares will be issued for an issue price to be determined by the volume weighted average of the trading price of the Company's Shares in the 30 days preceding 30 June and 31 December, as applicable;
- (f) the Shares will rank equally with all other Shares on issue; and
- (g) the issue of the Shares will be in satisfaction of directors' fees, net of PAYG as appropriate, owed by the Company to Professor Richmond from time to time and therefore no funds will be raised from the issues.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares the subject of Resolution 4 as approval is being obtained under ASX Listing Rule 10.11.

#### **4.7 Resolution 5 – Approval of agreement to pay Mr David Slack's Directors Fees with fully paid ordinary shares in the Company**

For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the proposed allottee of the securities to be issued pursuant to Resolution 5 is Mr Slack or his nominee;
- (b) the number of Shares to be issued to Mr Slack or his nominee will vary according to the trading price of the Company's Shares, but will be in accordance with the terms of Mr Slack's Agreement set out above;
- (c) the issue of the Shares will occur within 30 days of 30 June and 31 December, as applicable, for each year that Mr Slack remains a Director (or otherwise in accordance with Mr Slack's Agreement).
- (d) as noted above, Mr Slack is a director of the Company and as such is a related party of the Company;
- (e) the Shares will be issued for an issue price to be determined by the volume weighted average of the trading price of the Company's Shares in the 30 days preceding 30 June and 31 December, as applicable;
- (f) the Shares will rank equally with all other Shares on issue; and
- (g) the issue of the Shares will be in satisfaction of director's fees, net of PAYG as appropriate, owed by the Company to Mr Slack from time to time and therefore no funds will be raised from the issues.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares the subject of Resolution 5 as approval is being obtained under ASX Listing Rule 10.11.

#### 4.8 Dilution Factor

The following table demonstrates the dilution of all other Shareholders' holdings in the Company upon the issue of Shares in the Company to Mr Humann, Professor Richmond and Mr Slack in accordance with Resolutions 3, 4 and 5 (and assuming different issue prices for those Shares):

<b>Issue price (per Share)</b>		<b>1 cent</b>	<b>2 cents *</b>	<b>3 cents</b>	<b>4 cents</b>	<b>5 cents</b>
Shares to be issued to Mr Humann	\$92,650 plus \$9,265 GST = \$101,915	10,191,500	5,095,750	3,397,167	2,547,875	2,038,300
Shares to be issued to Professor Richmond	\$55,000 less PAYG = \$39,352 (based on expected PAYG)	3,935,200	1,967,600	1,311,733	983,800	787,040
Shares to be issued to Mr Slack	\$55,000 less PAYG = \$39,352 (based on expected PAYG)	3,935,200	1,967,600	1,311,733	983,800	787,040
Total number of Shares to be issued per annum, assuming the issue of all Shares the subject of Resolutions 3, 4 & 5		18,061,900	9,030,950	6,020,633	4,515,475	3,612,380
Shares on issue at the date of this Explanatory Statement		961,315,575	961,315,575	961,315,575	961,315,575	961,315,575
Total Shares on Issue, assuming the issue of all Shares the subject of Resolutions 3,4 & 5		979,377,475	970,346,525	967,336,208	965,831,050	964,927,955
Percentage of total Shares on issue that will be held by Mr Humann, Professor Richmond and Mr Slack as a result of the issue of Shares the subject of Resolutions 3,4 & 5.		1.84%	0.93%	0.62%	0.47%	0.37%

\* Closing price of Shares as at the date of this Explanatory Statement.

## 5. Glossary

**Agreement** means the agreements between Mr Humann, Professor Richmond, Mr Slack and the Company the subject of Resolutions 3, 4 and 5.

**Annual General Meeting or Meeting** means the meeting of Shareholders convened by the Notice.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Board** means the board of Directors of the Company.

**Company** means Advanced Braking Technology Ltd ACN 099 107 623.

**Constitution** means the constitution of the Company.

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

**Directors** mean the current Directors of the Company.

**Key Management** means the key management personnel of the Company being the Directors of the Company and those other persons having authority for planning, directing and controlling the activities of the Company, directly or indirectly, as identified in the Company's Remuneration Report for the year ending 30 June 2011.

**Notice or Notice of Meeting** means the notice of meeting accompanying this Explanatory Statement.

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

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time.

# Advanced Braking Technology Ltd

ACN 099 107 623

## Proxy Form

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The Company Secretary  
Advanced Braking Technology Ltd

I/We, \_\_\_\_\_ (name) of  
of \_\_\_\_\_ (address)

being a member/s of Advanced Braking Technology Ltd (**Company**) hereby appoint:

The Chairman of the Meeting (mark with an "X")

**OR**

\_\_\_\_\_ (name of proxy) of  
\_\_\_\_\_ (address of proxy)

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held at Unit 1 3 MacDonald Street Osborne Park West, WA 6017 on Thursday 27 October 2011 at 10.30 am and at any adjournment of that meeting.

If two proxies are appointed, the proportion of my/our total voting rights that this proxy is authorised to exercise are as follows:

\_\_\_\_\_ (number of votes or percentage of voting rights proxy is authorised to exercise).

Should you desire to direct your proxy how to vote please place a mark in the appropriate boxes below. If you do not instruct your proxy how to vote leave the boxes below blank, in which case, your proxy may vote as he or she thinks fit or abstain from voting.

I/We instruct my/our proxy to vote as follows (the Resolutions are numbered as in the Notice of Annual General Meeting):

		For	Against	Abstain
Resolution 1.	To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.	Re-election of Mr David Slack as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3.	Approval of agreement to pay Mr David Humann's Director's Fees (plus GST where appropriate) with fully paid ordinary shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4.	Approval of agreement to pay Professor Malcolm Richmond's Director's Fees (net of PAYG where appropriate) with fully paid ordinary shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5.	Approval of agreement to pay Mr David Slack's Director's Fees (net of PAYG where appropriate) with fully paid ordinary shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**IMPORTANT INFORMATION IF APPOINTING THE CHAIRMAN AS YOUR PROXY:** If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default, and you do not wish to direct the Chairman how to vote as your proxy in respect of a Resolution, please place a mark in the box below. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the Resolutions and that votes cast by the Chairman of the Meeting for those Resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. The Chairman intends to vote undirected proxies **IN FAVOUR** of each Resolution (**other than Resolution 1 on the basis that any undirected proxies held by the Chairman or other Directors or Key Management will not be voted on Resolution 1**).

This proxy form must be signed by each appointing member (or member's attorney). Proxy forms submitted by a company must be executed in accordance with section 127 of the Corporations Act or signed by a duly authorised officer or attorney.

**Authorised signature/s**

Signed by Individual Member or Attorney:

Signed by Sole Director Company:

\_\_\_\_\_  
Individual Member/Attorney  
(delete as appropriate)

\_\_\_\_\_  
Sole Director and Secretary

Signed by Company:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Company Secretary  
(delete as appropriate)

**Proxies must be:**

- (a) lodged at the registered office of the Company; or
- (b) received at the fax number specified below,

not later than 48 hours before the meeting. that is, 10.30 am (WST) on 25th October 2011.

**The Company's registered office:**

Unit 1, 3 McDonald Street  
Osborne Park WA 6017.

**Postal address:**

PO Box 1177,  
Osborne Park, WA 6916

Fax number:

(08) 9201 9986

**Notes:**

A proxy has the authority to vote on the member's behalf, as he or she thinks fit, on any motion to adjourn the meeting, or any other procedural motion, unless the member gives a direction to the contrary.

A proxy need not be a member of the Company.

A member which is itself a company may either fill out this proxy form, in which case it must be submitted within the time limit described above, or it may appoint a representative pursuant to section 250D of the Corporations Act in which case the appointment may be presented at the door for admission to the meeting.