



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 11.00 am (WST) on Wednesday 27 November 2019, at:

Moore Stephens
Level 15 -Exchange Plaza,
2 The Esplanade, Perth WA

Contents

- A. Notice of Annual General Meeting
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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 Annual General 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/with this booklet. Shareholders are urged to complete the online proxy at www.investorvote.com.au or return the enclosed Proxy Form as soon as possible, irrespective of whether or not they intend to attend the Annual General 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 Kaitlin Smith, on (08) 9302 1922.

Time and Place of Annual General Meeting and How to Vote

Venue

The Annual General Meeting of the Shareholders of Advanced Braking Technology Ltd (**Company**) will be held in the Park Room at;

**Moore Stephens
Level 15 -Exchange Plaza,
2 The Esplanade, Perth WA**

Commencing at

11.00 am (WST) on Wednesday 27 November 2019.

How to Vote

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

Voting in Person

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

Voting by Proxy

To be valid, your Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.00am (WST) on Monday 25 November 2019. Any Proxy Form received after that time will not be valid for the Annual General Meeting as scheduled.

Online At www.investorvote.com.au

By mail Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia

By fax 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

**By mobile
Custodian
voting** Scan the QR Code on your Proxy Form and follow the prompts
For Intermediary Online subscribers only (custodians) please visit
www.intermediaryonline.com to submit your voting intentions

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 for 2019 will be held at 11.00 am (WST) on Wednesday 27 November 2019.

Agenda

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting describes the business to be transacted at the Annual General Meeting.

Ordinary Business

Financial Statements and Reports

To receive and consider the annual financial report and the reports of the Directors and of the Auditor for the financial year ended 30 June 2019.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following Resolution as a non-binding resolution:

“That, for the purposes of Section 250R (2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2019 be adopted.”

Please note that pursuant to Section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 – Re-Election of Director – Mr Mark Lindh

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

“That, for the purpose of ASX Listing Rule 14.5 and article 13.2 of the Constitution and for all other purposes, Mr. Mark Lindh, who retires by rotation in accordance with article 13.2 of the Constitution, and being eligible and offers himself for re-election, be re-elected as a Director.”

Special Business

Resolution 3 – Approval of Share Option Plan

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

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is hereby given for the Company to adopt an employee incentive scheme titled ‘Advanced Braking Technology Limited Share Option Plan’, and for the issue of securities under that Plan, from time to time upon the terms and conditions specified in the Explanatory Statement as an exception to ASX Listing Rule 7.1.”

Voting exclusion statement

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, or any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 4 – Approval to Issue of Options to Mr John Annand

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is hereby given to the issue of 11,916,217 Options to John Annand on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr John Annand (or his nominee) or any of their associates (**Resolution 4 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 4 Excluded Party, 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.

Resolution 5 – Approval to Issue of Options to Ms Paige Exley

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is hereby given to the issue of 5,958,109 Options to Paige Exley on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Ms Paige Exley (or her nominee) or any of their associates (**Resolution 5 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 5 Excluded Party, 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.

Resolution 6 – Approval to Issue of Options to Mr Tony Van Litsenborgh

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is hereby given to the issue of 5,958,109 Options to Tony Van Litsenborgh the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Tony Van Litsenborgh (or his nominee) or any of their associates (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 6 Excluded Party, 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.

Resolution 7– Approval to Issue of Options to Mr Geoff Lewis

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is hereby given to the issue of 5,958,109 Options to Geoff Lewis on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Geoff Lewis (or his nominee) or any of their associates (**Resolution 7 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 7 Excluded Party, 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.

Resolution 8 – Ratification of Convertible Notes

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 7.4 and for all other purposes, the shareholders ratify the issue of 10,700,000 convertible notes to sophisticated and professional investors on 29 July 2019 at a face value of \$0.02 each for the purposes of and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting”.

Resolution 9 – Ratification of Prior Issue of Shares and Options to KS Capital Partners Pty Ltd

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 7.4 and for all other purposes, the shareholders ratify the issue of 855,636 ordinary fully paid shares and 5,000,000 unlisted options to acquire fully paid ordinary shares to K S Capital Partners Pty Ltd on 24 July 2019 for the purposes of and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting”.

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of KS Capital Partners Pty Ltd (or their nominee) or any of their associates (**Resolution 9 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 9 Excluded Party, 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.

Resolution 10 – Approval of further 10% Placement Facility

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, the Shareholders approve the issue of Equity Securities totalling 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 set out in the Explanatory Statement.”

Note: this Resolution is a special resolution and can only be passed if at least 75% of the votes cast, in person or by proxy and by members who are entitled to vote on the Resolution, vote in favour.

Voting exclusion statement (Resolutions 8 and 10)

The Company will disregard any votes cast in favour of the Resolutions 8 and 10 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity or an associate of that person (or those persons)).

Voting Prohibition Statement

However, the Company need not disregard a vote cast on these Resolutions 8 and 10 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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

Other Business

In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Annual General Meeting.

By order of the Board

Kaitlin Smith
Company Secretary
Dated: 25 October 2019

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 to be held at 11:00am WST on Wednesday 27 November 2019 at **Moore Stephens, Level 15 -Exchange Plaza, 2 The Esplanade, Perth WA**

The purpose of this Explanatory Statement is to provide Shareholders with the information known to the Company that the Board considers material to their decision on whether to approve the Resolutions in the accompanying Notice. This document is important and should be read in conjunction with all of the information contained in this booklet, including the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

Proxies

Please note that: (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy; (b) a proxy need not be a member of the Company; (c) a Shareholder may appoint a body corporate or an individual as its proxy; (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Members of Key Management Personnel and their Closely Related Parties will not be able to vote as proxy on Resolutions 1 and 4 unless the Shareholder directs them how to vote or, in the case of the Chairperson, unless the Shareholder expressly authorises the Chairperson to do so. If a Shareholder intends to appoint a member of Key Management Personnel or their Closely Related Parties (other than the Chairperson) as its proxy, the Shareholder should ensure that it directs the proxy how to vote on Resolutions 1 and 4.

If a Shareholder intends to appoint the Chairperson as its proxy on Resolution 1 and 4, the Shareholder can direct the Chairperson how to vote by marking one of the boxes for the Resolutions (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If a Shareholder does not direct the Chairperson how to vote, the Shareholder can expressly authorise the Chairperson to vote as the Chairperson thinks fit on Resolutions 1 and 5 by marking the appropriate box on the Proxy Form even though the Resolution is connected to the remuneration of members of Key Management Personnel and even if the Chairperson has an interest in the outcome of the Resolution.

To vote by proxy, please complete and sign the enclosed Proxy Form and return it so that it is received by no later than 11.00am (WST) on Monday 25 November 2019 in accordance with the instructions set out on the Proxy Form. Proxy Forms received later than this time will be invalid.

Voting entitlements

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001*, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm (WST) on Monday 25 November 2019. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Annual General Meeting.

2. Financial Statements and Reports

In accordance with the Corporations Act and the Constitution, the business of the Annual General Meeting will include the receipt and consideration of the annual financial report of the Company for the year ended 30 June 2019, together with the related Directors' report, Directors' declaration and Auditors' report. 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. No resolution need be put to the meeting in relation to these items.

As a Shareholder, you are entitled to submit a written question to the Auditor prior to the Annual General Meeting provided that the question relates to:

- the content of the Auditor's report; or
- the conduct of the audit in relation to the financial report.

All written questions must be received by the Company no later than 5.00pm (WST) on Monday, 25 November 2019.

All questions must be sent to the Company and may not be sent to the Auditor. The Company will then forward all questions to the Auditor.

The Auditor will be present at the Annual General Meeting and Shareholders will have the opportunity to ask the Auditor questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies, and the independence of the Auditor.

3. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires a listed company to put to its shareholders (at its annual general meeting) a resolution that the remuneration report be adopted. Such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2019.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting. Notwithstanding the advisory effect of Resolution 1, the Board will consider the outcome of the vote made by the Shareholders with regard to the Remuneration Report at the Annual General Meeting when reviewing the Company's remuneration policies.

Although the effect of Resolution 1 is advisory only, under the "two strikes" rule, companies will be required to put a resolution to shareholders to hold fresh elections for directors if, at two consecutive annual general meetings, at least 25% of the votes cast on a resolution (such as Resolution 1) to adopt the remuneration report are cast against that resolution. If required, a spill resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the spill resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

At the Company's previous annual general meeting on 29 November 2018, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the spill resolution is not relevant for this Annual General Meeting.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Directors recommend that Shareholders vote in favour of Resolution 1. The Chairman intends to vote undirected proxies in favour of Resolution 1.

4. Resolution 2 – Re-Election of Director – Mr Mark Lindh

ASX Listing Rule 14.5 and article 13.2 of the Constitution require that one third of the Directors (or, if their number is not a multiple of 3, then the number nearest to but not exceeding one third) must retire from office at each Annual General Meeting. The Directors retire by rotation, with the Director(s) who have been the longest in office since being appointed or re-appointed being the Director(s) who must retire in any one year.

The Constitution ensures that no Director is able to remain in office for longer than 3 years without standing for re-election. Each Director is entitled to offer himself/herself for re-election as a Director at the Annual General Meeting which coincides with his/her retirement.

The Managing Director (if any) is exempted by his office as managing director from the requirement to retire by rotation.

Mr Lindh, who has served as a Director since 27 June 2017 and was last re-elected on 24 November 2017, retires by rotation (in accordance with the requirements of the Constitution) at the Annual General Meeting. As he is entitled and eligible for re-election, he seeks re-election as a Director at the Annual General Meeting.

Mr Mark Lindh is an investment banker and corporate advisor, with in excess of 15 years of experience in Australian equity and debt markets as well as advising on capital raisings, mergers and acquisitions and investor relations.

He is a founding executive director of Adelaide Equity Partners Limited, an Australian investment and advisory company and is non-executive director of Bass Oil Limited.

The Directors (with Mr Lindh abstaining) recommend that Shareholders vote in favour of Resolution 2. The Chairman intends to vote undirected proxies in favour of Resolution 2.

5. Resolution 3 – Adoption of Share Option Plan

Resolution 3 seeks Shareholder approval for the adoption of the employee incentive scheme titled 'Advanced Braking Technology Limited Share Option Plan' in accordance with ASX Listing Rule 7.2 (Exception 9(b)) (**Share Option Plan**).

A summary of the key terms and conditions of the Share Option Plan is set out below.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to issue Shares and Options under the Share Option Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Shares or Options have previously been issued under the Share Option Plan. Over the past three years, the Company has issued 10,083,302 Shares under Company's previous Employee Share Option Plan.

The objective of the Share Option Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Share Option Plan and the future issue of Shares and Options under the Share Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Shares or Options under the Share Option Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

In addition, a copy of the Share Option Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary Kaitlin Smith on (08) 9302 1922. Shareholders are invited to contact the Company if they have any queries or concerns.

Voting Recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution.

Summary of Share Option Plan Rules

Eligibility	<p>The Board, at their discretion, may issue Options to Employees at any time under the Share Option Plan ("Plan"), having regard to relevant considerations such as the Employee's past or potential contribution to the Company, and their period of employment with the Company.</p> <p>Participants in the Plan are full-time or part-time employees of the Company or a related body corporate (which includes Directors, and the company secretary and officers) or such other persons as the Board determines, or their permitted nominees. The Company will seek shareholder approval for Director and related party participation in accordance with ASX Listing Rule 10.14.</p>
Issue Price	<p>Unless the Options are quoted on the ASX, Options issued under the Plan must be granted for nil monetary consideration or no more than nominal monetary consideration.</p>
Limit	<p>The Plan has been prepared to comply with ASIC Class Order [CO 14/1000] and as such, offers under the Plan are limited to the 5% capital limit set out in the Class Order.</p>
Exercise	<p>The exercise price of Options under the Plan shall be determined by the Board in its discretion.</p> <p>The Company must take reasonable steps to ensure that the number of Shares to be received on exercise of the Options when aggregated with:</p> <ul style="list-style-type: none"> • <i>the number of Shares in the same class issued during the previous 5 years under the Option Plan (or any other incentive plan extended only to employees);</i> • <i>the number of Shares in the same class that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any incentive plan of the Company were to be exercised or accepted; and</i> • <i>does not exceed 5% of the total number of issued Shares at the time the invitation to acquire Options is made (but disregarding any offer of Options that can be disregarded in accordance with relevant ASIC class order or legislative instruments).</i> <p>The Shares to be issued on exercise of the Options will be issued on the same terms as the fully paid, ordinary shares of the Company and will rank equally with all of the Company's then existing Shares.</p> <p>An Option must be exercised (if at all) not later than its expiry date and may only be exercised at any time after the Plan Option has vested. The Board may determine (in its absolute discretion) any further conditions of exercise consistent with the terms of the Option Plan</p>
Vesting	<p>The Board may determine the time periods or performance hurdles after which Options will vest, and the percentage of Options issued which will vest at each particular time. The Plan provides for the release of vesting conditions in the event of a change of control of the Company.</p>
Change of Control	<p>Upon the occurrence of a Change in Control Event, the securities will automatically vest.</p>
Cessation of	<p>Unless the Board determines otherwise, an Employee who ceases to be an Employee by</p>

Employment	reason of retirement, permanent disability, redundancy or death, or is otherwise determined by the Board as a good leaver (Good Leaver) is entitled to keep their vested Options which have not been exercised and any unvested Options as determined by the Board. Unless the Board determines otherwise, all vested Options held by a person other than a Good Leaver (Bad Leaver) must be exercised by the earlier of their respective expiry date or the date that is 3 months after that person ceases to be an Employee. All unvested Options held by a Bad Leaver lapse upon cessation of that person's employment.
Quotation	Options will not be listed for quotation. However, the Company will make application to ASX for official quotation of all Shares issued on exercise of the Options as soon as practicable after their Issue Date.
Transfer	Options are not transferable unless vested or with the prior written approval of the Board and provided that the transfer complies with the Corporations Act.
Reorganisation of Capital	If there is any reorganisation of the issued share capital of the Company, all rights of the holder of an Option may be varied to comply with the ASX Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.
Participation rights	There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

6. Resolution 4 – Approval to issue Options to Mr John Annand

General

Resolution 4 seeks Shareholder approval for the issue of 11,916,217 Options to provide a performance linked incentive component in the remuneration package provided to John Annand for services provided as Chief Executive Officer.

A summary of ASX Listing Rule 7.1 is set out in Section 5 above.

The effect of Resolution 4 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue:

(a) the maximum number of Options to be issued is 11,916,217. The Options which will vest in accordance with the following milestones:

- (i) 2,979,054 Options one year from issue;
- (ii) 2,979,054 Options two years from issue; and
- (iii) 5,958,109 Options three years from issue;

(b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same day;

(c) the Options will be issued for nil cash consideration;

(d) the Options will be issued to John Annand (or his nominee), who is not a related party of the Company;

(e) the Options will be issued on the terms and conditions set out in Annexure B; and

(f) no funds will be raised from the issue as the Options are being issued as part of the remuneration package provided to John Annand.

7. Resolution 5 – Approval to issue Options to Ms Paige Exley

General

Resolution 5 seeks Shareholder approval for the issue of 5,958,109 Options to provide a performance linked incentive component in the remuneration package provided to Paige Exley for services provided as Chief Financial Officer.

A summary of ASX Listing Rule 7.1 is set out in Section 5 above.

The effect of Resolution 5 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue:

- (a) the maximum number of Options to be issued is 5,958,109. The Options which will vest in accordance with the following milestones:
 - (i) 1,489,527 Options one year from issue;
 - (ii) 1,489,527 Options two years from issue; and
 - (iii) 2,979,054 Options three years from issue;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same day;
- (c) the Options will be issued for nil cash consideration;
- (d) the Options will be issued to Paige Exley (or her nominee), who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Annexure B; and
- (f) no funds will be raised from the issue as the Options are being issued as part of the remuneration package provided to Paige Exley.

8. Resolution 6 – Approval to issue Options to Mr Tony Van Litsenborgh

General

Resolution 6 seeks Shareholder approval for the issue of 5,958,109 Options to provide a performance linked incentive component in the remuneration package provided to Tony Van Litsenborgh for services provided as Engineering Manager.

A summary of ASX Listing Rule 7.1 is set out in Section 5 above.

The effect of Resolution 6 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue:

- (a) the maximum number of Options to be issued is 5,958,109. The Options which will vest in accordance with the following milestones:
 - (i) 1,489,527 Options one year from issue;
 - (ii) 1,489,527 Options two years from issue; and
 - (iii) 2,979,054 Options three years from issue;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same day;
- (c) the Options will be issued for nil cash consideration;
- (d) the Options will be issued to Tony Van Litsenborgh (or his nominee), who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Annexure B; and

(f) no funds will be raised from the issue as the Options are being issued as part of the remuneration package provided to Tony Van Litsenborgh.

9. Resolution 7 – Approval to issue Options to Mr Geoff Lewis

General

Resolution 7 seeks Shareholder approval for the issue of 5,958,109 Options to provide a performance linked incentive component in the remuneration package provided to Geoff Lewis for services provided as Sales Director.

A summary of ASX Listing Rule 7.1 is set out in Section 5 above.

The effect of Resolution 7 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue:

- (a) the maximum number of Options to be issued is 5,958,109. The Options which will vest in accordance with the following milestones:
 - (i) 1,489,527 Options one year from issue;
 - (ii) 1,489,527 Options two years from issue;
 - (iii) 2,979,054 Options three years from issue;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same day;
- (c) the Options will be issued for nil cash consideration;
- (d) the Options will be issued to Geoff Lewis (or his nominee), who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Annexure B; and
- (f) no funds will be raised from the issue as the Options are being issued as part of the remuneration package provided to Geoff Lewis.

10. Resolution 8 – Ratification of previously issued convertible notes

Background

On 29 July 2019, the Company announced that it had secured commitments to raise funds through the issue of new convertible notes to sophisticated, experienced and professional investors introduced to the Company by Baker Young Stockbrokers Ltd and Adelaide Equity Partners Limited (**New Convertible Notes**).

The issue of the New Convertible Notes raised approximately \$214,000 (before costs) for the purposes of funding the redemption of convertible notes with a face value of \$214,000 issued on 15 January 2019.

Resolution 8 seeks Shareholder ratification for the issue of the New Convertible Notes to sophisticated, experienced and professional investors on 29 July 2019.

A summary of ASX Listing Rule 7.1 is set out above.

Listing Rule 7.4

Listing Rule 7.4 provides an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1.

By ratifying this issue of New Convertible Notes, the Board believes it is in the best interests of the Company to maintain the ability to issue equity securities in the future up to its full 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain Shareholder approval so that the Company retains financial flexibility and is able to take advantage of commercial opportunities that may arise in an efficient manner.

Specific information required by ASX Listing Rule 7.4

In accordance with the requirements of ASX Listing Rule 7.5, the following information is provided to Shareholders to allow them to assess the ratification of the issue of the New Convertible Notes the subject of this Resolution 8:

- a) the Company issued and allotted 10,700,000 convertible notes;
- b) the Convertible Notes were issued with a face value of \$0.02 each;
- c) the Company can redeem the Convertible Notes at any time by written notice to the Noteholder.
- d) the terms of the Convertible Notes are set out in the cleansing notice released by the Company on the ASX announcements platform on 29 July 2019, as set out in on the Company's website <https://www.asx.com.au/asxpdf/20190730/pdf/4470g10sknqb8p.pdf>. A summary of the key terms of the New Convertible Notes are as follows:
 - i. Face value: \$0.02 each;
 - ii. Maturity Date: 31 December 2019;
 - iii. Each convertible note is convertible in one (1) fully paid ordinary share at \$0.02 per Share, at any time until the Maturity Date, subject to;
 - iv. adjustment if there is a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the basis for conversion of the New Convertible Notes will be reconstructed in the same proportion as the issued capital of the Company is reconstructed, and will be in a manner which will not result in any additional benefits being conferred on the Noteholder which are not conferred on the shareholders of the Company (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital), nor any benefits being taken away from the Noteholder, but in all other respects the terms for conversion of the New Convertible Notes will remain unchanged.;
 - v. Shares issued upon conversion of any New Convertible Notes will rank equally in all respects with all other issued Shares at the date of conversion; and
 - vi. Accrue interest at 15.0% per annum on face value, payable quarterly in arrears.
- e) the New Convertible Notes were issued to various sophisticated, experienced and institutional investors, none of whom were related parties of the Company;
- f) the funds raised with the issue of the Convertible Notes were used to finance the redemption of \$0.214 million of Convertible Notes that noteholders elected to redeem in July 2019.
- g) a voting exclusion statement is included in the Notice.

Voting Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 8.

11. Resolution 9 – Ratification of previous issue of Shares and Options to KS Capital Partners Ltd

On 24 July 2019, the Company issued 855,636 Shares and 5,000,000 unlisted Options to acquire fully paid ordinary shares as consideration for the services provided by KS Capital Partners Ltd (**KS Capital Partners**) and in lieu of a cash payment of \$11,000.

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares and Options made by the Company (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of Shares pursuant to Resolution 9:

- (a) 855,636 Shares were issued;
- (b) 5,000,000 unlisted Options were issued;
- (c) the Shares and Options were issued for nil cash consideration to KS Capital Partners in lieu of fees for services of corporate advisory services provided to the Company;
- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Options issued are exercisable at \$0.025 on or before 30 June 2022, and were issued on the terms and conditions set out in Annexure A;
- (f) the Shares and Options were issued to KS Capital Partners, who is not a related party of the Company; and
- (g) no funds were raised from the issue of the Shares.

Voting Recommendation

The Directors recommend shareholders vote in favour of Resolution 9.

12. Resolution 10 – Approval of 10% Placement Facility

12.1 General

ASX Listing Rule 7.1A enables eligible entities, subject to obtaining Shareholder approval, to issue additional Equity Securities up to 10% of its fully paid ordinary securities on issue through placements over a 12 month period after the eligible entity's annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity, as its current market capitalisation is \$8,367,952 based on a share price of \$0.028 per share, being the closing price of the Shares on the ASX on 23 October 2019.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 12.2 below).

Resolution 10 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present in person or by proxy and eligible to vote at the Annual General Meeting must be cast in favour of Resolution 10 for it to be passed.

The Directors consider that Resolution 10 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 10.

12.2 Summary of ASX Listing Rule 7.1A

(a) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. At the date of this Notice of Annual General Meeting, the Company has only one class of quoted Equity Securities, being the 298,855,432 Shares currently on issue.

(b) 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 such annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

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

- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus, the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 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;
- (iv) less the number of fully paid shares cancelled in the 12 months.

Note that A 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 Listing Rules 7.1 or 7.4.

(c) ASX Listing Rules 7.1 and 7.1A

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1. At the date of this Notice, the Company has a capacity to issue:

- (1) 28,144,333 Shares under ASX Listing Rule 7.1; and
- (2) 29,799,979 Shares under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 12.2(b) above).

(d) Minimum Issue Price

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 ASX trading days immediately before:

- (1) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (2) if the Equity Securities are not issued within 5 ASX trading days of the date in section 12.2(d)(1) above, the date on which the Equity Securities are issued.

(e) 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (1) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (2) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(f) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

12.3 Information required by ASX Listing Rule 7.3A

ASX Listing Rule 7.3A sets out a number of matters which must be included in a notice of meeting seeking an approval under ASX Listing Rule 7.1A. The following information is provided for the purposes of ASX Listing Rule 7.3A:

(a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 ASX trading days immediately before:

- (1) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (2) if the Equity Securities are not issued within 5 ASX trading days of the date in section 12.3(a)(1) above, the date on which the Equity Securities are issued.

(b) If Resolution 10 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- (1) the market price for the Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (2) the Equity Securities may be issued at a price that is at a discount to the market price for the Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing 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) as at the date of this Notice.

The table also shows:

- (1) 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 ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (2) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Dilution				
Variable "A" in ASX Listing Rule 7.1A.2	Issue Price (per Share)	50% decrease in Deemed Issue Price \$0.014	Deemed Issue Price \$0.028	50% increase in Deemed Issue Price \$0.042
Current Variable "A" 298,855,432 Shares	10% dilution - Shares issued	29,885,543	29,885,543	29,885,543
	Funds raised	\$418,398	\$836,795	\$1,255,193
50% increase in current Variable "A" 448,283,148 Shares	10% dilution - Shares issued	44,828,314	44,828,314	44,828,314
	Funds raised	\$627,597	\$1,255,193	\$1,882,789
100% increase in current Variable "A" 597,710,864 Shares	10% dilution - Shares issued	59,771,086	59,771,086	59,771,086
	Funds raised	\$836,795	\$1,673,590	\$2,510,386

The table has been prepared on the following assumptions:

- (i) The price of Shares is deemed, for the purposes of the table above, to be \$0.026, being the closing price of the Company's Shares on ASX on 23 October 2019 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 25% discount to market that the Equity Securities may be placed at.
- (ii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (iii) No Options are exercised into Shares before the date of the issue of the Equity Securities. The Company currently has nil unlisted Options and nil listed Options on issue as at the date of the Notice;
- (iv) The 10% dilution reflects the aggregate percentage voting dilution against the issued share capital at the time of issue. This is why the dilution is shown in each example as 10%.
- (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- (vi) The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 10 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (1) as non-cash consideration for the acquisition of new assets and investments (including expenses associated with such acquisitions). In such circumstances, the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
 - (2) for cash consideration in which case the Company intends to use the funds raised for the expansion of products and distribution arrangements, increasing product production and general working capital purposes or towards the acquisition of new assets or investments (including expense associated with such acquisitions).

Although the Company may seek to issue Equity Securities for the acquisition of new assets and investments (including expenses associated with such acquisitions), the particular assets and investments which may be acquired by the Company have yet to be ascertained.

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.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. 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:
 - (1) the purpose of the issue;
 - (2) alternative methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (3) the effect of the issue of the Equity Securities on the control of the Company;
 - (4) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
 - (5) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) The Company has previously obtained approval under rule 7.1A, such approval having been sought and obtained by the Company at the Annual General Meeting of the Company held on 29 November 2018.
- (g) The Company has or will have issued (net of converting securities) a total of 87,440,637 additional Equity Securities during the 12 months preceding the date of the Annual General Meeting, representing (net of converting securities) approximately 0.30% of the total diluted number of Equity Securities on issue in the Company on 29 November 2018, which were 298,855,432 (post-consolidation).

Information relating to issues of Equity Securities by the Company in the 12 months prior to the date of the Annual General Meeting is as follows:

- (1) On 15 January 2019, 11,700,000 Convertible Notes (which represents a maximum of 11,700,000 fully paid ordinary shares if the Convertible Notes are converted to Shares) were issued to sophisticated and professional investors at \$0.02 per Note raising \$234,000 for the purpose of redeeming \$265,000 worth of Convertible Notes previously issued by the Company;

- (2) on 24 July 2019, 855,636 ordinary fully paid shares were issued to KS Capital Partners at an average notional price of \$0.012 (non-cash consideration) per share under an agreement for services provided by KS Capital Partners and in lieu of a cash payment of \$11,000. The current value of the Shares is \$23,957;
- (3) on 24 July 2019, 5,000,000 unlisted Options to acquire ordinary fully paid shares were issued to KS Capital Partners for nil consideration per option under an agreement for services provided by KS Capital Partners. The exercise price of the Options is \$0.025 per Option, expiring on or before 30 June 2022. The current value of the Options is \$125,000;
- (4) on 29 July 2019, 10,700,000 Convertible Notes (which represents a maximum of 10,700,000 fully paid ordinary shares if the Convertible Notes are converted to Shares) were issued to sophisticated and professional investors at \$0.02 per Note raising \$214,000 for the purpose of redeeming \$214,000 worth of Convertible Notes in July 2019. The current value of the Convertible Notes was \$214,000;
- (5) on 29 July 2019, 25,000,000 Convertible Notes (which represents a maximum of 25,000,000 fully paid ordinary shares if the Convertible Notes are converted to Shares) were issued to Mr David Slack (or his nominee), a Director of the Company, at \$0.02 per Note to satisfy a conversion of a related party loan of \$500,000. The current value of the Convertible Note was \$500,000; and
- (6) on 23 October 2019, 950,000 ordinary fully paid shares were issued to a Noteholder, who had elected to convert a portion of their Convertible Notes in accordance with the Convertible Note Maturity Date Extension Agreement, as announced on 30 July 2019. The exercise price was \$0.02 per Share, and the Shares were issued on the same terms as the Company's existing Shares on issue. The current value of the Shares is \$26,600.

(h) A voting exclusion statement is included in the Notice of Annual General Meeting.

Glossary

In this Notice of Annual General Meeting and Explanatory Statement the following terms have the following meaning unless the context otherwise requires:

\$ means Australian dollars.

10% Placement Facility has the meaning given in section 12.1 of this Explanatory Statement

AEDT means Australian Eastern Daylight Time.

Annual General Meeting means the annual general meeting of the Company the subject of the Notice of Annual General Meeting.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules or **Listing Rule** means the official listing rules of ASX.

Auditor means the auditor of the Company, Moore Stephens.

Board means the board of Directors.

Chairperson means the person appointed to chair the Annual General Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means Advanced Braking Technology Ltd (ACN 099 107 623).

Constitution means the Company's constitution.

Convertible Notes has the meaning given in section 5 of this Explanatory Statement.

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

Director means a director of the Company and **Directors** has a corresponding meaning.

Equity Securities includes a Share, a right to a Share or Option, a convertible security and any security that ASX decides to classify as an Equity Security.

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

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Notice or **Notice of Annual General Meeting** means the notice of Annual General Meeting.

Option means an option to acquire a Share.

Proxy Form means the proxy form **attached** to the Notice of Annual General Meeting.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the Company's annual report for the year ended 30 June 2019.

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

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

Shareholder means a shareholder of the Company.

ANNEXURE A TERMS OF OPTIONS TO KS CAPITAL PARTNERS PTY LTD

The Company has granted 5,000,000 Options to KS Capital Partners Pty Ltd on the following terms and conditions;

1. Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (Share) upon exercise of the Option.

2. Exercise Price and Expiry Date

The Options have an exercise price of \$0.025 and an expiry date of 5:00pm (WST Australia) on 30 June 2022 (Expiry Date).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

3. Exercise Period

The Options are exercisable at any time and from time to time on or prior to the Expiry Date.

4. Quotation of the Options

The Options will be unquoted.

5. Transferability of the Options

The Options are not transferable, unless prior written approval is received from the Board.

6. Notice of Exercise

The Options may be exercised by notice in writing to the Related Party in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Related Party.

Any Notice of Exercise of an Option received by the Related Party will be deemed to be a notice of the exercise of that Option as at the date of receipt.

7. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.

8. Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the then Shares of the Company.

9. Quotation of Shares on Exercise

Application will be made by the Company to ASX, on the Business Day the Shares are issued, for quotation of the Shares issued upon the exercise of the Options.

10. Timing of Issue of Shares

(a) Subject to paragraph (b) below, within 3 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised, the Company must:

(i) issue the Shares pursuant to the exercise of the Options;

- (ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (b) If the Company is not then permitted to issue a cleansing notice under section 708A(5)(e) of the Corporations Act, the Company must either:
 - (i) issue a prospectus on the date that the Shares are issued under paragraph (a) above (In which case the date for issuing those Shares may be extended to not more than 25 Business Days after the receipt of the Exercise Notice, to allow the Company time to prepare that prospectus); or
 - (ii) issue a prospectus before the date that the Shares are issued under paragraph (a) above, provided that offers under that prospectus must still be open for acceptance on the date those Shares are issued,in accordance with the requirements of section 708A(11) of the Corporations Act.

11. Participation in New Issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

12. Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

13. Adjustment for Entitlements Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 12 will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

14. Adjustments for Reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Option holders will be varied in accordance with the ASX Listing Rules.

ANNEXURE B TERMS OF OPTIONS

The Company intends to grant a total of 29,790,543 Options to Senior Management on the following terms and conditions:

1. Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (Share) upon exercise of the Option. The Options are for nil consideration per option.

2. Issue Date

Within three months from shareholder approval.

3. Exercise Price and Expiry Date

The Options have an exercise price of \$0.04 and an expiry date of 5:00pm (WST Australia) of 30 June 2023 (Expiry Date).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Vesting Period

The Options granted will be subject vesting conditions as follows;

One year vesting	Two year vesting	Three year vesting
25%	25%	50%
7,447,636	7,447,636	14,895,272

5. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date. Options subject to vesting conditions are exercisable at any time from vesting until on or prior to the Expiry Date.

6. Quotation of the Options

The Options will be unquoted.

7. Transferability of the Options

The Options are not transferable, unless prior written approval is received from the Board.

8. Notice of Exercise

The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by an Option holder will be deemed to be a notice of the exercise of that Option as at the date of receipt.

9. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.

10. Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the then Shares of the Company.

11. Quotation of Shares on Exercise

Application will be made by the Company to ASX, on the Business Day the Shares are issued, for quotation of the Shares issued upon the exercise of the Options.

12. Timing of Issue of Shares

- (a) Subject to paragraph (b) below, within 3 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Advisor and Director Option being exercised, the Company must:
- (i) issue the Shares pursuant to the exercise of the Options;
 - (ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Director Options.
- (b) If the Company is not then permitted to issue a cleansing notice under section 708A(5)(e) of the Corporations Act, the Company must either:
- (iv) issue a prospectus on the date that the Shares are issued under paragraph (a) above (In which case the date for issuing those Shares may be extended to not more than 25 Business Days after the receipt of the Exercise Notice, to allow the Company time to prepare that prospectus); or
 - (v) issue a prospectus before the date that the Shares are issued under paragraph (a) above, provided that offers under that prospectus must still be open for acceptance on the date those Shares are issued,

in accordance with the requirements of section 708A(11) of the Corporations Act.

13. Participation in New Issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 Business Days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

14. Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (c) the number of Shares which must be issued on the exercise of Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (d) no change will be made to the Exercise Price.

15. Adjustment for Entitlements Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 14 will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.


16. Adjustments for Reorganisation


If there is any reorganisation of the issued share capital of the Company, the rights of the Option holders will be varied in accordance with the ASX Listing Rules

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Advanced Braking Technology Ltd

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 **11:00am (WST)**
Monday, 25 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:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 183002

SRN/HIN:

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 Advanced Braking Technology Ltd 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 Advanced Braking Technology Ltd to be held at Moore Stephens, Level 15, Exchange Plaza, 2 The Esplanade, Perth, Western Australia on Wednesday, 27 November 2019 at 11:00am (WST) 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 Resolutions 1 and 3 - 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 3 - 7 are 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 Resolutions 1 and 3 - 7 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		For	Against	Abstain	
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Approval of further 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-Election of Director – Mr Mark Lindh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
3	Approval of Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
4	Approval to Issue of Options to Mr John Annand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
5	Approval to Issue of Options to Ms Paige Exley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
6	Approval to Issue of Options to Mr Tony Van Litsenborgh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7	Approval to Issue of Options to Mr Geoff Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
8	Ratification of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
9	Ratification of Prior Issue of Shares and Options to KS Capital Partners Pty Ltd	<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