



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 10.00am (WST) on Tuesday 23rd October 2012.

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.

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:

10.00 am (WST) on Tuesday 23rd October 2012.

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.

Voting by Proxy

Your proxy form is enclosed. 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;
- post to PO Box 1177, Osborne Park, WA 6916; or
- email it to clare.madelin@advancedbraking.com, with subject line marked "proxy form"

so that it is received no later than 10.00 am (WST) on Sunday 21st October 2012.

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 2012 will be held at 10.00 am (WST) on Tuesday 23rd October 2012.

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 2012.

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 2012 as set out on pages 18 to 21 of the Company's 2012 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 Humann

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

"That, Mr David Humann, being a Director of the Company who was first appointed on 28th August 2006, and who was re-elected on 2nd 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 – Ratification of Prior Issue of Ordinary Shares

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 Company ratifies the allotment and issue of 125,700,000 fully paid ordinary shares in the capital of the Company at an issue price of 1.7 cent per share and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an associate of that person. 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 5th day of September 2012
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 Sunday 21st October 2012.

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 3 resolutions to be put to the Meeting. Resolution 1 is a non-binding vote for advisory purposes and Resolutions 2 and 3 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 18 to 21 of the Company's 2012 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 pages 44 to 46 of the Company's 2012 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 Humann

Resolution 2 seeks Shareholder approval for the re-election of Mr David Humann 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 Humann are contained on page 14 of the Company's 2012 Annual Report. Each of the Directors intends to vote in favour of Mr Humann's re-election. If approved by Shareholders, the appointment will take effect immediately following the end of the Annual General Meeting.

4. Resolution 3 – Ratification of Share Issue

Resolution 3 seeks shareholder ratification of the prior issue and allotment of 125,700,000 Shares in the capital of the Company at an issue price of 1.7 cents per Share to a number of sophisticated and professional investors pursuant to a placement offer made by the Company in late April 2012.

ASX Listing Rule 7.1 limits the number of equity securities which a listed company may issue in any 12 month period without shareholder approval (subject to certain exceptions, for example, a pro rata issue to all shareholders). The limit is, generally speaking, no more than 15% of the total number of equity securities on issue at the beginning of the 12 month period, plus the number of equity securities issued with the approval of shareholders or under one of the exceptions during the previous 12 months.

Under ASX Listing Rule 7.1, the prior approval of Shareholders was not required to issue the Shares the subject of Resolution 3 because those securities, when aggregated with securities issued by the Company during the previous 12 months (other than securities issued with Shareholder approval or falling within one of the other exception criteria), did not exceed 15% of the number of securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 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 ASX Listing Rule 7.1

Ratification is now sought for the issue of Shares as set out in Resolution 3, pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital to enable the Directors to consider additional funding initiatives over the next 12 months consistent with the provisions of ASX Listing Rule 7.1 and the Corporations Act.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders in relation to the Shares the subject of Resolution 3:

- (a) the total number of securities issued and allotted by the Company was 125,700,000 Shares;
- (b) the Shares were issued on 1st May 2012;
- (c) the Shares were issued at a price of 1.7 cents each;
- (d) the Shares were fully paid ordinary shares in the capital of the Company and ranked equally in all respects with the Company's existing Shares on issue;
- (e) the Shares were issued to various sophisticated and professional investors who are clients of Blue Ocean Equities (and who are not related parties of the Company);
- (f) the issue of the Shares raised a total of \$2,136,900, which was used by the Company for the following purposes:
 - \$1.0 million - to match funding to support the balance of a \$2 million Commonwealth Grant previously obtained by the Company;
 - \$1.0 million - to support additional research and development in relation to the Company's mining and garbage truck brake products; and
 - \$0.137 million - working capital to support the garbage truck brake product launch;
- (g) a voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that Shareholders vote in favour of Resolution 3.

4. Glossary

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 2012.

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.

This page is intentionally blank

Advanced Braking Technology Ltd

ACN 099 107 623

Proxy Form

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 Tuesday 23rd October 2012 at 10.00 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 Humann as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3. Ratification of prior issue of ordinary shares	<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) received at the fax number specified below, or
- (b) lodged at the registered office of the Company, or
- (c) received by mail at the postal address below, or
- (d) received by email at the email address below, with subject line marked "proxy form"

not later than 48 hours before the meeting; that is, 10.00 am (WST) on Sunday 21st October 2012.

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

Email:

clare.madelin@advancedbraking.com

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.