



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 2.30 pm (WST) on Tuesday 29th October 2013

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/with 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 in the "meeting room" at

The Osborne Park Community Centre
11 Royal Street
Osborne Park
WA 6017

Parking is available beneath the building.

Commencing at

2.30 pm (WST) on Tuesday 29th October 2013

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:

- Mail it to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, or
- Fax it to (within Australia) 1800 783 447 or (outside Australia) +61 9473 2555, or
- For Intermediary Online subscribers only (custodians) lodge online at www.intermediaryonline.com

so that it is received no later than 2.30 pm (WST) on Sunday 27th October 2013.

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 2013 will be held at 2.30 pm (WST) on Tuesday 29th October 2013.

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 2013.

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 2013 as set out on pages 20 to 25 of the Company's 2013 Annual Report be adopted."

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on the resolution are cast against the adoption of the Remuneration Report, then Resolution 7 will be put to Shareholders for their vote.

Voting Restriction:

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, the above persons may cast a vote on Resolution 1 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 the resolution (directed proxy); or
- (b) the voter is the Chairperson and the appointment of the Chairperson as proxy:
 - (1) does not specify the way the proxy is to vote on the resolution; and
 - (2) expressly authorises the Chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 – Re-Election of Mr David Slack

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

"That Mr David Slack, being a Director of the Company who was first appointed on 9th September 2009 and who 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."

Resolution 3 – Re-Election of Mr Adam Levine

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

"That Mr Adam Levine, being a Director of the Company who was appointed to fill a casual vacancy on 9th April 2013 in accordance with clause 13.5 of the Company's Constitution and being eligible and offering himself for-election, be re-elected as a Director of the Company."

Resolution 4 – Re-Election of Mr Bruce Grey

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

"That Mr Bruce Grey, being a Director of the Company who was appointed as an addition to the existing Directors on 30 June 2013 in accordance with clause 13.5 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 5– Ratification of Issue 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 allotment and issue of 17,950 Convertible Notes on 15 August 2013 be ratified."

Voting Exclusion: The Company will disregard any votes cast on Resolution 5 by a person who has participated in the issue and any associates of those persons. However, the Company need not disregard a vote if cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or 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 of Issue of Convertible Notes to DASI Investments 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 10.11 and for all other purposes, the allotment and issue of 5,000 Convertible Notes to DASI Investments Pty Ltd on the terms and conditions set out in the Explanatory Statement be approved."

Voting Exclusion: The Company will disregard any votes cast on Resolution 6 by DASI Investments Pty Ltd and any of their associates. However, the Company need not disregard a vote if cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or 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– Conditional Spill Resolution

Subject to and conditional upon at least 25% of the votes on Resolution 1 being cast against Resolution 1, to consider, and if thought fit, pass the following resolution, as an ordinary resolution of the Company:

"That:

- (a) the Company will convene an extraordinary general meeting (**Spill Meeting**) which must be held within 90 days of the passing of this resolution (**Spill Resolution**) subject to (d) below;
- (b) all of the Directors in office at the time of the Spill Meeting who:

- (1) were in office when the Directors' resolution was passed to make the Directors' Report for the financial year ended 30 June 2013 considered at the Company's 2013 Annual General Meeting; and
- (2) are not a Managing Director of the Company who, in accordance with the Listing Rules, may continue to hold office indefinitely without being re-elected to the office,

shall cease to hold office immediately before the end of the Spill Meeting (**Vacating Directors**);

- (c) at the Spill Meeting the Company will put resolutions to Shareholders to vote to appoint persons to the offices that will be vacated immediately before the end of the Spill Meeting under (b) above; and
- (d) in accordance with section 250W of the Corporations Act, where there are no Vacating Directors, the Company need not hold the Spill Meeting."

Voting Restriction

A vote on Resolution 7 must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, the above persons may cast a vote on Resolution 7 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 the resolution (directed proxy); or
- (b) the voter is the Chairperson and the appointment of the Chairperson as proxy:
 - (1) does not specify the way the proxy is to vote on the resolution; and
 - (2) expressly authorises the Chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Dated this 11th day of September 2013

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 27th October 2013.

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 6 resolutions plus a conditional spill resolution to be put to the Meeting. Resolution 1 is a non-binding vote for advisory purposes, Resolutions 2 to 6 are ordinary resolutions, and Resolution 7 is an ordinary resolution which may be put to the Meeting subject to and conditional upon the outcome of Resolution 1. A short explanation of the resolutions, including the conditions under which Resolution 7 will be put to the Meeting, is set out below.

2. Resolution 1 – Adoption of Remuneration Report

The Remuneration Report for the financial year ended 30 June 2013 (**2013 Remuneration Report**) is set out on pages 20 to 25 of the Company's Annual Report for the financial year ended 30 June 2013 (**2013 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 45 to 46 of the Company's 2013 Annual Report.

A reasonable opportunity will be provided for discussion of the 2013 Remuneration Report at the Meeting. Under section 250R(2) of the Corporations Act, a resolution that the 2013 Remuneration Report be adopted (**Remuneration Report Resolution**) must be put to the vote.

The “two strikes rule” was introduced by the *Corporations Legislation (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth) (**Executive Remuneration Provisions**) and commenced on 1 July 2011. Under the “two strikes rule”, if the Remuneration Report Resolution receives a “no” vote of 25% or more 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.

At the Annual General Meeting held on 23 October 2012 (**2012 Annual General Meeting**), more than 25% of the votes cast in respect of the resolution to adopt the Remuneration Report for the year ended 30 June 2012 (**2012 Remuneration Report**) were voted against that resolution. Accordingly, the Company recorded a “first strike” under the Executive Remuneration Provisions.

If (and only if) 25% or more of the votes cast in respect of Resolution 1 are against the Resolution, the Company will record a “second strike” and Resolution 7 (the Spill Resolution) will be put to the meeting and voted on.

Further information in relation to the Spill Resolution is contained in the Explanatory Statement in relation to Resolution 7.

At the 2012 Annual General Meeting a “first strike” vote was received on the Remuneration Report. Accordingly the Board established a Remuneration Committee during the year. This role was previously performed by a subcommittee of the Board. The Remuneration Committee considered and approved the 2013 Executive STI and LTI bonuses prior to the date of the 2013 Annual Report. Precise disclosure of amounts paid to Executives during 2013 in relation to FY2012, and amounts paid or to be paid in relation to FY2013, are included in the 2013 Remuneration Report and the appropriate accruals have been made at 30 June 2013.

No increases have been made to Director's individual remuneration and new Directors are being remunerated at the same rate as is disclosed for current Directors in the 2013 Remuneration Report.

The Board believes that the Company's remuneration arrangements, as set out in the 2013 Remuneration Report, are fair, reasonable and appropriate and that the arrangements support the strategic direction of the Company.

The Board unanimously recommends that Shareholders vote in favour of adopting the 2013 Remuneration Report.

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

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

Article 13.2 of the Company's Constitution provides that one-third of the Directors shall retire from office at every annual general meeting of the Company and that such Director is eligible for re-election at that annual general meeting. Article 13.5 of the Company's Constitution provides that directors who must stand for re-election by operation of clause 13.5 do not count in determining the directors who must retire by rotation. As the director who has served longest since his last re-election, Mr Slack retires and stands for re-election.

Details of the qualifications and experience of Mr Slack are contained on page 17 of the Company's 2013 Annual Report. Each of the Directors intends to vote in favour of Mr Slack's re-election. If approved by Shareholders, the appointment will take effect immediately following the end of the Annual General Meeting.

4. Resolution 3 – Re-Election of Mr Adam Levine

Resolution 3 seeks Shareholder approval for the re-election of Mr Adam Levine as a Director of the Company.

Article 13.5 of the Company's Constitution provides that the Directors may appoint a Director to fill a casual vacancy and that any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election. The resignation of Professor Malcolm Richmond created a casual vacancy and Mr Levine was appointed a Director of the Company on 9th April 2013. In accordance with Article 13.5 of the Constitution offers himself for re-election at the next Annual General Meeting.

Details of the qualifications and experience of Mr Levine are contained on pages 17 to 18 of the Company's 2013 Annual Report. Each of the Directors intends to vote in favour of Mr Levine's re-election. If approved by Shareholders, the appointment will take effect immediately following the end of the Annual General Meeting.

5. Resolution 4 – Re-Election of Mr Bruce Grey

Resolution 4 seeks Shareholder approval for the re-election of Mr Bruce Grey as a Director of the Company.

Article 13.5 of the Company's Constitution provides that the Directors may appoint a Director as an additional Director and that any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election. The Board considered that Mr Grey's vast experience in the commercialisation of technology in the automotive industry would be a valuable addition to the skills and experience of the Board and, accordingly, Mr Grey was appointed a Director of the Company on 30th June 2013. In accordance with Article 13.5 of the Constitution offers himself for re-election at the next Annual General Meeting.

Details of the qualifications and experience of Mr Grey are contained on page 18 of the Company's 2013 Annual Report. Each of the Directors intends to vote in favour of Mr Grey's re-election. If approved by Shareholders, the appointment will take effect immediately following the end of the Annual General Meeting.

6. Resolution 5– Ratification of Issue of Convertible Notes

Resolution 5 seeks Shareholder ratification for the issue of 17,950 Convertible Notes to sophisticated, experienced and professional investors on 15 August 2013.

Subject to certain exceptions, Listing Rule 7.1 restricts a Company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of the Company's ordinary securities on issue at the commencement of that period without shareholder approval.

The exception to this rule contained in Listing Rule 7.4 provides an issue made within the 15% limit will be treated as having been made with the approval of shareholders under Listing Rule 7.1 if subsequently approved by shareholders, thereby 'refreshing' the Company's ability to issue shares within the 15% limit, and restoring the Company's ability to make placements within that limit (if that is thought desirable) without the need for shareholder approval.

While the Convertible Notes described in this Resolution 5 were issued within the Company's placement capacity under ASX Listing Rule 7.1, the Company seeks Shareholder ratification of the issue of the Convertible Notes for

the purpose of Listing Rule 7.4 so that the Company's ability to issue securities under Listing Rule 7.1 will be 'refreshed' and it will have flexibility to issue further securities should the need or opportunity arise.

In accordance with the requirements of Listing Rule 7.5, the following information is provided to Shareholders to allow them to assess the ratification of the issue of the Convertible Notes the subject of this Resolution 5:

- (a) the Company issued and allotted 17,950 Convertible Notes;
- (b) the Convertible Notes were issued with a face value of \$100 each;
- (c) the terms of the Convertible Notes are set out in the cleansing notice released by the Company on the ASX announcements platform on 15 August 2013. The key terms of the Convertible Notes are as follows:
 - (i) Face value: \$100 each;
 - (ii) Maturity Date: 3 years after issue date;
 - (iii) Convertible into Shares at \$0.022 per Share, subject to any adjustments for capital reconstructions, at any time up until the Maturity Date;
 - (iv) Rank after all other creditors and obligation of the Company but prior to shareholders; and
 - (v) Accrue interest at 12% per annum on face value, payable every 4 months in arrears.
- (d) the Convertible Notes were issued to various sophisticated, experienced and institutional investors, none of whom were related parties of the Company;
- (e) the funds raised with the issue of the Convertible Notes will be used to fund the commercial roll out of the SIBS® Truck Brake and for general working capital purposes; and
- (f) a voting exclusion statement is included in the Notice.

The Directors recommend that Shareholders vote in favour of Resolution 5.

7. Resolution 6– Approval of Issue of Convertible Notes to a related party

Resolution 6 seeks Shareholder approval for the issue of 5,000 Convertible notes to DASI Investments Pty Ltd (**DASI**), an entity associated with Mr David Slack, a Director and therefore a related party of the Company.

Subject to certain exemptions, ASX Listing Rule 10.11 restricts a company from issuing or agreeing to issue equity securities to a related party without Shareholders' approval.

The Company does not consider that the proposed issue of Convertible Notes to DASI falls within any of the exemptions to Listing Rule 10.11 and accordingly seeks Shareholder approval of the issue to related parties for the purposes of Listing Rule 10.11, to enable the Company to issue the securities contemplated by this Resolution.

As approval is being sought under ASX Listing Rule 10.11, approval is not required pursuant to ASX Listing Rule 7.1. If the issue of the Convertible Notes to DASI is approved by Shareholders, the Convertible Notes will not be included in the calculation of the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1.

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company from giving a financial benefit to a related party unless one of a number of exceptions applies or shareholders' approval is obtained. A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities.

Section 210 provides an exemption for the giving of a financial benefit that is on "arm's length" terms. The terms and conditions of the Convertible Notes the subject of Resolution 5 were negotiated at arm's length between the Company and those parties and are the same as the terms and conditions of the Convertible Notes the subject of this Resolution 6.

Accordingly, the Company has formed the view that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in relation to Resolution 6, on the basis that the financial benefit is given on arm's length terms and the exemption in section 210 of the Corporations Act therefore applies.

Further to the information provided above, and in accordance with the requirements of Listing Rule 10.11, the following information is provided to Shareholders to allow them to assess the approval of the issue of the Convertible Notes the subject of this Resolution.

- (a) The maximum number of Convertible Notes to be issued and allotted to DASI by the Company is 5,000 Convertible Notes;
- (b) It is anticipated that the Convertible Notes will be issued and allotted within 14 days of the date of the Meeting but, in any event, no later than one month after the date of the Meeting;
- (c) The Convertible Notes will be issued with a face value of \$100 each;
- (d) The allottee of the Convertible Notes will be DASI;
- (g) The terms of the Convertible Notes will be the same as the terms of the Convertible Notes the subject of Resolution 5. The key terms of the Convertible Notes are as follows:
 - (i) Face value: \$100 each;
 - (ii) Maturity Date: 3 years after issue date;
 - (iii) Convertible into Shares at \$0.022 per Share, subject to any adjustments for capital reconstructions, at any time up until the Maturity Date;
 - (iv) Rank after all other creditors and obligation of the Company but prior to shareholders; and
 - (v) Accrue interest at 12% per annum on face value, payable every 4 months in arrears.
- (e) Total funds of \$500,000 will be raised by the issue. The funds raised will be used to fund the commercial roll out of the SIBS® Truck Brake and for general working capital purposes.
- (f) A voting exclusion statement is included in the Notice of Meeting.

If Shareholder approval is not obtained, subscription monies advanced by DASI, totalling \$500,000, will be returned to DASI.

The Directors, other than Mr Slack who will derive a benefit as a result of this Resolution, recommend that Shareholders vote in favour of Resolution 6.

Resolution 7 – Spill Resolution

Under section 250R(2) of the Corporations Act, a resolution that the Remuneration Report be adopted (**Remuneration Report Resolution**) must be put to the vote.

The “two strikes rule” was introduced by the *Corporations Legislation (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth) (**Executive Remuneration Provisions**) and commenced on 1 July 2011. Under the “two strikes rule”, if the Remuneration Report Resolution receives a “no” vote of 25% or more 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.

At the 2012 Annual General Meeting, more than 25% of the votes cast in respect of the resolution to adopt the remuneration report for the year ended 30 June 2012 (**2012 Remuneration Report**) were voted against that resolution. Accordingly, the Company recorded a “first strike” under the Executive Remuneration Provisions.

Accordingly, this Notice of Meeting includes a “conditional” Spill Resolution, being this Resolution 7. If (and only if) 25% or more of the votes cast in respect of Resolution 1 are against Resolution 1, the Company will record a “second strike” and this Spill Resolution will be put to the meeting and voted on.

If this Spill Resolution is passed as an ordinary resolution (that is, 50% or more of the votes cast are in favour of the Spill Resolution):

- (a) the Company will convene an extraordinary general meeting (**Spill Meeting**) which must be held within 90 days of the passing of the Spill Resolution subject to below;
- (b) all of the Directors in office at the time of the Spill Meeting who:
 - (1) were in office when the Directors’ resolution was passed to make the Directors’ Report for the financial year ended 30 June 2013 (which includes the 2013 Remuneration Report) considered at the Company’s 2013 Annual General Meeting; and
 - (2) are not a Managing Director of the Company who, in accordance with the Listing Rules, may continue to hold office indefinitely without being re-elected to the office,shall cease to hold office immediately before the end of the Spill Meeting (**Vacating Directors**);
- (c) at the Spill Meeting the Company will put resolutions to Shareholders to vote to appoint persons to the offices that will be vacated immediately before the end of the Spill Meeting under paragraph (b) above. The Vacating Directors, if they choose, may stand for re-election at the Spill Meeting;
- (d) in accordance with section 250W of the Corporations Act, where there are no Vacating Directors, the Company need not hold the Spill Meeting; and
- (e) if the Company does not hold the Spill Meeting within 90 days after the Spill Resolution is passed, each person who is a Director of the Company at the end of that 90 day period commits an offence, even if the person was not a Director when the Spill Resolution was passed.

The Corporations Act contains a mechanism to ensure that the statutory minimum of 3 Directors remains after the Spill Meeting. This mechanism will be explained in detail at the notice for the Spill Meeting if the Spill Meeting is required to be held.

The Board believes that the Company’s remuneration arrangements, as set out in the 2013 Remuneration Report, are fair, reasonable and appropriate. The arrangements support the strategic direction of the Company.

The Chairman intends to vote AGAINST this Resolution 7 if it is put to the meeting.

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.

Closely Related Party of a Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of a member or the member's spouse;
- (d) anyone else who is expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) an entity 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 constitution of the Company.

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

Directors mean the current Directors of the Company.

Executive Remuneration provision means the provisions of the *Corporations Legislation (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth).

Key Management Personnel 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 2013.

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

Remuneration Report means the Remuneration Report incorporated in the Company's annual report which sets out the remuneration details for each Director and specified executives of the Company.

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.

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Advanced Braking Technology Ltd



Advanced Braking Technology Ltd

ABN 66 099 107 623

Lodge your vote:



By Mail:

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

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

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

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

Proxy Form

For your vote to be effective it must be received by 2.30 pm (WST) Sunday, 27 October 2013

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 as they choose. If you mark more than one box on an item your vote will be invalid on that item.

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions

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

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

Attending the Meeting

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

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

Turn over to complete the form ➔



View the annual report, 24 hours a day, 7 days a week:

www.advancedbraking.com

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:



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

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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 in the "meeting room" at The Osborne Park Community Centre, 11 Royal Street, Osborne Park, Western Australia on Tuesday, 29 October 2013 at 2.30 pm (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 Annual General 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 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 7 are connected directly or indirectly with the remuneration of a member of the key management personnel, which includes the Chairman.

The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 7 where the Chairman of the Annual General Meeting will be voting against.

Important Note: If the Chairman of the Annual General Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 7 by marking the appropriate box in step 2 below.

STEP 2 Items of Business



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

Ordinary Business

For Against Abstain

Resolution 1 Adoption of Remuneration Report

☐ ☐ ☐

Resolution 2 Re-Election of Mr David Slack

☐ ☐ ☐

Resolution 3 Re-Election of Mr Adam Levine

☐ ☐ ☐

Resolution 4 Re-Election of Mr Bruce Grey

☐ ☐ ☐

Special Business

Resolution 5 Ratification of Issue of Convertible Notes

☐ ☐ ☐

Resolution 6 Approval of Issue of Convertible Notes to DASI Investments Pty Ltd

☐ ☐ ☐

Resolution 7 Conditional Spill Resolution

☐ ☐ ☐

The Chairman of the Annual General Meeting intends to vote all available proxies in favour of each item of business with the exception of Resolution 7 where the Chairman of the Annual General Meeting will be voting against.

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ /
