

For personal use only

# Savcor Group Limited

ABN: 52 127 734 196

## Notice of Annual General Meeting and Explanatory Memorandum

---

Date of Meeting:	Thursday, 7 <sup>th</sup> May 2015
Time of Meeting:	10:30am AEST Registration from 10:15am AEST
Place of Meeting:	The CFO Solution Boardroom Suite 1, 1233 High Street, Armadale, Victoria 3143

This is an important document. It should be read in its entirety.  
If you are in doubt as to the course you should follow, consult your financial or other professional adviser.

## SAVCOR GROUP LIMITED

ABN: 52 127 734 196

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2015 Annual General Meeting of Savcor Group Limited ABN 52 127 734 196 will be held at The CFO Solution Boardroom, Suite 1, 1233 High Street, Armadale VIC 3143 on Thursday, 7<sup>th</sup> May 2015 at 10:30am AEST.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

**1. Agenda - Ordinary Business****2014 Annual Financial Statements**

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2014 together with the Directors' Declaration, Directors' Report and Auditor's Report.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the Company's annual financial statements and reports.

A representative of Company's Auditor, Ernst & Young, will be present at the Meeting and Shareholders will have an opportunity to ask the Auditor's representative questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies, and the independence of the Auditor.

The Savcor Group Limited 2014 Annual Report can be viewed online on the ASX's website [www.asx.com.au](http://www.asx.com.au) on the "Announcements" page.

**Resolution 1 Adoption of Remuneration Report**

To consider and if thought fit, to pass, with or without amendment, the following resolution as a non-binding ordinary resolution:

*"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 31 December 2014 included in the Directors' Report, which is attached to the Company's Annual Financial Report as required under section 300A of the Corporations Act, be adopted by the Company."*

**Voting Exclusion Statement:** In accordance with the Corporations Act the Company will disregard any votes cast in relation to this resolution by or on behalf of the Key Management Personnel, which includes the Directors and executives in the consolidated group whose remuneration is included in the Remuneration Report and their closely related parties (Excluded Persons). However, the Company need not disregard a vote if:

- it is cast by an Excluded Person as 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.

**Resolution 2a Ratification of Issue of 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, Shareholders approve the previous issue of 1,585,451 ordinary fully paid shares at 4.34 cents (\$0.0434) that raised \$68,809 as described in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by the allottees who the shares were issued to or their nominee (if any) and any of its nominees' associates

However, the Company need not disregard a vote if:

- 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
- 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 2b Ratification of Issue of Options**

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, Shareholders approve the previous issue of 528,483 Unlisted Options exercisable at 6 cents (\$0.06) on or before 1 December 2016 as described in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by the allottees who the options were issued to or their nominee (if any) and any of its nominees' associates

However, the Company need not disregard a vote if:

- 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
- 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 3 Approve the Issue of Shares and Options**

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

*"That, for the purpose of ASX Listing Rule 7.1 and all other purposes, the issue of up to 6,912,444 fully paid ordinary shares at 4.34 cents (\$0.0434) per share to raise up to \$300,000 and 1:3 free attaching Unlisted Options as referred to in the Explanatory Statement, is approved."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by

- a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any associates of those persons, and
- a person who is to receive securities in relation to the entity and their associates.

However, the Company need not disregard a vote if:

- 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
- 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 4 Approve Director Participation in Placement – Peter Marks**

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

*“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of up to 460,830 Shares each at an issue price of \$0.0434 and 1:3 Unlisted Options to Peter Marks and/or his nominee on the terms and conditions set out in the Explanatory Notes.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by Mr. Peter Marks and any associate of Mr. Peter Marks.

However, the Company need not disregard a vote if:

- 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
- 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 Approve the Issue of Shares**

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

*“That, for the purpose of ASX Listing Rule 7.1 and all other purposes, the issue of up to 15,000,000 fully paid ordinary shares at 8 cents (\$0.08) per share to raise up to \$1,200,000 as referred to in the Explanatory Statement, is approved.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by

- a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any associates of those persons, and
- a person who is to receive securities in relation to the entity and their associates.

However, the Company need not disregard a vote if:

- 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
- 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 6a Approve Director Participation in Placement – Peter Marks**

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

*“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of up to 375,000 Shares each at an issue price of \$0.08 to Peter Marks and/or his nominee on the terms and conditions set out in the Explanatory Notes.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by Mr. Peter Marks and any associate of Mr. Peter Marks.

However, the Company need not disregard a vote if:

- 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
- 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 6b Approve Director Participation in Placement – Vincent Savage**

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

*“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of up to 187,500 Shares each at an issue price of \$0.08 to Vincent Savage and/or his nominee on the terms and conditions set out in the Explanatory Notes.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by Mr. Vincent Savage and any associate of Mr. Vincent Savage.

However, the Company need not disregard a vote if:

- 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
- 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 6c Approve Director Participation in Placement – Phillip Hains

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

*“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of up to 187,500 Shares each at an issue price of \$0.08 to Phillip Hains and/or his nominee on the terms and conditions set out in the Explanatory Notes.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by Mr. Phillip Hains and any associate of Mr. Phillip Hains.

However, the Company need not disregard a vote if:

- 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
- 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 7a Issue of Options to Peter Marks

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

*“That, in accordance with ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 400,000 Options to Mr. Peter Marks and/or his nominee on the terms set out in the Explanatory Statement accompanying this Notice.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by Mr. Peter Marks and any associate of Mr. Peter Marks.

However, the Company need not disregard a vote if:

- 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
- 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 7b Issue of Options to Vincent Savage

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

*“That, in accordance with ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 250,000 Options to Mr. Vincent Savage and/or his nominee on the terms set out in the Explanatory Statement accompanying this Notice.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by Mr. Vincent Savage and any associate of Mr. Vincent Savage.

However, the Company need not disregard a vote if:

- 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
- 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 7c Issue of Options to Phillip Hains**

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

*"That, in accordance with ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 250,000 Options to Mr. Phillip Hains and/or his nominee on the terms set out in the Explanatory Statement accompanying this Notice."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by Mr. Phillip Hains and any associate of Mr. Phillip Hains.

However, the Company need not disregard a vote if:

- 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
- 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.

**Special Resolution****Resolution 8 Approval of additional capacity to issue shares under ASX Listing Rule 7.1A**

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

*"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the additional capacity of the Company to issue equity securities of 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 in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if:

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

**2. Determination of voting entitlement**

For the purpose of determining a person's entitlement to vote at the Meeting, a person will be recognized as a Shareholder and the holder of Shares if that person is registered as a holder of those Shares at 10:30am AEST on Tuesday, 5<sup>th</sup> May 2015 at 10:30am AEST.

**3. Votes**

Unless a poll is demanded in advance of voting on a resolution, voting on each resolution will initially be by way of a show of hands. On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a representative, shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

**4. Proxies**

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder. Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder.

To be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority) must be received by the Company by 10:30am AEST on Tuesday, 5<sup>th</sup> May 2015.

- by mail to the Company at PO Box 8694, Armadale, Victoria, Australia, 3143;
- personally to the Company at Suite 1, 1233 High St, Armadale, Victoria, Australia, 3143; or
- by facsimile to +61 (0)3 9822 7735.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on by marking either "For", "Against" or "Abstain" on the form of proxy for that item of business.

Subject to the voting restrictions set out in the Voting Exclusion Statement, the Chairperson will vote undirected proxies on, and in favour of all Resolutions.

If the proxy is the Chairman, the Chairman can also vote undirected proxies and provided that proxy form expressly authorises the Chairman to vote even though the Resolutions are connected with the remuneration of key management personnel.

A form of proxy accompanies this Notice.

**5. Questions and Comments by Shareholders at the Meeting**

A reasonable opportunity will be given to Shareholders to ask questions and/or make comments on the management of the Company at the Meeting.

A reasonable opportunity will be given for Shareholders to ask questions of the Company's external Auditor, Ernst & Young. These questions should be relevant to:

- a) the conduct of the audit;
- b) the preparation and contents of the audit report;
- c) the accounting policies adopted by the Company in relation to the preparation of its financial statements;  
and
- d) the independence of the Auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to Ernst & Young if the question is relevant to the content of the audit report or the conduct of its audit of the Company's financial report for the year ended 31 December 2014. Relevant written questions for the external Auditor must be received by the Company by no later than 10:30am AEST on Thursday, 30<sup>th</sup> April 2015. A representative of Ernst & Young will provide answers to the questions at the Meeting.

For and on behalf of the Board of Directors;



**Phillip Hains**  
Company Secretary  
Savcor Group Limited

Dated: Wednesday, 1<sup>st</sup> April 2015



### EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

#### Ordinary Resolutions

##### **Resolution 1 Adoption of Remuneration Report**

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 31 December 2014.

The Remuneration Report sets out details of the remuneration received by the Directors and key Company executives, in addition to describing Board policy in respect of remuneration. Resolution 1 seeks Shareholder approval of the adoption of the Remuneration Report by the Company.

The outcome of the vote on this resolution is advisory only and not binding on the Company or the Board.

The Corporations Act provides that members of the Key Management Personnel (as set out on page 8 of the Company's 2014 Annual Report, and is defined in the Corporation Act to include the Chairman) whose remuneration details are included in the Remuneration Report (and any closely related party of those members) are not permitted to vote on a resolution to approve the Remuneration Report.

However, Sections 250U to 250Y of Corporations Act provide for a 'two strikes and re-election' process in relation to the Shareholder vote on the Remuneration Report provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report must contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2015 Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, Shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Company has not received a first strike.

The Remuneration Report is set out in the Company's 2014 Annual Report which can be viewed online at the ASX's website, [www.asx.com.au](http://www.asx.com.au)

The Board abstains from making a recommendation in relation to Resolution 1.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1.

As set out in the Notice of Annual General Meeting, any member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, together with a closely related party of those members, are excluded from casting a vote on Resolution 1.

**Resolution 2a Ratification of Issue of Shares****Background**

On 26<sup>th</sup> March 2015, the Company issued 1,585,451 fully paid ordinary shares through private placement to professional and sophisticated investors raising \$68,809 before costs. The 1,585,451 fully paid ordinary shares were issued on 26<sup>th</sup> March 2015. Funds raised were used to retire debt and meet working capital requirements. The issue was made without the need for prior Shareholder approval under Listing Rule 7.1.

Resolution 2a seeks subsequent Shareholder ratification for the issue of 1,585,451 ordinary fully paid shares pursuant to ASX Listing Rule 7.1. Approval is sought for the purposes of ASX listing Rule 7.4 and all other purposes.

**ASX Listing Rule 7.1 and 7.4**

ASX Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12-month period without the approval of Shareholders.

ASX Listing Rule 7.4 provides that an issue of shares made without approval under Listing Rule 7.1 is treated as been made with approval if each of the following applies:

- the issue did not breach Listing Rule 7.1, and
- the Shareholders of ordinary securities subsequently approve the issue.

The issue of 1,585,451 Shares did not breach ASX Listing Rule 7.1 and the Company seeks subsequent Shareholder approval for these issues of Shares for the purposes of ASX Listing Rule 7.4 and all other purposes.

**Information required by ASX Listing Rule 7.5**

The following information is provided in compliance with ASX Listing Rule 7.5:

- a) ASX Listing Rule 7.5.1: Number of securities issued  
1,585,451 fully paid ordinary Shares
- b) ASX Listing Rule 7.5.2: The price at which the securities were issued  
4.34 cents (\$0.0434) per share
- c) ASX Listing Rule 7.5.3: The terms of the securities  
The Shares allotted and issued are identical to the Company's existing fully paid ordinary Shares
- d) ASX Listing Rule 7.5.4: Name of allottees or basis on which allottees are determined  
Professional and/or sophisticated investors
- e) ASX Listing Rule 7.5.5: The intended use of the funds raised  
Finance upcoming projects, retire debt and meet working capital requirements
- f) ASX Listing Rule 7.5.6: Voting exclusion statement  
A voting exclusion statement is included in the Notice.

**Resolution 2b Ratification of Issue of Options****Background**

On 26<sup>th</sup> March 2015, the Company issued 528,483 Unlisted Options through private placements to professional and sophisticated investors. The 528,483 Unlisted Options were issued on 26 March 2015. The issue was made without the need for prior Shareholder approval under Listing Rule 7.1.

Resolution 2b seeks subsequent Shareholder ratification for the issue of 528,483 Unlisted Options pursuant to ASX Listing Rule 7.1. Approval is sought for the purposes of ASX listing Rule 7.4 and all other purposes.

**ASX Listing Rule 7.1 and 7.4**

ASX Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12-month period without the approval of Shareholders.

ASX Listing Rule 7.4 provides that an issue of options made without approval under Listing Rule 7.1 is treated as been made with approval if each of the following applies:

- the issue did not breach Listing Rule 7.1, and
- the Shareholders of ordinary securities subsequently approve the issue.

The issue of 528,483 Unlisted Options did not breach ASX Listing Rule 7.1 and the Company seeks subsequent Shareholder approval for these issues of Shares for the purposes of ASX Listing Rule 7.4 and all other purposes.

**Information required by ASX Listing Rule 7.5**

The following information is provided in compliance with ASX Listing Rule 7.5:

- a) ASX Listing Rule 7.5.1: Number of securities issued  
528,483 Unlisted Options
- b) ASX Listing Rule 7.5.2: The price at which the securities were issued  
Nil cash consideration
- c) ASX Listing Rule 7.5.3: The terms of the securities  
The Unlisted Options are exercisable at 6 cents (\$0.06) per option on or before 1 December 2016.
- d) ASX Listing Rule 7.5.4: Name of allottees or basis on which allottees are determined  
Professional and/or sophisticated investors
- e) ASX Listing Rule 7.5.5: The intended use of the funds raised  
There are no funds raised from the issue of Unlisted Options
- f) ASX Listing Rule 7.5.6: Voting exclusion statement  
A voting exclusion statement is included in the Notice.

**Resolution 3 Approve the Issue of Shares****Background**

Resolution 3 is proposed to obtain Shareholder approval to issue up to 6,912,444 ordinary fully paid shares in the Company at an issue price \$0.0434 to professional and/or sophisticated investors through a private placement to provide working capital to the Company.

**ASX Listing Rule 7.1**

Shareholder approval for the purposed issue of securities to professional and/or sophisticated investors is required pursuant to ASX Listing Rule 7.1. ASX Listing Rule 7.1 provides that a company must not, subject to specific exceptions, issue or agree to issue during any twelve (12) month period, any equity securities or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that twelve (12) month period.

One circumstance where an issue is not taken into account in the calculation of this 15% limit is where entry into an agreement to issue securities has the prior approval of Shareholders at a general meeting. By obtaining Shareholder approval to the issue of the shares the subject of this Resolution 3, the Company maintains the ability to issue further securities up to the 15% limit without further Shareholder approval to take advantage of opportunities which may arise to raise additional capital.

**Information required by ASX Listing Rule 7.3**

The following information is provided in compliance with ASX Listing Rule 7.3:

- a) ASX Listing Rule 7.3.1: Maximum number of securities to be issued  
Up to 6,912,444 fully paid ordinary shares
- b) ASX Listing Rule 7.3.2: Date by which the securities are to be issued  
If Shareholders approve Resolution 3, the issue and allotment of securities will occur no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- c) ASX Listing Rule 7.3.3: Issue price of securities  
Shares will be issue at an issue price of 4.34 cents (\$0.0434) per Share
- d) ASX Listing Rule 7.3.4: Name of allottees or basis on which allottees are determined  
Professional and/or sophisticated investors
- e) ASX Listing Rule 7.3.5: Terms of securities  
The Shares rank equally in all respects with existing quoted Shares
- f) ASX Listing Rule 7.3.6: The intended use of the funds raised  
Funds for the issue of Shares will be used as working capital for the Company
- g) ASX Listing Rule 7.3.7: Dates of allotment  
If Shareholders approve Resolution 3, the issue and allotment of securities will occur no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- h) ASX Listing Rule 7.3.8: Voting exclusion statement  
A voting exclusion statement is included in the Notice.

**Resolution 4 Approve Director Participation in Placement – Peter Marks****Background**

As per Resolution 3, the Company seeks Shareholder approval to raise up to \$300,000 at \$0.0434 per Share through a private placement. Resolution 4 seeks Shareholder approval to allow the Peter Marks – Non-Executive Director of Savcor Group Limited to participate in the private placement to professional and/or sophisticated investors. Subject to Shareholder approval, Peter Marks' subscription for Shares as part of the Placement will be up to a value of \$20,000.

**ASX Listing Rule 10.11**

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of Shareholders. Directors of the Company are related parties of the Company and therefore Shareholder approval for Director participation in the Placement is required under Listing Rule 10.11.

In accordance with ASX Listing Rule 7.2 (Exception 14) if approval is given under listing rule 10.11, approval is not required under listing rule 7.1. Accordingly, if approved, the issue of Shares to Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

**Corporations Act 2001 (Cth)**

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a financial benefit to a related party unless one of the exceptions to the section apply or Shareholders have in general meeting approved the giving of that financial benefit to the related party. Section 210 of the Corporations Act provides that one of the exceptions to the requirement to obtain Shareholder approval for giving a financial benefit to a related party is where the benefit is given arm's length terms, that is on terms that:

- a) would be reasonable in the circumstances if the public company and the related party were dealing at arm's length; or
- b) are less favourable to the related party than the terms referred to in paragraph (a).

The Company considers that the proposed issue of securities the subject of Resolution 4 will be on arm's length terms and, as such fall within the exception set out in Section 210 of the Corporations Act. The Company has reached this view, as the terms upon which the Directors will acquire the securities are the same as the terms of the Placement.

**Information required by ASX Listing Rule 10.13**

The following information is provided in compliance with ASX Listing Rule 10.13:

- a) ASX Listing Rule 10.13.1: Name of the person/s  
Peter Marks and/or his nominee
- b) ASX Listing Rule 10.13.2: Maximum number of securities to be issued  
Up to 460,830 Fully Paid Ordinary Shares  
Up to 153,610 Unlisted Options
- c) ASX Listing Rule 10.13.3: Date by which the securities are to be issued  
If Shareholders approve Resolution 4, the issue and allotment of securities will occur no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- d) ASX Listing Rule 10.13.4: Nature of the relationship  
Peter Marks is a Non-Executive Director of the Company
- e) ASX Listing Rule 10.13.5: Price for each security and terms of issue  
The Shares rank equally in all respects with existing quoted Shares  
The Unlisted Options are exercisable at 6 cents (\$0.06) per option on or before 1 December 2016.

- f) ASX Listing Rule 10.13.6: Voting exclusion statement  
A voting exclusion statement is included in the Notice.

## Resolution 5 Approve the Issue of Shares and Options

### Background

Resolution 5 is proposed to obtain Shareholder approval to issue up to 15,000,000 ordinary fully paid shares in the Company at an issue price \$0.08 to professional and/or sophisticated investors through a private placement to provide working capital to the Company.

### ASX Listing Rule 7.1

Shareholder approval for the purposed issue of securities to professional and/or sophisticated investors is required pursuant to ASX Listing Rule 7.1. ASX Listing Rule 7.1 provides that a company must not, subject to specific exceptions, issue or agree to issue during any twelve (12) month period, any equity securities or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that twelve (12) month period.

One circumstance where an issue is not taken into account in the calculation of this 15% limit is where entry into an agreement to issue securities has the prior approval of Shareholders at a general meeting. By obtaining Shareholder approval to the issue of the shares the subject of this Resolution 3, the Company maintains the ability to issue further securities up to the 15% limit without further Shareholder approval to take advantage of opportunities which may arise to raise additional capital.

### Information required by ASX Listing Rule 7.3

The following information is provided in compliance with ASX Listing Rule 7.3:

- i) ASX Listing Rule 7.3.1: Maximum number of securities to be issued  
Up to 15,000,000 fully paid ordinary shares
- j) ASX Listing Rule 7.3.2: Date by which the securities are to be issued  
If Shareholders approve Resolution 5, the issue and allotment of securities will occur no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- k) ASX Listing Rule 7.3.3: Issue price of securities  
Shares will be issue at an issue price of 8 cents (\$0.08) per Share
- l) ASX Listing Rule 7.3.4: Name of allottees or basis on which allottees are determined  
Professional and/or sophisticated investors
- m) ASX Listing Rule 7.3.5: Terms of securities  
The Shares rank equally in all respects with existing quoted Shares
- n) ASX Listing Rule 7.3.6: The intended use of the funds raised  
Funds for the issue of Shares will be used as working capital for the Company
- o) ASX Listing Rule 7.3.7: Dates of allotment  
If Shareholders approve Resolution 5, the issue and allotment of securities will occur no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

- p) ASX Listing Rule 7.3.8: Voting exclusion statement

A voting exclusion statement is included in the Notice.

**Resolution 6a, 6b & 6c Approve Director Participation in Placement – Peter Marks (Resolution 6a), Vincent Savage (Resolution 6b) and Phillip Hains (Resolution 6c)**

**Background**

As per Resolution 5, the Company seeks Shareholder approval to raise up to \$1,200,000 at \$0.08 per Share through a private placement. Resolution 6a, 6b and 6c seeks Shareholder approval to allow the Board of Savcor Group Limited to participate in the private placement to professional and/or sophisticated investors. Subject to Shareholder approval, the Board's subscription for Shares as part of the Placement will be up to a combined value of \$60,000 and is summarised below.

Resolutions 6a, 6b & 6c seek to obtain Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of fully paid ordinary shares to Directors of the Company as described in the table below.

Resolution	Director	Number of Shares	Issue Price per Share	Funds Raised
6a	Peter Marks	375,000	\$0.08	\$30,000
6b	Vincent Savage	187,500	\$0.08	\$15,000
6c	Phillip Hains	187,500	\$0.08	\$15,000
		<b>750,000</b>		<b>\$60,000</b>

**ASX Listing Rule 10.11**

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of Shareholders. Directors of the Company are related parties of the Company and therefore Shareholder approval for Director participation in the Placement is required under Listing Rule 10.11.

In accordance with ASX Listing Rule 7.2 (Exception 14) if approval is given under listing rule 10.11, approval is not required under listing rule 7.1. Accordingly, if approved, the issue of Shares to Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

**Corporations Act 2001 (Cth)**

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a financial benefit to a related party unless one of the exceptions to the section apply or Shareholders have in general meeting approved the giving of that financial benefit to the related party. Section 210 of the Corporations Act provides that one of the exceptions to the requirement to obtain Shareholder approval for giving a financial benefit to a related party is where the benefit is given arm's length terms, that is on terms that:

- c) would be reasonable in the circumstances if the public company and the related party were dealing at arm's length; or
- d) are less favourable to the related party than the terms referred to in paragraph (a).

The Company considers that the proposed issue of securities the subject of resolution 6a, 6b and 6c will be on arm's length terms and, as such fall within the exception set out in Section 210 of the Corporations Act. The Company has reached this view, as the terms upon which the Directors will acquire the securities are the same as the terms as the Placement.

**Information required by ASX Listing Rule 10.13**

The following information is provided in compliance with ASX Listing Rule 10.13:

- g) ASX Listing Rule 10.13.1: Name of the person/s  
the Shares will be issued to the Directors as set out in the above table or their nominees

- h) ASX Listing Rule 10.13.2: Maximum number of securities to be issued  
the maximum number of securities to be issued to each Director is set out in the above table
- i) ASX Listing Rule 10.13.3: Date by which the securities are to be issued  
If Shareholders approve Resolution 6a, 6b & 6c, the issue and allotment of securities will occur no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- j) ASX Listing Rule 10.13.4: Nature of the relationship  
Peter Marks, Vincent Savage and Phillip Hains are all Non-Executive Directors of the Company
- k) ASX Listing Rule 10.13.5: Price for each security and terms of issue  
The Shares rank equally in all respects with existing quoted Shares
- l) ASX Listing Rule 10.13.6: Voting exclusion statement  
A voting exclusion statement is included in the Notice.

#### **Resolution 7a Issue of Options to Peter Marks**

##### **Background**

The Company proposes to issue 400,000 Options to Peter Marks and/or his nominee as an incentive based form of remuneration on the terms and conditions set out below. The issue of options to Directors as a form of incentive based remuneration is common practice in listed companies and further encourages and rewards efforts by Directors to improve the performance of the Company to the commercial benefit of all Shareholders. The exercise price of the Options will be 15 cents (\$0.15). Therefore, for the Director to realise any financial gain from the issue of Options, the Company's Share price will have to increase at by at least 50%.

The Board believes it is important to offer these Options to continue to attract and maintain highly experience and qualified Board members in a competitive market. In addition, the Options may provide the Company with additional funding (if the Options are exercised).

##### **ASX Listing Rule 10.11**

ASX Listing Rule 10.1 requires a listed company to obtain Shareholder approval by ordinary resolution prior to permitting a Director or an associate of a Director to acquire securities.

If approval is given under ASX Listing Rule 10.11, separate approval is not required under ASX Listing Rule 7.1. Shareholders should therefore note that should the issue of options to Peter Marks be approved under ASX Listing Rule 10.11, the issue will not be included in the 15% calculation for the purpose of ASX Listing Rule 7.1.

##### **Information required by ASX Listing Rule 10.13**

The following information is provided in compliance with ASX Listing Rule 10.13:

- m) ASX Listing Rule 10.13.1: Name of the person  
Peter Marks and/or his nominee
- n) ASX Listing Rule 10.13.2: Maximum number of securities to be issued  
400,000 Unlisted Options
- o) ASX Listing Rule 10.13.3: Date by which the securities are to be issued  
If Shareholders approve Resolution 7a, the issue and allotment of Unlisted Options to Peter Marks and/or his nominee will occur no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).



- p) ASX Listing Rule 10.13.4: Nature of the relationship  
Peter Marks is a Non-Executive Director of the Company
- q) ASX Listing Rule 10.13.5: Price for each security and terms of issue  
Each Option will entitle the holder to subscribe for one Share in the Company and will expire 2 years from the date of issue of the options. The Options will be exercisable at an exercise price of 15 cents (\$0.15) on which sales of Shares are recorded immediately prior to the date of issue at any time on or before the Expiry Date, and will otherwise be issue on the terms and conditions set out in Annexure B.
- r) ASX Listing Rule 10.13.6: Voting exclusion statement  
A voting exclusion statement is included in the Notice.

### **Director's Recommendation**

All Directors, other than Peter Marks, who abstains from voting due to his material interest in the outcome of Resolution 7a, recommend that Shareholders vote in favour of Resolution 7a.

### **Resolution 7b Issue of Options to Vincent Savage**

#### **Background**

The Company proposes to issue 250,000 Options to Vincent Savage and/or his nominee as an incentive based form of remuneration on the terms and conditions set out below. The issue of options to Directors as a form of incentive based remuneration is common practice in listed companies and further encourages and rewards efforts by Directors to improve the performance of the Company to the commercial benefit of all Shareholders. The exercise price of the Options will be 15 cents (\$0.15). Therefore, for the Director to realise any financial gain from the issue of Options, the Company's Share price will have to increase at by at least 50%.

The Board believes it is important to offer these Options to continue to attract and maintain highly experience and qualified Board members in a competitive market. In addition, the Options may provide the Company with additional funding (if the Options are exercised).

#### **ASX Listing Rule 10.11**

ASX Listing Rule 10.1 requires a listed company to obtain Shareholder approval by ordinary resolution prior to permitting a Director or an associate of a Director to acquire securities.

If approval is given under ASX Listing Rule 10.11, separate approval is not required under ASX Listing Rule 7.1. Shareholders should therefore note that should the issue of options to Vincent Savage be approved under ASX Listing Rule 10.11, the issue will not be included in the 15% calculation for the purpose of ASX Listing Rule 7.1.

#### **Information required by ASX Listing Rule 10.13**

The following information is provided in compliance with ASX Listing Rule 10.13:

- a) ASX Listing Rule 10.13.1: Name of the person  
Vincent Savage and/or his nominee
- b) ASX Listing Rule 10.13.2: Maximum number of securities to be issued  
250,000 Unlisted Options
- c) ASX Listing Rule 10.13.3: Date by which the securities are to be issued

If Shareholders approve Resolution 7b, the issue and allotment of Unlisted Options to Vincent Savage and/or his nominee will occur no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

- d) ASX Listing Rule 10.13.4: Nature of the relationship  
Vincent Savage is a Non-Executive Director of the Company
- e) ASX Listing Rule 10.13.5: Price for each security and terms of issue  
Each Option will entitle the holder to subscribe for one Share in the Company and will expire 2 years from the date of issue of the options. The Options will be exercisable at an exercise price of 15 cents (\$0.15) on which sales of Shares are recorded immediately prior to the date of issue at any time on or before the Expiry Date, and will otherwise be issue on the terms and conditions set out in Annexure B.
- f) ASX Listing Rule 10.13.6: Voting exclusion statement  
A voting exclusion statement is included in the Notice.

### **Director's Recommendation**

All Directors, other than Vincent Savage, who abstains from voting due to his material interest in the outcome of Resolution 7b, recommend that Shareholders vote in favour of Resolution 7b.

### **Resolution 7c Issue of Options to Phillip Hains**

#### **Background**

The Company proposes to issue 250,000 Options to Phillip Hains and/or his nominee as an incentive based form of remuneration on the terms and conditions set out below. The issue of options to Directors as a form of incentive based remuneration is common practice in listed companies and further encourages and rewards efforts by Directors to improve the performance of the Company to the commercial benefit of all Shareholders. The exercise price of the Options will be 15 cents (\$0.15). Therefore, for the Director to realise any financial gain from the issue of Options, the Company's Share price will have to increase at by at least 50%.

The Board believes it is important to offer these Options to continue to attract and maintain highly experience and qualified Board members in a competitive market. In addition, the Options may provide the Company with additional funding (if the Options are exercised).

#### **ASX Listing Rule 10.11**

ASX Listing Rule 10.1 requires a listed company to obtain Shareholder approval by ordinary resolution prior to permitting a Director or an associate of a Director to acquire securities.

If approval is given under ASX Listing Rule 10.11, separate approval is not required under ASX Listing Rule 7.1. Shareholders should therefore note that should the issue of options to Phillip Hains be approved under ASX Listing Rule 10.11, the issue will not be included in the 15% calculation for the purpose of ASX Listing Rule 7.1.

#### **Information required by ASX Listing Rule 10.13**

The following information is provided in compliance with ASX Listing Rule 10.13:

- a) ASX Listing Rule 10.13.1: Name of the person  
Phillip Hains and/or his nominee
- b) ASX Listing Rule 10.13.2: Maximum number of securities to be issued  
250,000 Unlisted Options
- c) ASX Listing Rule 10.13.3: Date by which the securities are to be issued  
If Shareholders approve Resolution 7c, the issue and allotment of Unlisted Options to Phillip Hains and/or his nominee will occur no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- d) ASX Listing Rule 10.13.4: Nature of the relationship

Phillip Hains is a Non-Executive Director of the Company

- e) ASX Listing Rule 10.13.5: Price for each security and terms of issue

Each Option will entitle the holder to subscribe for one Share in the Company and will expire 2 years from the date of issue of the options. The Options will be exercisable at an exercise price of 15 cents (\$0.15) on which sales of Shares are recorded immediately prior to the date of issue at any time on or before the Expiry Date, and will otherwise be issue on the terms and conditions set out in Annexure B.

- f) ASX Listing Rule 10.13.6: Voting exclusion statement

A voting exclusion statement is included in the Notice.

#### **Director's Recommendation**

All Directors, other than Phillip Hains, who abstains from voting due to his material interest in the outcome of Resolution 7c, recommend that Shareholders vote in favour of Resolution 7c.

#### **Special Resolution**

#### **Resolution 8 Approval of additional capacity to issue Shares under ASX Listing Rule 7.1A**

##### **ASX Listing Rule 7.1A**

In 2012, the ASX introduced ASX Listing Rule 7.1A which enables certain 'eligible entities' to issue equity securities of up to 10% of their issued share capital through placements over the 12 month period commencing after the annual general meeting at which the additional approval is obtained (Additional Placement Capacity). ASX Listing Rules require that Shareholders approve the Additional Placement Capacity by special resolution, at an annual general meeting before any equity securities are issued under the Additional Placement Capacity.

For the purposes of ASX Listing Rule 7.1A an 'eligible entity' is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an 'eligible entity' for the purpose of ASX Listing Rule 7.1A. The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. Therefore, if the Additional Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 10% of the Company's issued share capital pursuant to ASX Listing Rule 7.1A and up to 15% pursuant to ASX Listing Rule 7.1. If the Additional Placement Capacity is not approved, the Directors will still be allowed to issue equity securities of up to 15% of the Company's issued capital pursuant to ASX Listing Rule 7.1.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity should the need arise.

The Company has not previously obtained the approval of shareholders for an Additional Capacity.

##### **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 the annual general meeting, a number of equity securities calculated in accordance with the following formula:

##### **(A x D) – E**

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

- a) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- b) plus the number of partly paid shares that became fully paid in the 12 months;

- c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 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;
- d) less the number of fully paid shares cancelled in the 12 months.
- e) Note that A is 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 ASX Listing Rule 7.1 or 7.4.

### **ASX Listing Rule 7.3A**

In accordance with ASX Listing Rule 7.3A the Company provides the following information.

Any securities issued under the Additional Placement Capacity will be in the same class as existing quoted securities of the Company. The Company has the following classes of quoted equity securities as at the date of this Notice of Meeting;

- Ordinary fully paid shares ASX code SAV

The issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary Shareholders (as shown in Table 1). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- 12 months after the date of the Annual General Meeting; and
- the date of approval by ordinary Shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary Shareholders of a disposal of a major asset under ASX Listing Rule 11.2 or such longer period if allowed by the ASX.

Any approval of the Additional Placement Capacity at this Meeting will cease to be valid if and from the date that ordinary Shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

The Company may issue equity securities under the Additional Placement Capacity for the following purposes:

- non-cash consideration: for the acquisition of new assets or the settlement of obligations (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rules); or

- cash consideration: to raise funds for working capital, to fund product research, development and commercialisation programs or for the acquisition of new assets.

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.

The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue.

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:

- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing Shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial position of the Company; and
- advice from the Company's advisors.

The Directors have not decided if they will issue any securities under the Additional Placement Capacity and so allottees under the Additional Placement Capacity have not yet been determined. If Directors decide to issue securities under the Additional Placement Capacity, allottees may include existing Shareholders, existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Table 1 shows the dilution of 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).

The table also shows:

- 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 Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

**Table 1**

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.04 50% decrease in Issue Price	\$0.08 Issue Price	\$0.16 100% increase in Issue Price
<b>Variable A</b> 14,092,894 Shares	<b>10% Voting Dilution</b>	14,092,894 Shares	14,092,894 Shares	14,092,894 Shares
	<b>Funds Raised</b>	\$563,716	\$1,127,432	\$2,254,863
<b>50% increase in Variable A</b> 21,139,341 Shares	<b>10% Voting Dilution</b>	21,139,341 Shares	21,139,341 Shares	21,139,341 Shares
	<b>Funds Raised</b>	\$845,574	\$1,691,147	\$3,382,295
<b>100% increase in Variable A</b> 28,185,788 Shares	<b>10% Voting Dilution</b>	28,185,788 Shares	28,185,788 Shares	28,185,788 Shares
	<b>Funds Raised</b>	\$1,127,432	\$2,254,863	\$4,509,726

Table 1 has been prepared based on the following assumptions:

- Variable A is based on the number of Shares on issue as at 5:00pm on Wednesday, 1<sup>st</sup> Wednesday April 2015.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under ASX Listing Rule 7.1.
- The issue of equity securities under the additional placement capacity includes only shares.

**Directors Recommendation**

The Directors believe that Resolution 8 is in the best interest of the Company and unanimously recommend that Shareholder vote in favour of this Resolution 8.

A voting inclusion statement is included in this Notice. In accordance with ASX Listing Rule 14.11.1 and the relevant Note under that rule concerning Rule 7.1A, as at the date of this Notice it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

For personal use only

---

**GLOSSARY**

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

**AEST** means Australian Eastern Standard Time.

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

**ASX** means ASX Limited.

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

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

**Company** or **Immuron** means Savcor Group Limited (ABN 52 127 734 196).

**Constitution** means the Company's constitution.

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

**Director** means a current Director of the Company.

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

**Meeting** means the 2015 Annual General Meeting of the Shareholders of the Company to be held at 10:30am on Thursday, 7<sup>th</sup> May 2015, to which the Notice of Meeting and Explanatory Statement relate.

**Notice** or **Notice of Meeting** means this notice of meeting of the Company.

**Resolution** means a resolution referred to in the Notice.

**Option** means an option to acquire a Share

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

**Shareholder** means a holder of Shares.

Words importing the singular include the plural and vice versa.

All references to currency are in Australian dollars.

---

**Annexure A**

**Terms and Conditions of Options**

- (a) Each Option entitles its holder to subscribe in cash for one fully paid ordinary share in the Company (**Share**).
- (b) Each Option is exercisable at an exercise price of 6 cents (\$0.06). Each Option is exercisable at any time prior to 5pm (AEST) on the expiry date, 1 December 2016, by completing an option exercise form and delivering it, together with payment for the number of Shares in respect of which the Option is exercised, to the registered office of the Company. Any Option that has not been exercised prior to the Expiry Date automatically lapses.
- (c) An Option automatically lapses without any claim against the Company on the occurrence of any of the following events:
- a. upon the bankruptcy, liquidation or winding up of an Option holder or the happening of any other event which results in the Option holder being deprived of the legal or beneficial ownership of such Option; or
  - b. upon the liquidation or winding up of the Company for any reason other than by way of members' voluntary winding up.
- (d) The Company will not apply for official quotation by ASX of the Options.
- (e) Subject to the Corporations Act, the ASX Listing Rules, and the constitution of the Company, each Option is freely transferable.
- (f) Shares issued upon the exercise of the Options will rank pari passu with the Company's existing fully paid ordinary shares.
- (g) The Company will apply for official quotation by ASX of the Shares issued upon exercise of Options, subject to any restriction obligations imposed by ASX.
- (h) The Options will not give any right to participate in dividends unless and until Shares are issued upon exercise of the relevant Options.
- (i) 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 life of the Options. The Company will ensure that holders will be given at least seven business days notice to allow for the exercise of Options prior to the record date in relation to any offers of securities made to Shareholders.
- (j) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the rights attaching to the Options or both will be reconstructed in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reconstruction.
- (k) If there is any inconsistency between any of the preceding terms and conditions and the ASX Listing Rules, then the ASX Listing Rules prevail to the extent of the inconsistency.



**Annexure B****Terms and Conditions of Options**

- (a) Each Option entitles its holder to subscribe in cash for one fully paid ordinary share in the Company (**Share**).
- (b) Each Option is exercisable at an exercise price of 15 cents (\$0.15). Each Option is exercisable at any time prior to 5pm (AEDT) on the expiry date, which is 2 years from the date of issue each Option, by completing an option exercise form and delivering it, together with payment for the number of Shares in respect of which the Option is exercised, to the registered office of the Company. Any Option that has not been exercised prior to the Expiry Date automatically lapses.
- (c) An Option automatically lapses without any claim against the Company on the occurrence of any of the following events:
- upon the bankruptcy, liquidation or winding up of an Option holder or the happening of any other event which results in the Option holder being deprived of the legal or beneficial ownership of such Option; or
  - upon the liquidation or winding up of the Company for any reason other than by way of members' voluntary winding up.
- (d) The Company will not apply for official quotation by ASX of the Options.
- (e) Subject to the Corporations Act, the ASX Listing Rules, and the constitution of the Company, each Option is freely transferable.
- (f) Shares issued upon the exercise of the Options will rank pari passu with the Company's existing fully paid ordinary shares.
- (g) The Company will apply for official quotation by ASX of the Shares issued upon exercise of Options, subject to any restriction obligations imposed by ASX.
- (h) The Options will not give any right to participate in dividends unless and until Shares are issued upon exercise of the relevant Options.
- (i) 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 life of the Options. The Company will ensure that holders will be given at least seven business days notice to allow for the exercise of Options prior to the record date in relation to any offers of securities made to Shareholders.
- (j) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the rights attaching to the Options or both will be reconstructed in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reconstruction.
- (k) If there is any inconsistency between any of the preceding terms and conditions and the ASX Listing Rules, then the ASX Listing Rules prevail to the extent of the inconsistency.