

# **BKM MANAGEMENT LIMITED**

ABN: 61 009 146 543

## Notice of Annual General Meeting and Explanatory Memorandum

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**Date:** Tuesday, 24<sup>th</sup> November 2015  
**Time:** 4:30pm (AEDT) (registration commencing 4:15pm)  
**Venue:** William Buck  
Boardroom  
Level 20, 181 William Street  
Melbourne, Victoria

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.

For personal use only

# BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of BKM Management Limited ("the Company") will be held at William Buck, Boardroom, Level 20, 181 William Street, Melbourne, Victoria, on Tuesday, 24<sup>th</sup> November 2015 at 4.30pm (AEDT).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

If you have elected not to receive a printed copy of the annual report it is available on the ASX website.

### BUSINESS

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#### 2015 Annual Financial Statement

To lay before the Meeting and consider the 2015 Annual Financial Statement of the Company for the year ended 30<sup>th</sup> June 2015 comprising the Annual Financial Report, the Directors' Report and Auditor's Report. At the meeting, a representative of the Company's auditors, William Buck Audit (VIC) will be available to answer any questions of the members.

### ORDINARY BUSINESS - RESOLUTIONS

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

**Resolution 1: Approval of the adoption of the 2015 Non-Binding Remuneration Report**

*"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2015 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 2: Re-election of Director, Mr. Alvin Tan**

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

*"That, Mr. Alvin Tan, a Director of the company, who retires in accordance with the company's Constitution and, being eligible, seeks re-election.*

Further details in respect of Resolution 1 are set out in the Explanatory Notes accompanying this Notice of Meeting.

### **Special Resolution 3: Approval of 10% Placement Facility**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Notes to this Notice of Meeting, be and is hereby approved.”

#### **Voting Exclusion and Restriction Statement**

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast in respect of Resolution 3 by a person who may participate in the 10% Placement Facility 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.

As at the date of this Notice of Meeting the Company has no specific plans to issue equity securities under the 10% Placement Facility and therefore it is not known who (if any) may participate in a potential (if any) issue of equity securities under the 10% Placement Facility.

However, the Company need not disregard a vote cast on the resolution 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.
- Shareholders who intend to the appoint the Company’s Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading “Appointing the chair as your proxy”.

#### **QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE MEETING**

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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, William Buck Audit (VIC) Pty Ltd. These questions should 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 William Buck Audit (VIC) Pty Ltd 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 30 June 2015. Relevant written questions for the external auditor must be received by the Company by no later than 3:30pm AEDT on 12<sup>th</sup> November 2015. A representative of William Buck Audit (VIC) Pty Ltd will provide answers to the questions at the Meeting.

## INFORMATION FOR SHAREHOLDERS

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### Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; and
- (b) one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at the registered office of the Company or sent by facsimile transmission to the Company's registered office on +61 3 9822 7735 not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

### Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting. A form of appointment can be obtained from the Company's share registry, Advance Share Registry Services Pty Ltd:

Phone: +61 (0)8 9389 8033  
Fax: +61 (0)8 9389 7871

### Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 4:30pm on Friday 20<sup>th</sup> November 2015 (Melbourne, Victoria time) are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

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By the order of the Board



Phillip Hains  
Company Secretary  
23<sup>rd</sup> October 2015

## EXPLANATORY MEMORANDUM

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This Explanatory Memorandum has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at 4:30 PM (AEDT), Tuesday 24<sup>th</sup> November 2015 at:

William Buck,  
Boardroom  
Level 20, 181 William Street,  
Melbourne, Victoria

The purpose of the Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

## BUSINESS

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### 2015 Annual Financial Statements

The 2015 Annual Financial Statements, comprising the Financial Report, Directors' Report and Auditor's Report for the year ended 30<sup>th</sup> June 2015 will be laid before the meeting. Shareholders will have the opportunity to ask questions about or make comments on the 2015 Annual Financial Statements and the management of the Company. A representative of the auditor will be invited to attend to answer questions about the audit of the Company's 2015 Annual Financial Statements.

The Company's 2015 Annual Financial Statements are set out in the Company's 2015 Annual Report which can be obtained from Australian Stock Exchange website, [www.asx.com.au](http://www.asx.com.au) or upon request to the Company Secretary at the Company's registered office, Suite 1,1233 High Street, Armadale, Victoria, 3143, Australia (telephone +61 (0)3 9824 5254).

There is no requirement for these reports to be formally approved by Shareholders. No resolution is required to be moved in respect of this item.

## ORDINARY BUSINESS - RESOLUTIONS

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### Resolution 1: Approval of the adoption of the 2015 Remuneration Report

The Remuneration report of the Company for the financial year ended 30 June 2015 is set out in the BKM Management Limited 2015 Annual Report which is available on the ASX Website: [www.asx.com.au](http://www.asx.com.au)

The remuneration report sets out the Company's remuneration arrangements for directors and key management personnel. The Chairman will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the remuneration report at the meeting before calling for a vote on the remuneration report.

The resolution is advisory only and does not bind the company or its directors. The Board will consider the outcome of the vote and comments made by shareholders on the remuneration report at the meeting when reviewing the Company's remuneration policies.

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.

### Resolution 2: Re-election of Director, Mr. Alvin Tan

The Constitution states that no director, except the Managing Director, may hold office for a period in excess of 3 years without offering himself/herself for re-election, and that at every Annual General Meeting, one-third of the previously elected Directors must retire from office, Mr. Alvin Tan will retire at the Annual General Meeting and, being eligible, seeks re-election.

#### Mr. Alvin Tan – Chairman

**Appointed to the Board:** 7th March 2002  
**Re-elected to the Board:** 27th November 2013  
**Qualifications:** B.Sc and B.Econ

Alvin Tan has a wide range of experience in investment markets in Australia and overseas. He has worked with KPMG Peat Marwick in Kuala Lumpur and has been an investment advisor in the Asia-Pacific equity markets for DJ Carmichael Pty Ltd.

Alvin Tan is also a director of South Pacific Resources Limited (formally Coral Sea Petroleum Limited since 2000) and Advance Share Registry Limited (since 2007). Former directorships in other listed entities in past 3 years are: Alloy Steel International Inc (USA listed, 6 April 2010 to 4 August 2010).

The Directors, other than Mr Alvin Tan who abstains, recommend that Shareholders vote in favour of this resolution.

### Special Resolution 3: Approval of 10% Placement Facility

#### 1. General

In 2012, the ASX introduced new fund raising rules to provide more flexibility for smaller companies to raise additional capital in an easier and potentially less costly manner. ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities (as that term is defined in the ASX Listing Rules) up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 2(c) below). The Company may use funds raised from any 10% Placement Facility for funding of specific projects and/or general working capital. It may also use the 10% Placement Facility for non-cash consideration purposes such as joint venture, licensing or collaboration agreements or the acquisition of new products (although the Company presently has no proposal to do so).

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

#### 2. Description of ASX Listing Rule 7.1A

##### (a) Shareholder approval

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

##### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, Shares, listed and unlisted options.

##### (c) 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:

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

**A** is the number of shares on issue 12 months before the date of the 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 Rules 7.1 and 7.4;
- (D) less the number of fully paid shares cancelled in the 12 months.

*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 Rules 7.1 or 7.4.

##### (d) ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

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

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

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

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

**3. ASX Listing Rule 7.1A**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period separate to the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

**4. Specific Information required by ASX Listing Rule 7.3A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) Any Equity Securities issued will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by the Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company would be diluted as shown in the below table (in the case of unlisted options, only if the unlisted options are exercised). There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

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

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice of Meeting.

The table also shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$0.0005 50% decrease in Deemed Price	\$0.001 Deemed Price	\$0.002 100% Increase in Deemed Price
Current Variable A 1,259,619,878 Shares	10% Voting Dilution	125,961,987 Shares	125,961,987 Shares	125,961,987 Shares
	Funds raised	\$62,981	\$125,962	\$251,924
50% increase in current Variable A 1,889,429,817 Shares	10% Voting Dilution	188,942,982 Shares	188,942,982 Shares	188,942,982 Shares
	Funds raised	\$94,472	\$188,943	\$377,886
100% increase in current Variable A 2,519,239,756 Shares	10% Voting Dilution	251,923,976 Shares	251,923,976 Shares	251,923,976 Shares
	Funds raised	\$125,962	\$251,924	\$503,848

**The table above has been prepared on the following assumptions:**

- (i) The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company's shares on issue at the date of the Meeting;
  - (ii) The table does not demonstrate an example of dilution that may be caused to a particular shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Meeting;
  - (iii) The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1, the "15% rule";
  - (iv) The price of ordinary securities is deemed for the purposes of the table above to be \$0.001 cents, being the closing price of the Company's listed securities on ASX on 16 October 2015 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 25% discount to market that the securities may be placed at;
  - (v) The table does not demonstrate the effect of listed or unlisted options being issued under ASX Listing Rule 7.1A, it only considers the issue of the fully paid ordinary securities.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration including for joint venture, licensing or collaboration agreements or the acquisition of new products (although the Company presently has no proposal to do so). In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards advancing specific Company projects and/or general working capital.

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 is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

The Company did not obtain Shareholder approval under ASX Listing Rule 7.1A in the previous year. No equity was issued in the past 12 months preceding the date of the meeting.

The Directors unanimously recommend that Shareholders vote in favour of these resolutions.

## **ACTION TO BE TAKEN**

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Shareholders are requested to either attend personally at the forthcoming Annual General Meeting to be held at William Buck, Boardroom, Level 20, 181 William Street, Melbourne, Victoria, on Tuesday 24<sup>th</sup> of November at 4:30 pm (AEDT), or otherwise to forward their proxy form duly completed to be received at the registered office of the Company at Suite 1, 1233 High Street, Armadale, Victoria (or by facsimile to +61 (0)3 9822 7735) at least forty-eight (48) hours prior to the commencement time for holding the meeting.

## **GLOSSARY**

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**"AEDT"** means Australian Eastern Daylight Saving Time.

**"AGM"** means the Annual General Meeting of the Company the subject of this Notice of Meeting.

**"Annual General Meeting"** means the Annual General Meeting of the Company the subject of this Notice of Meeting.

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

**"ASX"** means ASX Limited [ACN: 008 624 691] and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

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

**"BKM"** means the Company or BKM Management Limited ABN 61 009 146 543.

**"Share"** means an ordinary fully paid share in the capital of BKM which rank equally with the existing quoted ordinary shares of the Company.

**"Company"** means BKM Management Limited (ABN 61 009 146 543)

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

**"Directors"** means (unless the context suggests otherwise) the Directors of BKM from time to time.

**"Meeting"** means the 2015 Annual General Meeting of BKM at which the Resolutions will be considered.

**"Memorandum"** means this Information Memorandum.

**"Resolutions"** means the resolutions put forward in the Company's Notice of Annual General Meeting, of which this Information Memorandum forms part.

**"Shareholder(s)"** means a person appearing on the Company's share register as a holder of a BKM Share.

**"Trading Days"** means days on which the Company's fully paid ordinary BKM Shares are traded on the ASX.

**"VWAP"** means Volume Weighted Average share Price.

**Please Return Completed Form to:**  
 The Company Secretary  
 BKM Management Limited  
 PO Box 8694  
 Armadale, Victoria  
 AUSTRALIA 3143  
**OR:** Fax: +61 (0)3 9822 7735

**STEP 1 - Appointment of Proxy**

I/We being a shareholder/s of **BKM Management Limited** and entitled to attend and vote hereby appoint:

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered security holder) you are appointing as your proxy.

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 at the **2015 Annual General Meeting of BKM Management Limited to be held at William Buck, Boardroom, Level 20, 181 William Street, Melbourne, Victoria, 3000, Australia on Tuesday, 24<sup>th</sup> November 2015 at 4:30pm AEDT** and at any adjournment of that Meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default, by signing and returning this form, you expressly authorise the Chairman of the Meeting to exercise your proxy in relation to Resolutions 1, even though Resolution 1 is connected with the remuneration of the Company's key management personnel. Where permitted, the Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1 to 3.

**If you do not wish to appoint the Chairman of the Meeting to vote on Resolutions 1 to 3 in this manner, it will be necessary for you to complete the vote directions in Step 2.**

**STEP 2 - Voting directions to your Proxy – please mark  to indicate your directions**

Ordinary Business	For	Against	Abstain
Resolution 1: Approval of the adoption of the 2015 Non-Binding Remuneration Report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Re-election of Director, Mr. Alvin Tan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 3: Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 - PLEASE SIGN HERE**

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

<b>Individual or Securityholder 1</b>	<b>Securityholder 2</b>	<b>Securityholder 3</b>
<b>Sole Director and Sole Company Secretary</b>	<b>Director</b>	<b>Director/Company Secretary</b>

Contact Name ..... Contact Daytime Telephone..... Date / / 2015

Email Address:.....

**YOUR VOTE IS IMPORTANT**

**FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 4:30PM AEDT ON SUNDAY, 22<sup>nd</sup> NOVEMBER 2015**

**TO VOTE BY COMPLETING THE PROXY FORM**

**STEP 1 Appointment of Proxy**

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company. Do not write the name of the issuer company or the registered member in the space.

**Proxy which is a Body Corporate**

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the Meeting must provide evidence of his or her appointment by providing an "Appointment of Corporate Representative" form prior to admission. An Appointment of Corporate Representative form can be obtained from the Company.

**Appointment of a Second Proxy**

You are entitled to appoint up to two proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must:

complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

return both forms together in the same envelope.

**STEP 2 Voting Directions to your Proxy**

You can tell your Proxy how to vote. To direct your proxy how to vote, place a mark in one of the boxes opposite each Resolution. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution, your vote on that Resolution will be invalid.

**STEP 3 Sign the Form**

The form **must** be signed as follows:

**Individual:** this form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders must sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the Company. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a director jointly with either another director or a company secretary. Where the company has a sole director who is also the sole company secretary, this form must be signed by that person.

**Please indicate the office held by signing in the appropriate place.**

**STEP 4 Lodgement of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 4:30pm on Sunday, 22<sup>nd</sup> November 2015. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

**Proxies may be lodged:**

**BY MAIL**                      BKM Management Limited  
    PO Box 8694  
    Armadale VIC 3143 Australia

**BY FAX**                        + 61 (0) 3 9822 7735

**IN PERSON**                    BKM Management  
    Suite 1, 1233 High Street  
    Armadale VIC 3143 Australia

**Attending the Meeting**

If you wish to attend the Meeting please bring this form with you to assist registration.

For personal use only