

## **NOTICE OF ANNUAL GENERAL MEETING**

### **To be held at**

10.00am (Perth time) on Friday, 25 November 2016  
**at**

the offices of Velpic

243 Hay Street

Subiaco, WA 6008

**This Notice of Meeting should be read in its entirety.**

**If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.**

**Should you wish to discuss the matters in this Notice of Meeting please contact the Company Secretary on +61 8 6555 2950.**

**VELPIC LIMITED**

ABN 65 149 197 651

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the Shareholders of VELPIC LIMITED (**the Company**) will be held at the offices of Velpic, 243 Hay Street, Subiaco WA 6008 on Friday, 25 November 2016 commencing at 10.00am (Perth time), for the purpose of transacting the following business referred to in this Notice of Annual General Meeting (**Notice**).

The accompanying Explanatory Statement and Proxy Form provide additional information relating to the matters to be considered at the Annual General Meeting, and form part of this Notice.

**AGENDA**

**A. Consideration of Financial Reports**

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of the Company for the financial year ended 30 June 2016.

Unless the Company has been notified otherwise, shareholders have not been sent a hard copy of the Annual Report. Shareholders can view the Annual Report (which contains the Financial Report for the year ended 30 June 2016 on the Company's website [www.velpic.com](http://www.velpic.com)).

**B. Questions and Comments**

Following the consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about, or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Independent Audit Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders entitled to cast a vote at the AGM that are relevant to the content of the Independent Audit Report or the conduct of the audit provided those written questions are submitted to the Company no later than the fifth business day before the day on which the AGM is held. A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

**C. Items for Approval**

**RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT**

To consider, and if thought fit, to pass the following resolution as an **advisory resolution**:

*"That the remuneration report contained in the Company's Directors' Report for the financial year ended 30 June 2016 be adopted".*

#### **Voting Exclusion Statement – Resolution 1:**

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

- a. a member of the Key Management Personnel (**KMP**) (as that term is defined in the Corporations Act 2001 (Cth) (the Act), which includes each of the Directors of the Company) whose remuneration is disclosed in the 2016 Remuneration Report; or
- b. a closely related party (as that term is defined in the Act) (such as close family members and any controlled companies) (**Closely Related Party**) of such a KMP.

However, such a person may cast a vote on Resolution 1 as proxy for a person who is entitled to vote and:

- a. the proxy appointment is in writing and specifies how the proxy is to vote (for, against, abstain); or
- b. the vote is cast by the person chairing the Meeting and:
  - the appointment does not specify how the proxy is to vote; and
  - the appointment expressly authorises the Chair of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

*The Chairman of the Meeting intends to vote any undirected proxies in favour of Resolution 1.*

#### **RESOLUTION 2 - RE-ELECTION OF DIRECTOR – MS LEANNE GRAHAM**

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

*"That Ms Leanne Graham who retires by rotation in accordance with clause 8.3 of the Constitution of the Company, and being eligible for re-election, be re-elected as a Director of the Company."*

*The Chairman of the Meeting intends to vote undirected proxies in favour of Ms Graham's re-election.*

#### **RESOLUTION 3 – ELECTION OF DIRECTOR– MR DANIEL ROHR**

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

*"That, for the purpose of clause 8.1 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Daniel Rohr, a Director who was appointed as an additional director on 1 March 2016, retires and being eligible, is elected as a Director."*

#### **RESOLUTION 4 – APPROVAL OF ADDITIONAL SHARE ISSUE CAPACITY UNDER LISTING RULE 7.1A**

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, shareholders approve the issue of equity securities totalling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Statement, which forms part of this Notice of Meeting."*

#### **Voting Exclusion Statement – Resolution 4:**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 by a person (and any associates of such 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 shares, if this resolution is passed. At this point in time, there are no potential allottees to whom shares may be issued under this resolution.

However, the Company need not disregard a vote cast on Resolution 4 if:

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

- b. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

*The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 4.*

#### **RESOLUTION 5 – ISSUE OF DIRECTOR OPTIONS TO MS LEANNE GRAHAM**

*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 10.11 and for all other purposes, approval is given for the Company to issue up to 5,000,000 Unlisted Director Options to Ms Leanne Graham (or her nominee) on the terms and conditions set out in Schedule 1 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** *The Company will disregard any votes cast on this Resolution by Ms Leanne Graham (or her nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

#### **Voting Prohibition Statement**

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

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

*However, the above prohibition does not apply if:*

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

#### **RESOLUTION 6 – ISSUE OF DIRECTOR OPTIONS TO MR RUSSELL FRANCIS**

*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 10.11 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Unlisted Director Options to Mr Russell Francis (or his nominee) on the terms and conditions set out in Schedule 1 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** *The Company will disregard any votes cast on this Resolution by Ms Leanne Graham (or her nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

#### **Voting Prohibition Statement**

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

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

*However, the above prohibition does not apply if:*

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

#### **RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SECURITIES**

*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 ratify the issue of 2,000,000 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** *The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

#### **RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SECURITIES**

*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 ratify the issue of 418,750 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** *The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

BY ORDER OF THE BOARD

PIERS LEWIS  
COMPANY SECRETARY

Dated: 25 October 2016

### **Entitlement to attend and vote (if required)**

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that persons who are registered holders of shares of the Company as at 4:00PM (Perth Time) on Wednesday, 23 November 2016 will be entitled to attend and vote (if required) at the Meeting as a shareholder.

If more than one joint holder of shares is present at the Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

#### *Attendance by Proxy*

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act 2001 to exercise its powers as proxy at the Meeting.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy form must be received by the Company no later than 10.00am (WST) on Wednesday, 23 November 2016, being 48 hours before the Meeting. Proxy forms must be received before that time by one of the following methods:

|               |                                                                                     |
|---------------|-------------------------------------------------------------------------------------|
| By post:      | Velpic Limited, c/- LINK Market Services Ltd, Locked Bag A14, Sydney South NSW 1235 |
| By facsimile: | +61 2 9287 0309                                                                     |
| By delivery:  | LINK Market Services, 1A Homebush Bay Drive, Rhodes NSW 2138                        |
| Online:       | <a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>    |

#### *Attendance by Attorney*

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10.00am (WST) on Wednesday, 23 November 2016, being 48 hours before the Meeting.

#### *Corporate Representatives*

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act 2001. The representative should bring to the Meeting a properly executed letter or other document confirming its authority to act as the company's representative.

#### *Shareholder Questions*

If you wish a question to be put to the Chairman of the Meeting and you are not able to attend the Meeting please email your question to the Company Secretary [piers@velpic.com](mailto:piers@velpic.com). To allow time to collate questions and prepare answers, questions must be received by the Company Secretary by 5:00pm (WST) on 23 November 2016.

While the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible during the course of the Meeting, there may not be sufficient time available to address all topics raised. Please note that individual responses to questions raised will not be sent to shareholders.

## **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared for the information of shareholders of the Company (Shareholders) in relation to the business to be conducted at the Company's Annual General Meeting to be held at the offices of Velpic, 243 Hay Street, SUBIACO WA 6008 on Friday, 25 November 2016 commencing at 10.00am (WST). The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions. The Directors recommend that Shareholders read this Explanatory Statement before determining whether or not to support the Resolutions.

Resolution 1 is an advisory resolution. An advisory resolution does not bind the Company or its Directors. Resolutions 2, 3, 5, 6, 7 and 8 are ordinary resolutions. For an ordinary resolution to be passed, a simple majority of votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution. Resolution 4 is a special resolution. For a special resolution to be passed, 75% of votes cast by shareholders present and entitled to vote on the resolution must be in favour of the resolution.

The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of all resolutions to be considered at the Meeting.

### **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

Section 250R(2) of the *Corporations Act 2001* (Cth) (**the Act**) requires the shareholders to vote on an advisory resolution that the Remuneration Report be adopted.

The Remuneration Report details the remuneration policy for the Company and reports the remuneration arrangements for Key Management Personnel that includes Directors and other Employees. The Remuneration Report is contained in the Company's 2016 Annual Report available at the Company's website at [www.velpic.com](http://www.velpic.com).

The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. Pursuant to the Act, the vote on this resolution is advisory only and does not bind the Company or its Directors.

#### **Directors' Recommendation**

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to Resolution 1.

### **RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS LEANNE GRAHAM**

#### **General**

Clause 8.3(a) of the Company's Constitution states that no Director shall hold office for a continuous period in excess of 3 years or until the third annual general meeting following a Director's appointment, whichever is longer, without submitting for a re-election. Clause 8.3(b) further states that at every annual general meeting, one-third of the Directors shall retire from office. Clause 8.3(c) further states the Directors to retire under clause 8.3(b) shall be the Directors in office longest since last being elected or re-elected. With respect to Directors who were elected on the same day the Director or Directors to retire shall be decided by lot unless they agree otherwise.

Leanne Graham has been in office longest since last being elected on 3 September 2015 (with her appointment being effective from 22 October 2015) and will retire in accordance with clause 8.3(b) of the Constitution of the Company.

Being eligible, Ms Graham will seek re-election at the AGM.

### **Qualifications and other material directorships**

Ms Graham has established herself as one of New Zealand's leading technology entrepreneurs and successful executives, Ms Graham has built a name for herself by holding a wide range of leadership roles across the technology software sector, from start-ups to established businesses.

As the former General Manager and Head of Sales of the \$2.1 billion SaaS-based accounting software company Xero, Ms Graham was instrumental in the strategic growth and development of the New Zealand operations. During her tenure from 2009 to 2012, the business grew substantially from 4,000 customers to over 120,000 increasing revenues by 500%, and establishing close to 100% of the country's accounting businesses as Xero's client base.

### **Independence**

If re-elected the Board considers Ms Graham will be an independent director.

### **Directors' Recommendation**

The Directors (with Ms Graham abstaining) recommend that Shareholders vote in favour of Resolution 2.

## **RESOLUTION 3 – ELECTION OF DIRECTOR– MR DANIEL ROHR**

### **General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Daniel Rohr, appointed 1 March 2016, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seek re-election from Shareholders.

### **Qualifications and other material directorships**

Mr Rohr is a Chartered Accountant with over 20 years' management, corporate advisory, finance and accounting experience across a range of listed and unlisted companies in Australia and overseas. He is currently the Chief Financial Officer (CFO) of HealthEngine Pty Ltd and he has extensive experience in the IT industry and managing the development of high growth and start-up companies. Mr Rohr was responsible for the development and launch of helpmechoose.com.au, a financial products comparison and advisory site. He was also the CFO of ecorp Limited, a digital investment company that established eBay Australia and ninemsn (through joint ventures) as well as acquiring Ticketek and investing in the start-up of Wizard Mortgage Corporation. In the 3 years immediately before the end of the financial year, Mr Rohr also served as a director of the following Australian listed companies:

Cirrus Networks Limited (ASX:CNW)

### **Independence**

Mr Rohr has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the Board considers Mr Rohr will be an independent director.

## **Directors' Recommendation**

The Directors (with Mr Rohr abstaining) recommend that Shareholders vote in favour of Resolution 3.

## **RESOLUTION 4 – ADDITIONAL SHARE CAPACITY UNDER LISTING RULE 7.1A**

ASX Listing Rule 7.1A enables small to mid-cap listed companies to seek shareholder approval by special resolution to issue equity securities equivalent to up to an additional 10% of the number of ordinary securities on issue by way of placements over a 12 month period (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by Listing Rule 7.1.

Accordingly, Resolution 4 is seeking approval of ordinary shareholders by special resolution for issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by Listing Rule 7.1A.3 to such persons as the Board may determine and on the terms described in this Explanatory Statement, which forms a part of the Notice of Meeting.

A company is eligible to seek shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the AGM:

- (a) have a market capitalisation of \$300 million or less; and
- (b) not included in the S&P/ASX 300 Index.

As at 18 October 2016, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$14,926,409.87 (based on the number of Shares on issue and the closing price of Shares on the ASX on 18 October 2016).

Accordingly, Resolution 4 seeks approval of ordinary shareholders by special resolution for issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2 at an issue price as permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine, on the terms as described in this Explanatory Statement, which forms part of the Notice of Meeting.

At the date of this Notice, the Company has on issue 678,473,176 Shares and therefore has a capacity to issue:

- (i) 90,664,413 equity securities under Listing Rule 7.1; and
- (ii) 67,055,442 equity securities under Listing Rule 7.1A. This capacity will expire on 24 November 2016 unless Resolution 4 is approved by the requisite majority.

The actual number of equity securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

The effect of Resolution 4 will be to allow the Directors to issue equity securities under Listing Rule 7.1A up to 10% of the Company's fully paid ordinary securities on issue during the period up to 12 months after the AGM without using the Company's 15% placement capacity under Listing Rule 7.1.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. As at the date of this Notice, the Company currently has 2 classes of quoted Equity Securities on issue, being the Shares (ASX Code: VPC) and quoted Options expiring on 30 June 2018 with an exercise price of \$0.06 (ASX Code: VPCO).

## **Technical Information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 4, including risks for Shareholders:

The minimum price at which the equity securities will be issued will be no less than 75% of the volume weighted average market price for equity securities in that class calculated over the 15 trading days on which trades are recorded immediately before:

- (a) the date on which the price at which the securities are to be issued is agreed; or

- (b) if the securities are not issued within five trading days of the date in paragraph (a), the date on which the securities are issued.

If Resolution 4 is approved by Shareholders and the Company issues securities under the 10% Placement Facility, the existing ordinary shareholders face the risk of economic and voting dilution as a result of the issue of equity securities which are the subject of this resolution, to the extent that such equity securities are issued; including:

- (a) the market price of equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
- (b) 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, or the equity securities may be issued as part consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the equity securities.

The following table gives examples of the potential dilution of existing ordinary 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 Listing Rule 7.1A.2 as at the date of the Notice.

The table also shows:

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

| No. of Shares on Issue*          | Dilution                |                                        |                        |                                        |
|----------------------------------|-------------------------|----------------------------------------|------------------------|----------------------------------------|
|                                  | Issue price (per Share) | \$0.011<br>50% decrease in Issue Price | \$0.022<br>Issue Price | \$0.033<br>50% increase in Issue Price |
| 678,473,176<br>(Current)         | Shares issued           | 67,847,317                             | 67,847,317             | 67,847,317                             |
|                                  | Funds raised            | \$746,320.49                           | \$1,492,640.97         | \$2,238,961.46                         |
| 1,017,709,764<br>(50% increase)  | Shares issued           | 101,770,976                            | 101,770,976            | 101,770,976                            |
|                                  | Funds raised            | \$1,119,480.74                         | \$2,238,961.47         | \$3,358,442.21                         |
| 1,356,946,352<br>(100% increase) | Shares issued           | 135,694,635                            | 135,694,635            | 135,694,635                            |
|                                  | Funds raised            | \$1,492,640.99                         | \$2,985,287.97         | \$4,477,922.96                         |

\*The number of shares on issue (Variable A in the formula) could increase as a result of the issue of shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

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

1. There are currently 678,473,176 Shares on issue.
2. The issue price set out above is the last closing price of Shares on the ASX as at 18 October 2016.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Facility.
4. The Company has not issued any Equity Securities in the 12 months prior to the AGM that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The table only shows the effect of issues of equity securities under Listing Rule 7.1A.
6. The issue of equity securities under the 10% Placement Facility consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
7. No unlisted Options in ordinary shares are exercised before the date of issue of ordinary shares under Listing Rule 7.1A.
8. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.

9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

If any of the shares being approved by Resolution 4 are issued, they will be issued during the Placement Period, that is, within 12 months of the date the AGM, i.e. by 25 November 2017, or up to the date Shareholders approve a transaction under Listing Rules 11.1.2 or 11.2 if prior to 25 November 2017.

#### Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Facility for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the development of the Velpic and Dash Digital product development, review new assets and investments; or
- (ii) as non-cash consideration for the acquisition of new assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.2A upon issue of any equity securities.

#### Allocation under the 10% Placement Capacity

The Company's allocation policy for the issue of equity securities under the 10% Placement Facility will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The identity of the allottees of any equity securities that may be issued (subject to Resolution 4) under the 10% Placement Facility have not yet been determined at the date of this Notice, but may include existing Shareholders and/or parties who are not currently Shareholders and are not related parties or associates of the Company. Any potential allottees 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 and balancing interest from potential allottees with the interests of existing Shareholders;
- ii. the effect of the issue of the Shares on the control of the Company. Allocation will be subject to takeover thresholds;
- iii. the financial situation and solvency of the Company and its projected need for working capital at any given time; and
- iv. advice from corporate, financial and broking advisors (if applicable).

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be vendors of the new assets or investments.

#### (a) Previous Approval under ASX Listing Rule 7.1A

The Company has previously obtained approval under Listing Rule 7.1A at its 2015 Annual General Meeting held on 24 November 2015.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the equity securities issued in the previous 12 months preceding the date of the AGM (that is, since 24 November 2015):

Listing Rule 7.3A.6(a): Total equity securities issued in previous 12 months are set out below.

|                                                                                                                    |             |
|--------------------------------------------------------------------------------------------------------------------|-------------|
| Number of equity securities on issue at commencement of 12 month period                                            | 515,650,245 |
| Equity securities issued in prior 12 month period                                                                  | 304,855,048 |
| Percentage above issues represent of total number of equity securities on issue at commencement of 12 month period | 59.1%       |

It is noted no equity securities have been issued under the Company's 7.1A capacity in the 12 months preceding the date of the AGM.

Listing Rule 7.3A.6(b): Details of equity securities issued in the 12 months preceding the date of the Meeting is set out in Schedule 2.

(b) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues equity securities pursuant to the 10% Placement Facility, it will give to ASX:

- (i) a list of the allottees of the equity securities and the number of equity securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

**Voting Exclusion**

A voting exclusion statement is included in this Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in an issue of shares. Therefore, no existing Shareholder's votes will be excluded under the voting exclusion in the Notice.

Resolution 4 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders entitled to vote on Resolution 4 must be in favour of the resolution.

**Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 4.

**RESOLUTIONS 5 AND 6 – ISSUE OF DIRECTOR OPTIONS TO MS LEANNE GRAHAM AND MR RUSSELL FRANCIS**

General

The Company has agreed to grant, subject to obtaining Shareholder approval, a total of 15,000,000 Director Options the subject of Resolutions 5 and 6 (Director Options) to Ms Leanne Graham and Mr Russell Francis (Related Parties) (or their nominee) on the terms and conditions set out below.

Resolutions 5 and 6 seek Shareholder approval for the grant of the Director Options to Ms Leanne Graham and Mr Russell Francis (or their nominee).

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Director Options constitutes giving a financial benefit and Ms Leanne Graham and Mr Russell Francis re related parties of the Company by virtue of being Directors.

The Directors (other than Ms Graham in respect of Resolution 5 and Mr Francis in respect of Resolution 6 who have a material personal interest in the specified Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Director Options because the issue is a form of remuneration for the Related Party which is considered reasonable in the circumstances of the Company and the Related Party, including taking into consideration the responsibilities involved in the office of the Related Parties as Directors.

### 6.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Director Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### 6.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Related Party Director Options:

- (a) the related party is Ms Leanne Graham and Mr Russell Francis and they are related parties of the Company by virtue of being Directors;
- (b) the Director Options will be issued to Ms Leanne Graham (or her nominee) and Mr Russell Francis (or his nominee);
- (c) the maximum number of Director Options to be issued to the Related Party (or their nominee) is:
  - (i) 5,000,000 Director Options to Ms Leanne Graham (or her nominee) pursuant to Resolution 5; and
  - (ii) 10,000,000 Director Options to Mr Russell Francis (or his nominee) pursuant to Resolution 6;
- (d) the Director Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of the Related Party Director Options will occur on the same date;
- (e) the Director Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (f) the Director Options will be issued on the terms and conditions set out in Schedule 1
- (g) no funds will be raised from the issue of the Director Options as the issue is being made to provide a performance linked incentive component in the remuneration package for the Related Party to motivate and reward the performance of the Related Party in their roles as Directors.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Party (or her nominee) as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Parties (or their nominees) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

## **RESOLUTIONS 7 AND 8 – RATIFICATION OF PRIOR ISSUES OF SECURITIES**

### **General**

The Company has issued the following Shares and Options without prior Shareholder approval under its placement capacity permitted by ASX Listing Rule 7.1:

Resolution 7: 2,000,000 Options to CPS Capital Group Pty Ltd and some of its clients in consideration for corporate advisory services;

Resolution 8: 418,750 Shares to consultants for the provision of services to the Company;

Resolutions 7 and 8 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares **(Ratifications)**.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

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

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

#### **Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratifications:

- (a) the following Shares or Options were issued:
  - (i) Resolution 7: 2,000,000 Options; and
  - (ii) Resolution 8: 418,750 Shares;
- (b) the issue price was;
  - (i) Resolution 7: Nil. The issue was made in satisfaction of corporate advisory services provided to the Company; and
  - (ii) Resolution 8: Nil. The issue was made in satisfaction of services provided to the Company;
- (c) the Options issued as set out in Resolution 7 were issued on the terms and conditions set out in Schedule 3;
- (d) the Shares issued as set out in Resolution 8 were issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) no Shares or Options issued as set out in Resolutions 7 to 8 were issued to related parties of the Company. The Options set out in Resolution 7 were issued to CPS Capital Group Pty Ltd and some of its clients and the Shares set out in Resolution 8 were issued to consultants to the Company; and
- (f) no funds were raised from the issues as the Shares and Options were issued in consideration for services provided to the Company.

## Schedule 1 – Terms and conditions of Director Options

**(a) Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

**(b) Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.06 (**Exercise Price**)

**(c) Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

**(e) Notice of Exercise**

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

**(f) Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

**(g) Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the

Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(h) Shares issued on exercise**

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

**(i) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(j) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**(k) Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(l) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**Schedule 2 – Issue of Equity Securities since 24 November 2015**

| Date of Issue: | Number Issued: | Class/Type of equity security: | Summary of terms:                                                                         | Names of persons who received securities or basis on which those persons was determined: | Price at which equity securities were issued: | Discount to market price (if any): | For cash issues:                   |                                     |                                          |                                                       |                         | For non-cash issues:                          |     |                                              |                                                                            |
|----------------|----------------|--------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------|------------------------------------|-------------------------------------|------------------------------------------|-------------------------------------------------------|-------------------------|-----------------------------------------------|-----|----------------------------------------------|----------------------------------------------------------------------------|
|                |                |                                |                                                                                           |                                                                                          |                                               |                                    | Total cash consideration received: | Amount of cash consideration spent: | Use of cash consideration:               | Remaining cash and intended use (if any):             | Non-cash consideration: | Current value of that non-cash consideration: |     |                                              |                                                                            |
| 7/12/2015      | 9,780,000      | Unlisted options               | Exercise price of \$0.05 expiring 03/12/2018.                                             | Employees under the ESOP                                                                 | N/A (non-cash consideration)                  | N/A                                | N/A                                | N/A                                 | N/A                                      | N/A                                                   | N/A                     | N/A                                           | N/A | N/A                                          | \$114,426 (valued using Black-Scholes methodology)                         |
| 13/01/2016     | 7,500,000      | Fully Paid Ordinary Shares     | Shares rank pari passu with all other fully paid ordinary shares on issue in the Company. | Consultant                                                                               | N/A (non-cash consideration)                  | N/A                                | N/A                                | N/A                                 | N/A                                      | N/A                                                   | N/A                     | N/A                                           | N/A | Consultancy services provided to the Company | \$165,000 (based on last traded share price on 18 October 2016 of \$0.022) |
| 07/07/2016     | 190,104,181    | Fully Paid Ordinary Shares     | Shares rank pari passu with all other fully paid ordinary shares on issue in the Company  | Rights issue participants and underwriters                                               | \$0.03                                        | 30%                                | \$5,703,125.43                     | \$108,090.06                        | Business development and working capital | Business development and working capital <sup>1</sup> | \$5,595,035.37          | N/A                                           | N/A | N/A                                          | NA                                                                         |

| Date of Issue: | Number Issued: | Class/Type of equity security: | Summary of terms:                             | Names of persons who received securities or basis on which those persons was determined:                                                | Price at which equity securities were issued: | Discount to market price (if any): | For cash issues:                   |                                     |                            |                                           |                                                                                             | For non-cash issues:                                    |  |
|----------------|----------------|--------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------|------------------------------------|-------------------------------------|----------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------|--|
|                |                |                                |                                               |                                                                                                                                         |                                               |                                    | Total cash consideration received: | Amount of cash consideration spent: | Use of cash consideration: | Remaining cash and intended use (if any): | Non-cash consideration:                                                                     | Current value of that non-cash consideration:           |  |
| 07/07/2016     | 95,052,117     | Listed Options                 | Exercise price of \$0.06 expiring 30/06/2018. | Rights issue participants and underwriters (issued on a one for two basis for shares subscribed for and issued under entitlement issue) | Nil                                           | N/A (new class of securities)      | Nil                                | Nil                                 | Nil                        | Nil                                       | Issued on a one for two basis for shares subscribed for and issued under entitlement issue) | \$1,560,093<br>(valued using Black-Scholes methodology) |  |
| 07/07/2016     | 2,000,000      | Listed Options                 | Exercise price of \$0.06 expiring 30/06/2018. | CPS Capital Group Pty Ltd and some of its clients                                                                                       | N/A (non-cash consideration)                  | N/A                                | N/A                                | N/A                                 | N/A                        | N/A                                       | Corporate advisory services provided to the Company                                         | \$32,826<br>(valued using Black-Scholes methodology)    |  |

| Date of Issue: | Number Issued: | Class/Type of equity security: | Summary of terms:                                                                        | Names of persons who received securities or basis on which those persons was determined: | Price at which equity securities were issued: | Discount to market price (if any): | For cash issues:                   |                                     |                            |                                           |                                              | For non-cash issues:                                                        |  |
|----------------|----------------|--------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------|------------------------------------|-------------------------------------|----------------------------|-------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------|--|
|                |                |                                |                                                                                          |                                                                                          |                                               |                                    | Total cash consideration received: | Amount of cash consideration spent: | Use of cash consideration: | Remaining cash and intended use (if any): | Non-cash consideration:                      | Current value of that non-cash consideration:                               |  |
| 08/08/2016     | 240,000        | Fully Paid Ordinary Shares     | Shares rank pari passu with all other fully paid ordinary shares on issue in the Company | Consultant                                                                               | N/A (non-cash consideration)                  | N/A                                | N/A                                | N/A                                 | N/A                        | N/A                                       | Consultancy services provided to the Company | \$5,280 (based on last traded share price on 18 October 2016 of \$0.022)    |  |
| 08/08/2016     | 178,750        | Fully Paid Ordinary Shares     | Shares rank pari passu with all other fully paid ordinary shares on issue in the Company | Consultant                                                                               | N/A (non-cash consideration)                  | N/A                                | N/A                                | N/A                                 | N/A                        | N/A                                       | Consultancy services provided to the Company | \$3,932.50 (based on last traded share price on 18 October 2016 of \$0.022) |  |

**Notes:**

1 This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis

### **Schedule 3 – Terms and conditions of Options referred to in Resolution 8**

- (a) Each New Option entitles the holder to acquire one fully paid Share in the Company.
- (b) The New Options are exercisable at any time on or prior to 5:00pm AWST on 30 June 2018 by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the New Options are exercised to the registered office of the Company or to the Company's Share Registry.
- (c) The New Option exercise price is \$0.06 per New Option.
- (d) A New Option does not confer the right to a change in exercise price or a change in the number of underlying Shares over which the New Option can be exercised.
- (e) Shares issued on the exercise of the New Options will be issued no more than fourteen (14) days after receipt of a properly executed exercise notice and application monies. Shares allotted pursuant to the exercise of a New Option will rank equally with the then issued ordinary shares of the Company in all respects.
- (f) New Option holders shall be permitted to participate in new issues of securities on the prior exercise price of options in which case the New Option holders shall be afforded the period of notice as required by the Listing Rules.
- (g) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the New Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
- (h) If there is a bonus issue to shareholders, the number of shares over which the New Option is exercisable may be increased by the number of shares which the holder of the New Option would have received if the New Option had been exercised before the record date for the bonus issue.
- (i) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the New Option may be reduced in accordance with Listing Rule 6.22.



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## LODGE YOUR VOTE

**ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**BY MAIL**  
Velpic Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**  
+61 2 9287 0309

**BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

**ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

## PROXY FORM

I/We being a member(s) of Velpic Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting *(mark box)*

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (WST) on Friday, 25 November 2016 at the offices of Velpic, 243 Hay Street, Subiaco WA 6008 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1, 5 and 6:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 5 and 6, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.**

**Please read the voting instructions overleaf before marking any boxes with an .**

STEP 2

#### Resolutions

| Resolutions                                                           | For                      | Against                  | Abstain*                 | Resolutions                                       | For                      | Against                  | Abstain*                 |
|-----------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|---------------------------------------------------|--------------------------|--------------------------|--------------------------|
| 1 Adoption of Remuneration Report                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 5 Issue of Director Options to Ms Leanne Graham   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Re-Election of Director – Ms Leanne Graham                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 6 Issue of Director Options to Mr Russell Francis | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Election of Director – Mr Daniel Rohr                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 7 Ratification of Prior Issue of Securities       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Approval of Additional Share Issue Capacity Under Listing Rule 7.1A | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 8 Ratification of Prior Issue of Securities       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3

VPC PRX1601C



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as 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's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (WST) on Wednesday, 23 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Velpic Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**