



23 October, 2015

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

Notice of Annual General Meeting

In accordance with the Listing Rules, we attach copies of the following documents which are to be dispatched to shareholders of Orbital Corporation Limited today:

1. Notice of Annual General Meeting;
2. Explanatory Memorandum;
3. Sample Proxy Form; and
4. Email Collection Form.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Ian Veitch'.

**Ian Veitch** ACA ACIS  
Chief Financial Officer  
& Company Secretary



**ORBITAL<sup>®</sup>**

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**ORBITAL CORPORATION LIMITED**

**ACN 009 344 058**

**NOTICE OF ANNUAL GENERAL MEETING**

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**The annual general meeting of the Company will be held in the Conference Room, BGC Centre, 28 The Esplanade, Perth, Western Australia on Wednesday, 25 November 2015 at 1.30pm (WST).**

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

***Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9441 2311***

**Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.**

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**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of shareholders of Orbital Corporation Limited ("**Company**") will be held in the Conference Room, BGC Centre, 28 The Esplanade, Perth, Western Australia on Wednesday, 25 November 2015 at 1.30pm (WST) ("**Meeting**").

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 23 November 2015 at 1.30pm (WST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

**AGENDA**

**1. ANNUAL REPORT**

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2015, which includes the Financial Report, the Directors' Report and the Auditor's Report.

**2. RESOLUTION 1 - REMUNERATION REPORT**

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

*"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

A vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast.

In addition and in accordance with section 250BD of the *Corporations Act*, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

**3. RESOLUTION 2 - ELECTION OF JOHN POYNTON AS DIRECTOR**

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

*"That, pursuant to and in accordance with Listing Rule 14.4, article 9.8 of the Constitution and for all other purposes, John Poynton, Director, who was appointed as a casual vacancy on 17 March 2015, retires and being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum."*

**4. RESOLUTION 3 - APPROVAL OF 10% REPLACEMENT FACILITY**

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution 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 if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote 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 Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 14 October 2015

By order of the Board

I G Veitch  
Company Secretary

**EXPLANATORY MEMORANDUM**

**1. INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held in the Conference Room, BGC Centre, 28 The Esplanade, Perth, Western Australia on Wednesday, 25 November 2015 at 1.30pm (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

A Proxy Form is located at the end of this Explanatory Memorandum.

**2. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

**2.1 Proxies**

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 1.30pm (WST) on Monday 23 November 2015, being at least 48 hours before the Meeting

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

**2.2 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)**

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or

- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

### **3. ANNUAL REPORT**

In accordance with section 317(1) of the Corporations Act the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at [www.orbitalcorp.com.au/annual-reports.html](http://www.orbitalcorp.com.au/annual-reports.html);
- (a) ask questions about, or comment on, the management of the Company; and
- (b) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of 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,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

### **4. RESOLUTION 1 – REMUNERATION REPORT**

In accordance with section 250R(2) of the *Corporations Act*, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the *Corporations Act*, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a "no" vote of 25% or more ("**Strike**") at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2014 annual general meeting. Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2016 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

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

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **5. RESOLUTION 2 – ELECTION OF JOHN POYNTON AS DIRECTOR**

### **5.1 Background**

In accordance with Listing Rule 14.4, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity.

Article 9.8 of the Constitution allows the Directors to appoint a person to fill a casual vacancy at any time, providing that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office until the next general meeting of members of the Company and is eligible for re-election at that meeting.

John Poynton was appointed on 17 March 2015 to fill a casual vacancy. Resolution 2 provides that he retires from office and seeks re-election as a Director.

Details of John Poynton's qualifications and experience are set out in Section 5.2.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

The Board (excluding John Poynton) supports the election of John Poynton and recommends that shareholders vote in favour of Resolution 2.

### **5.2 Qualifications and experience of Mr John Poynton**

Mr Poynton is a co-founder and Chairman of Azure Capital.

Mr Poynton is a Director of the Future Fund Board of Guardians and Crown Perth. In the not-for-profit arena, Mr Poynton is the Chairman of Council of Christ Church Grammar School, Giving West and Celebrate WA. He is also a member of Social Ventures Australia.

Previously, Mr Poynton was a Chairman of ASX Perth, Fleetwood, Alinta and the West Australian Museum Foundation – Deputy Chairman of Austal Limited – Director of Multiplex; Member of the Higher Education Endowment Fund Advisory Board, Payments System Board of the Reserve Bank of Australia and of the Business School at the University of Western Australia.

Mr Poynton is a Life Member and Senior Fellow of the Financial Services Institute of Australasia ("**FINSIA**"), and a Fellow of the Australian Institute of Company Directors ("**AICD**") and Australian Institute of Management ("**AIM**").

Mr Poynton is a Member in the General Division of the Order of Australia and is a past recipient of a WA Citizen of the Year award in the industry and commerce category.

## **6. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT FACILITY**

### **6.1 General**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities 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 Listing Rule 7.1.

An eligible entity for the purposes of 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 seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

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

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).

The Chairman intends to exercise all available proxies in favour of Resolution 3.

### **6.2 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 one quoted classes of Equity Securities, being Shares.

(c) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

**(A x D) – E**

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

- (A) plus the number of Shares issued in the 12 months under an exception in 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 Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without Shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

*Note that "A" has the same meaning in 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 Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

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

At the date of the Notice, the Company has on issue 50,959,027 Shares and therefore has a capacity to issue:

- (i) 7,643,854 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being granted under Resolution 3, 5,095,902 Equity Securities under Listing Rule 7.1A.

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 (refer to Section 6.2(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under 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 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 Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX,

(the "**10% Placement Period**").

### **6.3 Listing Rule 7.1A**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

### **6.4 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities 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 Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below. 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 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 or the Equity Securities are issued as part of 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.

- (c) The below table 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 Listing Rule 7.1A(2) as at the date of the Notice.

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

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.29 50% decrease in Issue Price	\$0.58 Issue Price	\$1.16 100% increase in Issue Price
Current Variable "A" 50,959,027 Shares	10% Voting Dilution	5,095,902 Shares	5,095,902 Shares	5,095,902 Shares
	Funds raised	\$1,477,812	\$2,955,623	\$5,911,246
50% increase in current Variable "A" 76,438,541 Shares	10% Voting Dilution	7,643,854 Shares	7,643,854 Shares	7,643,854 Shares
	Funds raised	\$2,216,718	\$4,433,435	\$8,866,871
100% increase in current Variable "A" 101,918,054 Shares	10% Voting Dilution	10,191,805 Shares	10,191,805 Shares	10,191,805 Shares
	Funds raised	\$2,955,623	\$5,911,247	\$11,822,494

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

- (iii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.

- (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (v) 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.
- (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options or Convertible Notes, it is assumed that those Options or Convertible are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (viii) The issue price is \$0.58, being the closing price of the Shares on ASX on 7 October 2015.
- (e) The Company will only issue the Equity Securities during the 10% Placement Period.
- (f) The Company may seek to issue the Equity Securities for the following purposes:
  - (i) 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; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new businesses or investments (including expenses associated with such acquisition), and/or general working capital.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (h) 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 subscribers of Equity Securities will be determined on a case-by-case basis having regard to the 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) financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or

new Shareholders who are not a related party or an associate of a related party of the Company.

- (j) Further, if the Company is successful in acquiring new assets or investments, it is likely that the subscribers under the 10% Placement Facility will be the vendors of the new assets or investments.
- (k) In the 12 months preceding the date of this Notice the Company issued a total of 6,177,732 Equity Securities which represent 13.80% of the total number of Equity Securities on issue at 21 October 2014 44,781,295. The Equity Securities issued in the preceding 12 months were as follows:

Date of Issue	Number Company Equity Securities issued	Class of Equity Security issued	Issued to or basis of issue	Issue price & discount (if any) on closing market price on date of issue	Amount Raised, Use of Funds or Non-Cash Consideration
22.10.14	2,700,000	Performance Right	Various eligible senior executives, including the Managing Director under the Performance Rights Plan	N/A - Performance Rights issued for nil consideration	N/A
25.11.14	146,039	Shares	Issued to 59 eligible employees under the Employee Share Plan	N/A - Shares issued for nil consideration	N/A
03.02.15	110	Convertible Notes	Issued to a small number of Sophisticated Investors and Professional Investors	\$50,000 per Convertible Note Nil discount	\$5,500,000 Acquisition of REMSAFE & working capital
10.02.15	17	Convertible Notes	Issued to a small number of Sophisticated Investors and Professional Investors	\$50,000 per Convertible Note Nil discount	\$850,000 Acquisition of REMSAFE & working capital
17.02.15	13	Convertible Notes	Issued to a small number of Sophisticated Investors and Professional Investors	\$50,000 per Convertible Note Nil discount	\$650,000 Acquisition of REMSAFE & working capital
20.02.15	1,400,000	Shares	Azure Capital Limited in lieu of a cash payment for its services as lead manager of the Convertible Note issue.	\$0.25 per Share 44.44%	N/A
13.03.15	125,000	Shares	Issue of Shares upon the conversion of one Convertible Note	\$0.40 per Share 21.57%	N/A
16.03.2015	125,000	Shares	Issue of Shares upon the conversion of one Convertible Note	\$0.40 per Share 25.93%	N/A

Date of Issue	Number Company Equity Securities issued	Class of Equity Security issued	Issued to or basis of issue	Issue price & discount (if any) on closing market price on date of issue	Amount Raised, Use of Funds or Non-Cash Consideration
19.03.2015	250,000	Shares	Issue of Shares upon the conversion of two Convertible Note	\$0.40 per Share 32.20%	N/A
20.03.2015	125,000	Shares	Issue of Shares upon the conversion of one Convertible Note	\$0.40 per Share 29.20%	N/A
25.03.15	250,000	Shares	Issue of Shares upon the conversion of two Convertible Note	\$0.40 per Share 34.43%	N/A
31.03.15	125,000	Shares	Issue of Shares upon the conversion of one Convertible Note	\$0.40 per Share 28.57%	N/A
07.04.15	151,765	Shares	Issue of Shares to holders of Convertible Notes that elected to receive interest shares for the interest period ended 31 March 2015	\$0.4777 per Share 6.33%	N/A
10.04.15	900,000	Shares	Issue of Shares upon the vesting of the Performance Rights in accordance with the terms and conditions of the Performance Share Plan	N/A - Shares issued for nil consideration	N/A
17.04.15	60	Convertible Notes	Issued to a small number of Sophisticated Investors and Professional Investors	\$50,000 per Convertible Note Nil discount	\$3,000,000 Working capital
20.04.15	600,000	Shares	Azure Capital Limited in lieu of a cash payment for its services as lead manager of a Convertible Note issue.	\$0.0.25 per Share 50.50%	N/A
07.07.15	386,418	Shares	Issue of Shares to holders of Convertible Notes that elected to receive interest shares for the interest period ended 30 June 2015	\$0.4640 per Share 15.64%	
09.07.15	125,000	Shares	Issue of Shares upon the conversion of one Convertible Note	\$0.40 per Share 24.53%	N/A
06.08.15	125,000	Shares	Issue of Shares upon the conversion of one Convertible Note	\$0.40 per Share 34.43%	N/A

Date of Issue	Number Company Equity Securities issued	Class of Equity Security issued	Issued to or basis of issue	Issue price & discount (if any) on closing market price on date of issue	Amount Raised, Use of Funds or Non-Cash Consideration
18.08.15	125,000	Shares	Issue of Shares upon the conversion of one Convertible Note	\$0.40 per Share 33.33%	N/A
28.08.15	250,000	Shares	Issue of Shares upon the conversion of two Convertible Note	\$0.40 per Share 42.86%	N/A
08.09.15	125,000	Shares	Issue of Shares upon the conversion of two Convertible Note	\$0.40 per Share 35.48%	N/A
16.09.15	500,000	Shares	Issue of Shares upon the conversion of two Convertible Note	\$0.40 per Share 16.67%	N/A
07.10.15	343,510	Shares	Issue of Shares to holders of Convertible Notes that elected to receive interest shares for the interest period ended 30 September 2015	\$0.5533 per Share 4.60%	

- (l) A voting exclusion statement is included in the Notice for Resolution 3. 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 the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## 6.5 Director's recommendations

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

## SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**10% Placement Facility** has the meaning given in Section 6.1.

**10% Placement Period** has the meaning given in Section 6.2(f).

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2015.

**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.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Chairman** means the person appointed to chair the Meeting, or part of the Meeting, convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Orbital Corporation (ACN 009 344 058).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

**Convertible Note** means a debt obligation issued by the Company which is constituted by, and owing under the Trust Deed, the details of which are recorded in the Register.

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

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

**Directors' Report** means the annual directors' report prepared under chapter 2M of the *Corporations Act* for the Company and its controlled entities.

**Employee Share Plan** means the existing employee share plan of the Company.

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under chapter 2M of the *Corporations Act* of the Company and its controlled entities.

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

**Managing Director** means the managing director of the Company.

**Meeting** has the meaning in the introductory paragraph of the Notice.



**Notice** means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Office** means office as a Director.

**Option** means an option which entitles the holder to subscribe for a Share.

**Performance Right** means the right to acquire a Share upon the satisfaction of certain rights under the Performance Rights Plan.

**Performance Rights Plan** means the existing performance rights plan of the Company.

**Proxy Form** means the proxy form attached to the Notice.

**Professional Investor** has the meaning given in section 708(11) of the *Corporations Act*.

**Register** means the register of Holders established and maintained in accordance with the Trust Deed, where appropriate, includes:

- (a) a sub-register maintained by or for the Company under the Corporations Act or Listing Rules; and
- (b) any branch register.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Sophisticated Investors** means a person who:

- (c) satisfies the requirement in section 708(8)(c) or (d) of the *Corporations Act*; or
- (d) makes an investment that satisfies the requirement in section 708(8)(a) or (b) of the *Corporations Act*.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**Trust Deed** means the trust deed entered into by the Trustee and the Company in respect of the Convertible Notes.

**Trustee** means Theta Asset Management Limited (ACN 071 807 684)

**VWAP** means volume weighted average price.

**WST** means Western Standard Time, being the time in Perth, Western Australia.


**LODGE YOUR VOTE**

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

 **BY MAIL**  
 Orbital Corporation 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



X99999999999

**PROXY FORM**

I/We being a member(s) of Orbital Corporation 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

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 **1:30pm (WST) on Wednesday, 25 November 2015 in the Conference Room, BGC Centre, 28 The Esplanade, Perth, Western Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** 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 Resolution 1, even though the Resolution is 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

**Resolutions**

	For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of John Poynton as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Replacement Facility	<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)
<input type="text"/>	<input type="text"/>	<input type="text"/>
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).



## 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 Resolution is 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 **1:30pm (WST) on Monday, 23 November 2015**, 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

Orbital Corporation 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.**



**Orbital Corporation Limited**  
ABN 32 009 344 058

All Registry communications to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: +61 1300 554 474  
Facsimile: +61 2 9287 0303  
ASX Code: OEC

Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)






**X99999999999**

**EMAIL COLLECTION FORM**

We are currently updating our Investor Information details and note we do not have your email address recorded.

By providing us with your email address we will be able to notify you of important communications including Annual Reports, Notices of Shareholder Meetings, as well as potential new investment opportunities and capital raisings.

**To record your email address either:**

- visit the Share Registry’s website at [www.investorcentre.linkmarketservices.com.au](http://www.investorcentre.linkmarketservices.com.au) and follow the steps below;
  -  click on the “**REGISTER NOW**” icon to create your portfolio or enter as a “single holding” by entering the required information.
  -  enter your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), this can be found under the barcode at the top of this form.
  -  once you are logged in, click on ‘Communications’ from the top menu and select ‘Preferences’. From here you can enter your email address and select your preferred method of electronic communications.
- OR**
- complete the form below and return it to us in the reply paid envelope provided.

**Example:** [sam.sample@sampleville.com.au](mailto:sam.sample@sampleville.com.au)

**My email address is:**

[Empty text input field for email address]

Thank you for your support in helping us better communicate with you.

**Personal Information Collection Notification Statement:** Link Group advises that personal information it holds about you (including your name, address, date of birth and details of the financial assets) is collected by Link Group organisations to administer your investment. Personal information is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. Some or all of your personal information may be disclosed to contracted third parties, or related Link Group companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

