



22 September 2017

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. Electronic communications letter.

Yours faithfully

**Roulé Jones**  
Chief Financial Officer  
& Company Secretary



## NOTICE OF 2017 ANNUAL GENERAL MEETING

Orbital Corporation Limited

ABN 32 009 344 058

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**ORBITAL CORPORATION LIMITED**  
**ACN 009 344 058**  
**NOTICE OF ANNUAL GENERAL MEETING - 2017**

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The Annual General Meeting of Orbital Corporation Limited (“**the Company**”) will be held at City of Perth Library and History Centre (Auditorium), 573 Hay Street, Perth, Western Australia on Friday 27 October 2017 at 10.00am (WST) (“**Meeting**”).

*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.**

**ORBITAL CORPORATION LIMITED** ASX:OEC | ABN 32 009 344 058 (Incorporated in Western Australia)

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**CONFIDENTIAL ORBITAL CORPORATION LIMITED**

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form are to be included in and 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 Wednesday, 25 October 2017 at 4.00pm (WST).

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

## **AGENDA**

### **1. Chairman's address and the CEO's Report**

### **2. Annual Report and Reports of the Directors and the Auditors**

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

All shareholders can view the Annual Report which contains the Financial Report for the year ended 30 June 2017 on the Company's website at [www.orbitalcorp.com.au](http://www.orbitalcorp.com.au)

### **3. Resolution 1 – Remuneration Report**

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

*"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by Shareholders for the adoption of the Remuneration Report for the year ended 30 June 2017."*

#### **Voting Prohibition Statement**

A vote on Resolution 1 must not be cast (in any capacity) 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.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1, and either:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on Resolution 1; and
  - (ii) expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**4. Resolution 2 – Election of Director – Mr Terry Stinson**

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

*"That, pursuant to and in accordance with ASX Listing Rule 14.4, article 9.3 of the Constitution and for all other purposes, Mr T Stinson, Director, retires and being eligible, is elected as a Director."*

**5. Resolution 3 – Election of Director – Mr Steve Gallagher**

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

*"That, pursuant to and in accordance with ASX Listing Rule 14.4, article 9.8 of the Constitution and for all other purposes, Mr Steve Gallagher, having been appointed to the Board since the last Annual General Meeting of the Company, ceases to hold office and being eligible, is elected as Director of the Company."*

**6. Resolution 4 – Approval of Additional 10% Capacity**

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

*"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the Company be granted an additional equity raising capacity equivalent to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion Statement**

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 Resolution 4 is passed. At this point in time, there are no potential subscribers to whom Shares may be issued under Resolution 4.

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 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.

At the date of this notice, the proposed allottees of the Equity Securities are not known or identified. For a person's vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue, shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

**7. Resolution 5 – Adoption of Employee Incentive Plan**

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

*"That, pursuant to and in accordance with ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for adoption of a new Employee Incentive Plan, the grant of Incentives and the issue of Shares under the new Employee Incentive Plan."*

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 5 by a Director or an associate of a Director.

However, the Company need 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.

**Voting Prohibition Statement**

A vote on Resolution 5 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.

A vote may be cast by such person if:

- (a) the vote is not cast on behalf of a person who is otherwise excluded from voting; and
- (b) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (c) 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 directly or indirectly with the remuneration of a member of the Key Management Personnel.

**8. Resolution 6 – Grant of LTI Performance Rights to Mr Todd Alder, the Managing Director, under the Employee Incentive Plan**

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

*"That, pursuant to and in accordance with ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 595,000 LTI Performance Rights to Mr T M Alder (or his nominee) under the Employee Incentive Plan."*

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 6 by any Director or an associate of a Director.

However, the Company need not disregard a vote cast on Resolution 6 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.

**Voting Prohibition Statement**

A vote on Resolution 6 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.

A vote may be cast by such person if:

- (a) the vote is not cast on behalf of a person who is otherwise excluded from voting; and
- (b) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (c) 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.

**9. Resolution 7 – Grant of up to 647,250 Performance Rights to Mr Todd Alder under the Employee Incentive Plan**

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

*"That, pursuant to and in accordance with ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of up to 647,250 Performance Rights to Mr T M Alder (or his nominee) under the Employee Incentive Plan."*

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 7 by any Director or an associate of a Director.

However, the Company need not disregard a vote cast on Resolution 7 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.

**Voting Prohibition Statement**

A vote on Resolution 7 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.

A vote may be cast by such person if:

- (a) the vote is not cast on behalf of a person who is otherwise excluded from voting; and
- (b) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (c) 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.

**10. Resolution 8 – Grant of up to 400,000 Performance Rights to Mr John Welborn under the Employee Incentive Plan**

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

*"That, pursuant to and in accordance with ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of up to 400,000 Performance Rights to Mr J P Welborn (or his nominee) under the Employee Incentive Plan."*

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 8 by any Director or an associate of a Director.

However, the Company need not disregard a vote cast on Resolution 8 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.

**Voting Prohibition Statement**

A vote on Resolution 8 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.

A vote may be cast by such person if:

- (a) the vote is not cast on behalf of a person who is otherwise excluded from voting; and
- (b) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (c) 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.

**11. Resolution 9 – Grant of up to 400,000 Performance Rights to Mr Steve Gallagher under the Employee Incentive Plan**

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

*"That, pursuant to and in accordance with ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of up to 400,000 Performance Rights to Mr S Gallagher (or his nominee) under the Employee Incentive Plan."*

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 9 by any Director or an associate of a Director.

However, the Company need not disregard a vote cast on Resolution 9 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.

**Voting Prohibition Statement**

A vote on Resolution 9 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.

A vote may be cast by such person if:

- (a) the vote is not cast on behalf of a person who is otherwise excluded from voting; and
- (b) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (c) 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.

**12. Resolution 10 – Grant of up to 400,000 Performance Rights to Mr Terry Stinson under the Employee Incentive Plan**

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

*"That, pursuant to and in accordance with ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of up to 400,000 Performance Rights to Mr T Stinson (or his nominee) under the Employee Incentive Plan."*

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 10 by any Director or an associate of a Director.

However, the Company need not disregard a vote cast on Resolution 10 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.

**Voting Prohibition Statement**

A vote on Resolution 10 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.

A vote may be cast by such person if:

- (a) the vote is not cast on behalf of a person who is otherwise excluded from voting; and
- (b) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or





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- (c) 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.

Further information about all items of business is set out in the Explanatory Memorandum.

By order of the Board

A handwritten signature in purple ink that reads "Roules".

Roulé Jones  
CFO & Company Secretary  
Perth, Western Australia

22 September 2017

## **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 at City of Perth Library and History Centre (Auditorium), 573 Hay Street, Perth, Western Australia on Friday, 27 October 2017 at 10.00am (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.

### **2 Voting at the Annual General Meeting**

The Directors have determined that Shareholders entitled to vote at the Meeting will be the registered holders of Shares (**Registered Shareholders**) on Wednesday, 25 October 2017 at 4.00pm (WST) (**Voting Record Date**).

Shareholders who become Registered Shareholders by acquiring Shares between the date of this Notice and the Voting Record Date and wish to vote at the Meeting by proxy should contact the Company for further information and to request a Proxy Form.

Shareholders who become beneficial Shareholders (**Beneficial Shareholders**) of Shares by acquiring Shares between the date of this Notice and the Voting Record Date and wish to vote at the Meeting by proxy should contact their broker or intermediary for instructions on how to do so.

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

You may vote:

- (a) by attending the Meeting in person; or
- (b) by proxy.

#### **Voting in person**

To vote in person, attend the Meeting on the date and at the place set out above. If possible, Shareholders are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, so that the Company may check the Shareholders' holding against the Company's share register and note attendance.

All Shareholders are invited and encouraged to attend the Meeting.

#### **Voting by proxy**

Shareholders who are entitled to attend and vote at the Meeting, may appoint a proxy to act generally at the Meeting and to vote on their behalf.

#### **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.



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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 10.00am (WST) on Wednesday, 25 October 2017. Proxy Forms received after this time will not be effective.

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

If the Chairman is to act as your proxy in relation to Resolution 1 (Adoption of the Remuneration Report), Resolution 5 (Adoption of Employee Incentive Plan), or Resolutions 6 to 10 (Grant of Incentives to Directors), and you have not given directions on how to vote by completing the appropriate box in the voting directions to your proxy section of the Proxy Form, the Proxy Form expressly directs and authorises the Chairman to cast your votes “for” the relevant resolution. This express authorisation is included because without it the Chairman would be precluded from casting your votes as these resolutions are connected with the remuneration of Key Management Personnel.

The Chairman will vote all undirected proxies in respect of Resolutions 1 to 10 in favour of the relevant resolution.

### **Appointment of corporate representatives**

Any corporate Shareholder wishing to appoint a person to act as its representative at the Meeting may do so by providing that person with:

- (a) a letter or certificate executed in accordance with the Corporations Act authorising that person to act as the corporate Shareholder's representative at the Meeting; or
- (b) a copy of the resolution appointing that person as the corporate Shareholder's representative at the Meeting, certified by a secretary or director of the corporate Shareholder.

The appointment of a corporate representative must be received by the Company before the Meeting or at the registration desk on the day of the Meeting. Certificates of appointment of corporate representatives are available at

[http://www.linkmarketservices.com.au/corporate/forms/holding-management/App\\_Corp\\_Rep\\_140312.pdf](http://www.linkmarketservices.com.au/corporate/forms/holding-management/App_Corp_Rep_140312.pdf) or on request by calling 1300 554 474.

### **Beneficial Shareholders**

If you are a Beneficial Shareholder and have received these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or other intermediary.

**3 CHAIRMAN'S ADDRESS AND THE CHIEF EXECUTIVE OFFICER'S REPORT**

The Chairman will address the Meeting and the CEO will make a presentation on the performance of the Company during the financial year ended 30 June 2017 as well as other strategic and operational activities of the Company. The Chairman will also allow time at the end of the Meeting to respond to questions raised by Shareholders at or before the Meeting.

**4 ANNUAL REPORT**

The Corporations Act requires the Company to lay its Annual Report before the Annual General Meeting.

Shareholders are not required to vote on the Annual Report but will be given an opportunity to raise questions and comments on the Annual Report at the Meeting.

The Company's external auditor, Ernst & Young, will also be present at the Meeting and Shareholders will be given the opportunity to ask the auditor questions or raise comments about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the auditor.

**5 RESOLUTION 1 - REMUNERATION REPORT**

In accordance with section 250R of the Corporations Act, the Company must put a non-binding resolution to Shareholders to adopt the Remuneration Report at the Company's annual general meeting. Accordingly, Resolution 1 is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of this Resolution and the discussion of the Remuneration Report at the annual general meeting into account when determining the Company's approach to remuneration going forward.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") on whether the Board should be put up for re-election. If that resolution is passed, another meeting must be held within 90 days at which all of the Directors (other than the Managing Director and CEO) who were in office at the date of approval of the applicable Directors' Report must go up for re-election.

At the Company's 2016 Annual General Meeting, less than 25% of the votes cast on the resolution to adopt the 2016 Remuneration Report, were voted against the resolution. Accordingly, regardless of the voting on Resolution 1, no spill resolution is required to be held at this Annual General Meeting.

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. The Remuneration Report is set out in the Company's Annual Report which is available in Annual Reports section on the Company's website at [www.orbitalcorp.com.au](http://www.orbitalcorp.com.au).

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

Resolution 1 is an ordinary resolution and the voting restriction which applies to this Resolution is set out in the Notice.

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.

**Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 1.

**6 RESOLUTION 2 - ELECTION OF TERRY STINSON AS DIRECTOR**

In accordance with ASX Listing Rule 14.4 and article 9.3 of the Company's constitution, a director who has held office for three years or more since last being elected must retire from office.

Under article 10.9(b) of the Company's constitution, Mr Stinson ceased as Managing Director and is therefore not exempt from retirement by rotation under article 10.10. As a result, Mr Stinson offers himself for re-election.

Mr Stinson joined the Board in June 2008 as Managing Director ceasing in this role on 11 August 2017, from which date he became a non-executive Director.

Mr Stinson has over 35 years of international experience in engineering and technology commercialisation and management across the automotive, aerospace, defence, maritime, industrial products, mining and manufacturing sectors. Mr Stinson has been a senior executive with Siemens, Europe's largest engineering conglomerate, with direct responsibility for sales in excess of US\$300 million per annum in their Gasoline Systems, Fuel Systems and Fuel Components operations in the United States, Germany, Italy, China and support in many others. Mr Stinson has also served as a representative Director for Siemens on the Synerject Board.

Prior to that, he held the position of VP Manufacturing for Outboard Marine Corporation, a privately held US\$1 billion multinational outboard marine propulsion and boat company, was CEO of Synerject LLC and held various executive positions with Mercury Marine in R&D, engineering, manufacturing and others.

On 9 February 2017 Mr Stinson was appointed Chairman of advanced graphite and graphene materials specialist, Talga Resources (ASX: TLG).

**Board Recommendation**

The Board (excluding Mr Stinson) recommends that Shareholders vote in favour of Resolution 2.

**7 RESOLUTION 3 - ELECTION OF STEVE GALLAGHER AS DIRECTOR**

In accordance with ASX Listing Rule 14.4 and article 9.8 of the Company's constitution, a director appointed as an addition to the board must not hold office (without re-election) past the next annual general meeting following the director's appointment.

Mr Gallagher, a non-executive Director, retires in accordance with article 9.8 of the Company's constitution and offers himself for re-election.

Mr Gallagher joined the Board in April 2017. He is an independent non-executive Director.

Mr Gallagher is Principal of Agere Pty Ltd, an advisory and investment company drawing on his capability and professional networks established over 30 years as a CEO and Director of global businesses.



Mr Gallagher held Director positions with HKEX Hang Seng listed CCRTT, ASX listed ERG Ltd and CEO/GM positions with Vix Technology and global engineering powerhouse Siemens. Mr Gallagher has operated in various business sectors including Industrial Automation, Building Technology and Power Systems, having spent 15 years living and working in Asia (China, Hong Kong and Singapore) and Europe (Switzerland).

Mr Gallagher is currently a Non-Executive Director with Optal Ltd (an innovative global payment solutions company), Vix Technology Ltd (an industry leader in transport ticketing, fare collection/payments), Ventura Bus Lines Pty Ltd (a leading public transport and charter bus service provider in Australia) and Transact1 Pty Ltd (a financial services provider for cash management optimisation).

### **Board Recommendation**

The Board (excluding Mr Gallagher) recommends that Shareholders vote in favour of Resolution 3.

## **8 RESOLUTION 4 - APPROVAL OF ADDITIONAL 10% CAPACITY**

### **8.1 General**

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities (being shares, options and other securities as defined in the ASX Listing Rules) by a number equal to 10% of the Company's issued capital as at the date 12 months prior to the AGM (**Additional 10% Capacity**). The Additional 10% Capacity is in addition to the Company's capacity to issue Equity Securities equivalent to 15% of the Company's issued capital under ASX Listing Rule 7.1.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the Additional 10% Capacity. The number of Equity Securities to be issued under the Additional 10% Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

Resolution 4 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 voting exclusion which applies is set out in the Notice under Resolution 4.

### **8.2 Listing Rule 7.1A**

#### **(a) Shareholder approval**

The ability to issue Equity Securities under the Additional 10% Capacity is subject to Shareholder approval by way of a special resolution at an AGM.

#### **(b) Equity Securities**

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

As at the date of the Notice, the Company only has one quoted class of Equity Securities on issue, being Shares.

#### **(c) Formula for calculating Additional 10% Capacity**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue,



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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 fully paid ordinary securities on issue 12 months before the date of issue or agreement:
- (A) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
  - (B) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
  - (C) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or 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 ordinary securities cancelled in the 12 months.

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or date of agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rule 7.1 or 7.4.

**(d) The Company's capacity to issue shares**

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 ASX Listing Rule 7.1.

As at the date of the Notice, the Company has on issue 77,295,882 Shares and has a capacity to issue:

- (i) 10,373,330 Equity Securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval being granted under Resolution 4, 7,623,410 Equity Securities under ASX 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 ASX Listing Rule 7.1A.2 (refer to section 8.2(c) above).

**(e) Additional 10% Capacity Period**

Shareholder approval of the Additional 10% Capacity 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 (**Additional 10% Capacity Period**).

### **8.3 Effect of passing Resolution 4**

The effect of passing Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the Additional 10% Capacity Period without using the Company's 15% placement capacity under Listing Rule 7.1. The Additional 10% Capacity will provide the Company with the maximum flexibility to raise funds by issuing Equity Securities without the need for further shareholder approval.

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

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

#### **(a) Minimum issue price**

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 the paragraph above, the date on which the Equity Securities are issued.

#### **(b) Risk of dilution**

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Capacity, there is a risk that the economic value and voting power of each Share in the Company may be diluted, including 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 approval at 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 as part of consideration for the acquisition of a new asset.

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.

The table also shows:

- (iii) 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

- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

**The dilution of existing Shareholders due to Additional 10% Capacity**

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" 77,295,882 Shares	10% Voting Dilution	7,729,588 Shares	7,729,588 Shares	7,729,588 Shares
	Funds raised	\$2,241,581	\$4,483,161	\$8,966,322
50% increase in current Variable "A" 115,943,823 Shares	10% Voting Dilution	11,594,382 Shares	11,594,382 Shares	11,594,382 Shares
	Funds raised	\$3,362,371	\$6,724,742	\$13,449,483
100% increase in current Variable "A" 154,591,764 Shares	10% Voting Dilution	15,459,176 Shares	15,459,176 Shares	15,459,176 Shares
	Funds raised	\$4,483,161	\$8,966,322	\$17,932,645

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

- (i) The Company issues the maximum number of Equity Securities available under the Additional 10% Capacity.
- (ii) No options of other securities are exercised into shares before the date of the issue of the equity securities.
- (iii) 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%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Capacity, based on that Shareholder's holding at the date of the Meeting.
- (v) 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.
- (vi) The issue of Equity Securities under the Additional 10% Capacity consists only of Shares. If the issue of Equity Securities includes Options or Convertible

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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.

- (vii) The issue price is \$0.58, being the closing price of the Shares on ASX on 13 September 2017, being the last trading day before this document was finalised.
- (viii) The issue price of the Additional 10% Capacity used in this table does not take into account discount to market price (if any).

(c) **Period for issue of Equity Securities**

The Company will only issue the Equity Securities during the Additional 10% Capacity Period.

(d) **Purpose for which the Equity Securities may be issued**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) issue for 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; or
- (ii) issue for cash consideration for the acquisition of new businesses or investments (including expenses associated with such acquisition), and/or general working capital.

(e) **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Capacity. 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).

The subscribers under the Additional 10% Capacity 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.

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

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A where any Equity Securities are issued.

(f) **Equity Securities issued in previous 12 months**

In the 12 months preceding the date of this Notice the Company issued a total of 1,561,785 Equity Securities which represent 2% of the total number of Equity Securities on issue as at 22 September 2016, being 76,234,097 Shares. 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
14 Oct 2016	1,000,000	Shares	Issue of shares in consideration for acquisition of remaining 38.5% interest in REMSAFE	\$0.86 (market price at 13 Oct 2016)	Current value of the non-cash consideration is \$860,000. See announcement titled 'REMSAFE Update' dated 13 October 2016 for further details.
1 Nov 2016	61,785	Shares	Issue of shares in accordance with the terms of the Employee Share Plan to 59 eligible employees	Nil	N/A
13 Dec 2016	500,000	Performance Rights	Issue of Performance Rights in accordance with the terms and conditions of the Performance Rights Plan as approved by Shareholders on 21 October 2014	Nil	N/A

(g) **Voting exclusion statement**

A voting exclusion statement is included in the Notice for Resolution 4. 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.

**8.5 Proxy votes**

The Chairman intends to exercise all available proxies in favour of Resolution 4.



## 8.6 Board Recommendation

The Board believes that Resolution 4 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

## 9 RESOLUTION 5 – ADOPTION OF EMPLOYEE INCENTIVE PLAN

### 9.1 Background

Resolution 5 seeks Shareholder approval, pursuant to ASX Listing Rule 7.2, Exception 9, to adopt a new Employee Incentive Plan, grant Incentives and to issue Shares under the new Employee Incentive Plan.

ASX Listing Rule 7.1 contains a prohibition on issuing more than 15% of the Company's capital in any 12 month period without the approval of Shareholders. Exception 9 to ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply to an issue under an employee incentive scheme, if within three years before the date of issue the holders of ordinary securities have approved the issue as an exception to this rule and the notice of meeting includes certain specified information. An approval under ASX Listing Rule 7.2, Exception 9 lasts for a period of three years from the date of the Meeting.

At the 2014 AGM, the Shareholders had approved a Performance Rights Plan. The Board now wishes to replace this Plan with an Employee Incentive Plan which allows the Company to grant both Performance Rights and Options and is up-to-date in respect of ASIC Class Order 14/1000 compliance and for changes in taxation law. A summary of the material terms of the Employee Incentive Plan is set out in **Schedule 2**.

The primary purpose of the Board in adopting the Employee Incentive Plan is to retain, attract and motivate key personnel. The Board believes that the success of the Company depends in a large measure on the skills and motivation of the people engaged in the management of the Company's business, it is therefore important that the Company is able to retain and attract people of the highest calibre for the Company's operations.

The Employee Incentive Plan will form an important part of a comprehensive remuneration strategy for the Company's executive directors, employees and consultants, aligning their interests with those of Shareholders by linking their rewards to the long term success of the Company and its financial performance.

### 9.2 Specific Information Required by ASX Listing Rule 7.2

In accordance with the requirements of ASX Listing Rule 7.2 Exception 9(b), the following information is provided:

- (a) a summary of the material terms of the Employee Incentive Plan to be adopted pursuant to Resolution 5 is detailed in **Schedule 2**;
- (b) no Incentives have been issued under the Employee Incentive Plan.

For completeness, the Company notes that the number of Performance Rights issued under the Performance Rights Plan since it was approved at the 2014 annual general meeting is as set out below:



Type	Number Issued
Performance Rights*	3,200,000 - of which 2,700,000 have vested and converted to Shares and 500,000 remain valid Performance Rights

\* Approval of the Employee Incentive Plan will not affect the validity of previously issued Performance Rights granted under the Performance Rights Plan

- (c) a voting exclusion statement has been included in the Notice for the purposes of Resolution 5.

A copy of the Employee Incentive Plan is available from the Company Secretary.

### 9.3 Other Information

The primary purpose of the grant of Incentives under the Employee Incentive Plan is not to raise capital, but to form part of the employee or consultant's remuneration package. No funds will be raised from the grant of the Incentives. If Performance Rights are granted and vest, then no funds will be raised upon the issue of the Shares. However, if Options are granted and are exercised, then the net exercise price paid upon the issue of the Shares will be used for general working capital purposes. An employee or consultant must contribute their own money to the Company to fund the exercise price of any Options.

There are no significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentives upon the terms of the Employee Incentive Plan proposed.

### 9.4 What happens if Shareholders do not approve Resolution 5?

If Shareholder approval is not granted under this Resolution 5, the Board may still grant Incentives under the Employee Incentive Plan however the grants will be counted as part of the 15% annual limit under Listing Rule 7.2.

The Directors are not aware of any information other than that set out in this Explanatory Memorandum that is reasonably required by Shareholders in order to decide whether or not it is in the Company's interests to pass Resolution 5.

## 10 RESOLUTION 6 - GRANT OF LTI PERFORMANCE RIGHTS TO MR TODD ALDER, MANAGING DIRECTOR, UNDER THE EMPLOYEE INCENTIVE PLAN

### 10.1 Background

ASX Listing Rule 10.14 prohibits the Company from permitting a Director (and an associate of a Director) to acquire Equity Securities under an employee incentive scheme, such as the proposed Employee Incentive Plan, without the prior approval of Shareholders by ordinary resolution at a general meeting.

Accordingly, the approval of Shareholders is sought for the granting of up to 595,000 LTI Performance Rights under the Company's Employee Incentive Plan to Mr Todd Alder, the Managing Director and CEO of the Company, on the terms and conditions set out in this notice of meeting. Approval of the Employee Incentive Plan is the subject of Resolution 5. A summary of the terms of the Employee Incentive Plan is set out at **Schedule 2** and a copy of the Employee Incentive Plan is available from the Company Secretary.

The grant of LTI Performance Rights to Mr Todd Alder was a material term of the Executive Employment Agreement between the Company and Mr Todd Alder (as announced to the ASX on 11 August 2017).

**10.2 Performance hurdles for grant of LTI Performance Rights to Mr Todd Alder**

The Company has set performance criteria for the Performance Rights to Mr Alder to ensure that they only vest upon achievement of fundamental milestones that will drive the long term value of the Company's securities.

The Performance Rights will be granted to Mr Alder (and/or his nominee) with the following Performance Conditions:

Tranche	Performance Condition	Allocation to Mr Alder
1.	<b>Milestone 1:</b> the Company having a 60 day VWAP of at least \$0.90 per share between the date of this Meeting and 10 August 2020.	340,000
2.	<b>Milestone 2:</b> the Company having a 60 day VWAP of at least \$1.20 per share between the date of this Meeting and 10 August 2020.	255,000
<b>Total</b>		<b>595,000</b>

The number of Performance Rights have been determined based on the following:

- Total Fixed Remuneration ("TFR") of Mr Alder: \$340,000 per annum
- Long Term Incentive ("LTI"): 60% of TFR = \$204,000 per annum
- Duration of performance plan: 3 years
- Total LTI available for consideration over the vesting period: \$612,000
- Total LTI amount available has been allocated between Milestone 1 and Milestone 2.

Immediately upon achievement of a milestone, the relevant number of Performance Rights will vest. Vested Performance Rights may be exercised by Mr Alder from the date of vesting until 10 August 2022 (subject to compliance with applicable law and the Company's Securities Trading Policy). Each vested performance right converts into one Share under the terms of the Employee Incentive Plan.

**10.3 Information Required by Listing Rule 10.15**

In accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of LTI Performance Rights to Mr Alder under the Employee Incentive Plan:

**(a) Maximum number of Incentives to be issued**

Mr Alder will be awarded no more than 595,000 Performance Rights which will entitle Mr Todd Alder to a maximum of 595,000 Shares if the relevant performance hurdles (set out in the table above) are met.

(b) **Issue Price**

The Performance Rights to be issued to Mr T M Alder under the Employee Incentive Plan will be issued for nil consideration subject to him accepting the offer of those Performance Rights.

(c) **Date of Issue**

The Performance Rights will be granted no later than 12 months after the date of the Meeting or such longer period of time as ASX allows. It is currently intended that 595,000 Performance Rights will be offered to Mr Alder shortly following approval at the Meeting.

(d) **Prior issue of Incentives**

No Incentives have been issued to any Director (or an associate of a Director) under the Employee Incentive Plan.

For completeness, the following information is provided in relation to Performance Rights granted to Directors or their associates under the Performance Rights Plan since it was last approved at the Company's 2014 annual general meeting.

Name	Performance Rights Issued	Year of Issue
Mr Terry Stinson	1,500,000	2014
Mr Terry Stinson	500,000	2016

(e) **Entitlement to Participate**

All the Directors, being Mr T M Alder, Mr T D Stinson, Mr J P Welborn and Mr S Gallagher are entitled to participate in the Employee Incentive Plan as at the date of this Notice.

(f) **Loan Arrangement**

Loans are not made available by the Company in connection with the Employee Incentive Plan.

(g) **Voting Exclusion Statement**

A voting exclusion statement has been included in the Notice for Resolution 6.

**10.4 Approval not required under Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act requires shareholder approval where a public company such as the Company seeks to give a 'Financial Benefit' to a 'Related Party' unless an exemption applies.

For the purposes of Chapter 2E of the Corporations Act, Mr Todd Alder, Mr John Welborn, Mr Steve Gallagher and Mr Terry Stinson are Related Parties. The granting of Incentives in the form of Performance Rights constitutes a Financial Benefit.

An exemption from the requirement to obtain shareholder approval under the Corporations Act applies where the giving of the Financial Benefit is reasonable remuneration for performing duties as an officer or employee taking into account the circumstances of the public company and the Related Party. An issue of Performance Rights falls within the definition of 'remuneration'.

The Board (excluding Mr Todd Alder) has assessed the terms of the grant of the LTI Performance Rights to Mr Todd Alder and is confident that the grant of the LTI Performance Rights to him constitutes reasonable remuneration. Accordingly, the Company is not seeking shareholder approval under Chapter 2E of the Corporations Act.

**10.5 What if Shareholders do not approve the grant?**

If Shareholders do not approve the grant of Performance Rights, the Board will need to consider alternative remuneration arrangements for Mr Todd Alder which are consistent with the Company's remuneration principles.

**10.6 Proxy votes**

The Chairman intends to exercise all available proxies in favour of Resolution 6.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 6, 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.

**10.7 Board Recommendation**

The Board (excluding Mr Todd Alder) recommends that Shareholders vote in favour of Resolution 6. A voting restriction for Resolution 6 is set out in the Notice.

Mr Todd Alder has a material personal interest in the outcome of Resolution 6 because it relates to the grant of Incentives to him. Mr Todd Alder did not vote on the Board resolution to approve the grant of LTI Performance Rights to him.

**11 RESOLUTIONS 7 TO 10 – GRANT OF PERFORMANCE RIGHTS TO DIRECTORS**

**11.1 Background**

ASX Listing Rule 10.14 prohibits the Company from permitting a Director (and an associate of a Director) to acquire Equity Securities under an employee incentive scheme without the prior approval of Shareholders by ordinary resolution at a general meeting.

Accordingly, the approval of Shareholders is sought for the granting of an aggregate maximum of 1,847,250 Performance Rights under the Company's Employee Incentive Plan to Mr Todd Alder, Mr John Welborn, Mr Steve Gallagher and Mr Terry Stinson (**Directors**), on the terms and conditions set out in this Notice. Approval of the Employee Incentive Plan is the subject of Resolution 5. A summary of the terms of the Employee Incentive Plan is set out at **Schedule 2** and a copy of the Employee Incentive Plan is available from the Company Secretary.

The grant of Incentives to each participant under Resolutions 7 to 10 is subject to each Director acquiring Shares in the Company. Two Performance Rights will be granted for each Share acquired by a Director up to the maximum set out in **section 11.3(a)** below.

The proposed grant of the Incentives linked to the acquisition of Shares is to further align the interests of the participants with those of Shareholders by linking their rewards to the long term success of the Company, specifically to returns achieved by Shareholders.

**11.2 Performance hurdles for grant of Incentives to the Directors**

The Incentives will be granted to the Directors with the following Performance Conditions and Expiry Dates:

<b>Performance Right entitlement</b>	Two Performance Rights will be granted for every one Share acquired by the Director during the period commencing from 11 August 2017 to 31 December 2017 up to the maximum set out in section 11.3(a).  All Performance Rights (the subject of this Resolution) will be granted as soon as practicable after 31 December 2017.
<b>Vesting conditions</b>	Performance Rights will vest if the Company's share price based on a 60 day VWAP is equal to or greater than \$0.90 at any time during the period commencing on the grant date and ending on 10 August 2020.
<b>Exercise</b>	The holder may exercise any vested Performance Rights from the date of vesting until 10 August 2022. Upon exercise, each vested Performance Right converts into one Share in the Company.

**11.3 Information Required by Listing Rule 10.15**

In accordance with Listing Rule 10.15, the following information is provided in relation to the grant of Performance Rights to the Directors:

(a) **Maximum number of Incentives to be issued**

Each Director will be issued Performance Rights (up to the maximum set out below) on the basis of two Performance Rights for each Orbital Share acquired between 11 August 2017 and 31 December 2017:

<b>Participant</b>	<b>Maximum number of Performance Rights</b>
Mr Todd Alder	647,250
Mr John Welborn	400,000
Mr Steve Gallagher	400,000
Mr Terry Stinson	400,000

Accordingly, the exact number of Performance Rights to be issued to each Director will not be capable of determination prior to 31 December 2017.

Each vested Performance Right will entitle the holder to one Share in the Company.

(b) **Issue Price**

The Performance Rights to be granted to the Directors (as specified above) will be granted for nil consideration.

(c) **Date of Issue**

The Performance Rights are expected to be granted to each participant as soon as practicable after 31 December 2017 and in any event no later than 12 months after



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the date of the Meeting (or at such later dates as permitted by any ASX waiver or modification of the ASX Listing Rules).

**(d) Prior issue of Incentives**

No Incentives have been issued to any Director (or an associate of a Director) under the Employee Incentive Plan.

For completeness, the following information is provided in relation to Performance Rights granted to Directors or their associates under the Performance Rights Plan since it was last approved at the Company's 2014 AGM.

Name	Performance Rights Issued	Year of Issue
Mr Terry Stinson	1,500,000	2014
Mr Terry Stinson	500,000	2016

**(e) Entitlement to participate in the Employee Incentive Plan**

All the Directors, being Mr Todd Alder, Mr Terry Stinson, Mr John Welborn and Mr Steve Gallagher are entitled to participate in the Employee Incentive Plan as at the date of this Notice.

**(f) Loan Arrangement**

Loans are not made available by the Company in connection with the Employee Incentive Plan.

**(g) Voting Exclusion Statement**

A voting exclusion statement has been included in the Notice for Resolutions 7-10.

**11.4 Approval not required under Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act requires shareholder approval where a public company such as the Company seeks to give a Financial Benefit to a Related Party unless an exemption applies.

For the purposes of Chapter 2E of the Corporations Act, Mr Todd Alder, Mr John Welborn, Mr Steve Gallagher and Mr Terry Stinson are Related Parties. The granting of Incentives constitutes a Financial Benefit.

An exemption from the requirement to obtain shareholder approval under the Corporations Act applies where the giving of the Financial Benefit is reasonable remuneration for performing duties as an officer or employee taking into account the circumstances of the public company and the Related Party. An issue of Performance Rights falls within the definition of 'remuneration'.

The Board has assessed the terms of the grant of the Performance Rights to the Directors and is confident that the grant of the Performance Rights under Resolutions 7-10 constitutes reasonable remuneration. Additionally, Moore Stephens Perth Corporate Services Pty Ltd (**Moore Stephens**) have valued the Performance Rights and their valuation confirms that the remuneration is reasonable. Accordingly, the Company is not seeking shareholder approval under Chapter 2E of the Corporations Act.

Nonetheless, the Company provides the following further information to Shareholders in relation to the grant of Performance Rights under resolutions 7-10:



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(a) **Identity of the Related Party to whom Resolutions 7 to 10 permits Financial Benefits to be given**

The Performance Rights the subject of Resolutions 7 to 10 are proposed to be issued to Mr Todd Alder, Mr John Welborn, Mr Steve Gallagher and Mr Terry Stinson.

(b) **Nature of the Financial Benefit**

Resolutions 7 to 10 seek approval from Shareholders to allow the Company to issue the Performance Rights set out at **section 11.3(a)** above. The Performance Rights will be issued pursuant to the Employee Incentive Plan, the key terms of which are summarised in **Schedule 2**.

The grant of Performance Rights to Mr Todd Alder, Mr John Welborn, Mr Steve Gallagher and Mr Terry Stinson pursuant to Resolutions 7 to 10 is to further align the interests of the Directors and those of Shareholders by linking their rewards to the long term success of the Company, specifically to returns achieved by Shareholders.

(c) **Valuation of Performance Rights**

The Company engaged Moore Stephens Perth Corporate Services Pty Ltd to value the Performance Rights.

Moore Stephens Pty Ltd used binomial option valuation model to value the Performance Rights. Based on the binomial option valuation model, the value of each Performance Rights to be issued to the Directors has been determined to be \$0.44. Accordingly, the value of the Performance Rights to be issued to each of Mr Terry Stinson, Mr John Welborn and Mr Steve Gallagher is \$176,000 and \$284,790 in total for Mr Todd Alder.

(d) **Dilution**

If the Performance Rights the subject of the Resolutions 7 to 10 are exercised, the effect will be to dilute the shareholdings of other Shareholders. The issue of the Performance Rights will be equal to approximately 2.4% of the Company's fully-diluted share capital, assuming implementation of Resolutions 7 to 10 the vesting and exercise of all the Performance Rights granted pursuant to Resolution 7 to 10 and based upon the 77,295,882 Shares on issue as at the date of this notice.

(e) **Current interest in the Company**

Related Person	Equity Securities	Position
Mr Todd Alder	Nil	CEO and Managing Director
Mr John Welborn	779,103 Shares	Non-Executive Director
Mr Steve Gallagher	100,000 Shares	Non-Executive Director
Mr Terry Stinson	1,672,621 Shares 500,000 Unlisted Performance Rights	Non-Executive Director

(f) **Remuneration of Directors**

Related Person	Fixed remuneration
Mr Todd Alder	\$340,000
Mr John Welborn	\$120,000
Mr Steve Gallagher	\$60,000
Mr Terry Stinson	\$60,000

**11.5 What if Shareholders do not approve the grant?**

If Shareholders do not approve the grant of Incentives, the Board will need to consider alternative remuneration arrangements for the Directors which are consistent with the Company's remuneration principles and Shareholder expectations.

**11.6 Proxy votes**

The Chairman intends to exercise all available proxies in favour of Resolution 7 to 10.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 7 to 10, 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 Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**11.7 Board Recommendations for Resolutions 7 to 10**

- (a) Mr Todd Alder, the Managing Director, who will not be granted Performance Rights the subject of Resolutions 8 to 10, considers that the grant of these Performance Rights to each of Mr John Welborn, Mr Steve Gallagher and Mr Terry Stinson is an appropriate mechanism to assist in the reward and retention of these Directors. Mr Todd Alder declines to make a recommendation to Shareholders in relation to Resolution 7, but otherwise recommends that Shareholders vote in favour of Resolutions 8 to 10.
- (b) Mr John Welborn, a Non-Executive Director, who will not be granted Performance Rights the subject of Resolutions 7, 9 and 10, considers that the grant of these Performance Rights to each of Mr Todd Alder, Mr Steve Gallagher and Mr Terry Stinson is an appropriate mechanism to assist in the reward and retention of these Directors. Mr John Welborn declines to make a recommendation to Shareholders in relation to Resolution 8, but otherwise recommends that Shareholders vote in favour of Resolutions 7, 9 and 10.
- (c) Mr Steve Gallagher, a Non-Executive Director, who will not be granted Performance Rights the subject of Resolutions 7, 8 and 10, considers that the grant of these Performance Rights to each of Mr Todd Alder, Mr John Welborn, and Mr Terry Stinson is an appropriate mechanism to assist in the reward and retention of these Directors. Mr Steve Gallagher declines to make a recommendation to Shareholders in relation to Resolution 9, but recommends that Shareholders vote in favour of Resolutions 7, 8 and 10.



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- (d) Mr Terry Stinson, a Non-Executive Director, who will not be granted Performance Rights the subject of Resolutions 7 to 9, considers that the grant of these Performance Rights to each of Mr Todd Alder, Mr John Welborn, and Mr Steve Gallagher is an appropriate mechanism to assist in the reward and retention of these Directors. Mr Terry Stinson declines to make a recommendation to Shareholders in relation to Resolution 10, but recommends that Shareholders vote in favour of Resolutions 7 to 9.



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### SCHEDULE 1 – DEFINITIONS

**\$** means Australian dollar.

**Additional 10% Capacity** has the meaning given in section 8.1 of this Explanatory Note.

**Additional 10% Capacity Period** has the meaning given in section 8.2 of this Explanatory Note.

**Annual General Meeting** or **AGM** means the annual general meeting of the Company as described in the Notice of Meeting.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2017.

**Auditor's Report** means the auditor's report on the Company's annual report for the year ended 30 June 2017.

**ASX** means the Australian Securities Exchange.

**Board** means the board of Directors.

**CEO** means the chief executive officer of the Company.

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

**Closely Related Party** has the meaning given in section 9 of the Corporations Act.

**Company** means Orbital Corporation Limited ABN 32 009 344 058.

**Constitution** means the constitution of the Company.

**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 Incentive Plan** means the proposed employee incentive plan, approval for which is sought under Resolution 5 of this Notice.

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

**Equity Securities** has the meaning given in the Listing Rules.

**Explanatory Memorandum** means this explanatory memorandum which form part of the Notice of Meeting.

**Financial Benefits** has the meaning give to it in the Corporations Act.

**Incentive** means Performance Right or Options granted by the Company to a participant under the terms of the Employee Incentive Plan.

**Key Management Personnel** has the meaning given in section 9 of the Corporations Act.

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

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

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

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

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

**ORBITAL CORPORATION LIMITED** ASX:OEC | ABN 32 009 344 058 (*Incorporated in Western Australia*)

4 Whipple Street, Balcatta, Western Australia 6021 | PO Box 901, Balcatta, Western Australia, 6914

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**CONFIDENTIAL ORBITAL CORPORATION LIMITED**



## NOTICE OF 2017 ANNUAL GENERAL MEETING

Orbital Corporation Limited

ABN 32 009 344 058

**Performance Right** means the right to acquire a Share upon the satisfaction of certain rights under the Performance Rights Plan or the Employee Incentive Plan as is appropriate in the context.

**Performance Rights Plan** means the performance rights plan of the Company approved at the 2014 Annual General Meeting.

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

**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.

**Related Party** has the meaning given to it in the Corporations Act.

**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

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

**VWAP** means volume weighted average price.

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

**SCHEDULE 2 – SUMMARY OF TERMS OF THE EMPLOYEE INCENTIVE PLAN**

Information about the Employee Incentive Plan is set out below. A copy of the Employee Incentive Plan can be obtained by contacting the Company Secretary.

**Outline of the Employee Incentive Plan**

This section gives a brief outline of how the Board intends to implement initial participation under the rules of the proposed Employee Incentive Plan.

**Participation**

Carefully designed, performance linked, equity plans are widely considered to be very effective in providing long term incentives to staff. Also, they are used to attract and retain staff by providing them with the opportunity to participate in the creation of a valuable personal asset – a financial stake in the Company.

As part of the Company's strategy, the Board wishes to be in a position to grant Performance Rights and Options (i.e. Incentives) under the Employee Incentive Plan to employees (including Directors) and eligible contractors. Incentives include Performance Rights and Options. An Incentive is a right to be issued a Share (on a one-for-one basis and typically subject to satisfaction of certain conditions that are attached to the Incentive), as determined by the Board. An Incentive with a nil exercise price is a Performance Right. An Incentive with a positive exercise price is an Option. In accordance with the requirements of the ASX Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Employee Incentive Plan.

**Overview of the Plan rules and terms and conditions**

The Board is cognisant of general Shareholder concern that long-term equity based rewards for staff should be linked to the achievement by the Company of a performance condition.

The Board considers the Employee Incentive Plan a crucial mechanism to encourage and retain high level executive, employee and contractor performance. The Board intends to implement the Employee Incentive Plan, and set the performance conditions, in a manner designed to incentivise and reward high level executive, employee and contractor performance.

The main features of the Employee Incentive Plan are summarised as follows:

**Eligibility**

Under the terms of the Employee Incentive Plan, the Board may determine which employees, directors or contractors of the Company and its related bodies corporate are eligible to participate.

The Employee Incentive Plan is targeted at the Company's directors, senior management, employees and contractors. Any proposal to issue Performance Rights or Options to Directors under the Incentive Plan would require prior Shareholder approval to be obtained pursuant to the related party provisions of the ASX Listing Rules.

**Incentives**

The Employee Incentive Plan allows the Board to grant Performance Rights and Options (each an Incentive) to eligible participants.



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<p><b>Number of Incentives to be granted</b></p>	<p>The number of Incentives granted under the Employee Incentive Plan will be decided by the Board from time to time.</p> <p>However, the Company will generally be seeking to take advantage of the form of disclosure relief provided by ASIC Class Order 14/1000. In order to be able to take advantage of that form of relief certain conditions need to be fulfilled including that the maximum number of securities which may be granted under incentive plans (including the Employee Incentive Plan and previous employee incentive schemes) in a rolling 3 year period is 5% of the issued share capital of the Company (calculated at the date of the offer under the Employee Incentive Plan).</p>
<p><b>Vesting conditions</b></p>	<p>The vesting terms for grants of Incentives under the Employee Incentive Plan will be decided by the Board from time to time. Where appropriate, the Board may impose appropriate performance hurdles to encourage participants to focus on performance of the Company over the long term. The Board may waive vesting conditions.</p> <p>The Board considers that issuing Options with a premium exercise price, and on such terms that the Options lapse on the cessation of employment or engagement, will ensure that benefits will only be received by recipients who continue to be employed by the Company. In the Board's view terms of that nature have a like effect to a vesting condition.</p> <p>Upon satisfaction of the vesting conditions, the Company may issue a vesting notice. An incentive will vest when that vesting notice is given or deemed to have been given to the incentive holder.</p>
<p><b>Exercise Price</b></p>	<p>Performance Rights do not require the employee to pay any amount to the Company upon vesting or exercise.</p> <p>The Board may grant Options under the Employee Incentive Plan. If it chooses to do so, the exercise price of any Options granted under the Incentive Plan is at the absolute discretion of the Board and the Board will determine the exercise price from time to time. Typically, any Options granted would have an exercise price calculated by reference to a VWAP of the Company's shares for a period prior to the date of grant.</p>
<p><b>Expiry Date</b></p>	<p>The Board may set out in an invitation to participate in the Employee Incentive Plan the date and times when any Incentives lapse. The expiry date will be no later than 15 years after the date of grant.</p>
<p><b>Exercising Incentives</b></p>	<p>The Incentive holder may determine when to exercise a vested Incentive by delivering an exercise notice (along with payment in respect of the Exercise Price) to the Company up until the Expiry Date.</p>

<b>Impact of cessation of employment/ engagement</b>	<b>Cause</b>	<b>Incentives which have not vested</b>	<b>Incentives which have vested</b>
	Termination for ill health or death	Immediately lapse unless Board determines otherwise	May be exercised (in the case of ill health) by the participant, or (in the case of death) by the participant's personal representative, until the Incentive lapses
	Termination for cause (e.g. fraud, dishonesty, material breach of obligations)	Immediately lapse unless Board determines otherwise	Immediately lapse unless Board determines otherwise
	Termination by consent (e.g. resignation)	Immediately lapse unless Board determines otherwise	Are able to be exercised during the period ending 30 days after cessation of employment/ engagement or a longer period allowed by the Board
	Redundancy, constructive dismissal, other termination by Company not dealt with above	Incentives automatically vest and are able to be exercised during the period ending 30 days after cessation of employment/ engagement or a longer period allowed by Board	Are able to be exercised during the period ending 30 days after cessation of employment/ engagement or a longer period allowed by the Board
<b>Takeover bid and change in control</b>	<p>Incentives granted under the Employee Incentive Plan automatically vest in the event of a change in control of the Company, including where a takeover bid is made for the Company and the bidder acquires more than 50% of the Company, Shareholders approve a scheme of arrangement, or in any other case where a person obtains voting power in the Company which the Board determines (acting in good faith and in accordance with their fiduciary duties) is sufficient to control the composition of the Board.</p> <p>The Board also has the discretion to permit the exercise of Incentives in other limited circumstances, such as where a resolution is passed approving the disposal of the Company's main undertaking.</p>		
<b>Transferability</b>	<p>Incentives granted under the Employee Incentive Plan are generally not transferable. An Incentive invitation may contain disposal restrictions for a specified period of time.</p>		
<b>Dividend and voting rights</b>	<p>Incentives granted under the Plan do not carry any dividend or voting rights.</p>		



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### Adjustment for rights issues

The exercise price of Incentives granted under the Employee Incentive Plan (which is only applicable for Options granted under the Employee Incentive Plan, which have an exercise price) will be adjusted in the manner provided by the ASX Listing Rules in the event of the Company conducting a rights issue prior to the lapse of that Incentive.

### Board discretion

Under the terms of the Employee Incentive Plan, the Board has absolute discretion to determine the exercise price, the expiry date and vesting conditions of any grants made under the Employee Incentive Plan, without the requirement for further Shareholder approval.


In circumstances where an eligible person ceases to be employed or engaged by the Company, the Board may decide that some or all of that person's Incentives will not be forfeited. The Board may add forfeiture terms to a particular grant of Incentive provided those terms are set out in the relevant Incentive invitation.

### Trust

The Board may establish an employee share trust for the purposes of the Employee Incentive Plan.

### Copies of Employee Incentive Plan

A copy of the full terms of the Employee Incentive Plan can be obtained by contacting the Company Secretary.

**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**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 above by **10:00 (WST) on Wednesday, 25 October 2017**, 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 reverse of this Proxy Form).

**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:

- 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
- 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).

**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.**

# PROXY FORM

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

STEP 1

## 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 **10:00am (WST) on Friday, 27 October 2017 at City of Perth Library and History Centre (Auditorium), 573 Hay Street, Perth, Western Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1, 5-10:** 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, 5-10**, 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.**

STEP 2

## 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*		For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Grant of up to 400,000 Performance Rights to Mr Steve Gallagher under the Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director – Mr Terry Stinson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Grant of up to 400,000 Performance Rights to Mr Terry Stinson under the Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director – Mr Steve Gallagher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Additional 10% Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Adoption of Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Grant of LTI Performance Rights to Mr Todd Alder, the Managing Director, under the Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Grant of up to 647,250 Performance Rights to Mr Todd Alder under the Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Grant of up to 400,000 Performance Rights to Mr John Welborn under the Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<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.

STEP 3

## 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).





Dear Valued Shareholder,

I notice that you currently receive hard copy correspondence from Orbital Corporation Limited (OEC).

OEC strongly recommends receiving all documents via email correspondence in order to help the environment and reduce printing and mailing costs.

If you are happy to receive correspondence by email going forward, please update your email address by visiting our Share Registry's website at [investorcentre.linkmarketservices.com.au](http://investorcentre.linkmarketservices.com.au) and follow the steps below;

- click on the "REGISTER NOW" icon to create your portfolio (if you do not have a portfolio set up) or alternatively enter as a "single holding" by entering the following information;
  - enter your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), this can be found at the top right hand corner of the proxy form;
  - enter your postcode (if you have an Australian address), select your country (if you have an overseas address) and enter the security code;
- once you are logged in, click on 'Communications' from the top menu and select 'Preferences'. From here you can select your Communication Preference and update your email address.

Thank you for your contribution toward helping the environment and reducing printing and mailing costs.

If you have any queries, please contact OEC on (08) 9441 2311 or Link Market Services on +61 1300 554 474.

Yours sincerely

**Roulé Jones**  
CFO & Company Secretary

**Orbital Corporation Limited**