

# OCTANEX N.L.

(ABN 61 005 632 315)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (**Meeting**) of the Members of Octanex N.L. (**Company**) will be held at The Institute of Chartered Accountants in Australia on Level 3 of 600 Bourke Street, Melbourne, Victoria on Thursday 26 November commencing at 11:00am (ADST).

### ORDINARY BUSINESS

#### 1. Annual Financial Report

**To receive and consider the Consolidated Financial Statements of the Company for the year ended 30 June 2015 and the reports of the Directors and Auditor thereon**

(Refer to Note 1 of the Explanatory Notes below)

#### 2. Resolution 1: Adoption of the Remuneration Report for the year ended 30 June 2015

To consider and if thought fit, to pass the following as a non-binding and advisory resolution in accordance with section 250R of the Corporations Act:

*“To adopt the Remuneration Report as included in the Directors’ Report for the year ended 30 June 2015.”*

(Refer to Note 2 of the Explanatory Notes below and note that the vote on this resolution is advisory only and does not bind the Company or its Directors)

#### 3. Resolution 2: To consider the re-election of J.M.D. Willis as a Director of the Company

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

*“That Mr James Max Duddingston Willis, who retires as a Director pursuant to the Constitution and, being eligible, offers himself for re-election and is hereby elected as a Director of the Company.”*

(Refer to Note 3 of the Explanatory Notes below)

#### 4. Resolution 3 To consider the re-election of D.C. Coombes as a Director of the Company

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

*“That Mr David Charles Coombes, who retires as a Director pursuant to the Constitution and, being eligible, offers himself for re-election and is hereby elected as a Director of the Company.”*

(Refer to Note 3 of the Explanatory Notes below)

#### 5. Resolution 4: Sale by Trustee of Trustee Shares to directors

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

*“Inasmuch as:*

- (a) *the Company has entered into a scheme of arrangement (“Scheme”) pursuant to which Doravale Enterprises Pty Ltd (“Trustee”) holds 33,000,000 ordinary shares in the capital of the Company on trust for sale (“Trustee Shares”) and inasmuch as the provisions of the Scheme restrict the Trustee from selling Trustee Shares to any related party of the Company (or any Associate of any such related party) in circumstances where, if such sale was an issue of equity securities by the Company, the approval of the members of the Company would be required by the Listing Rules;*
- (b) *The Company, the Trustee and each of the Directors have entered into a deed (“Deed”), a copy whereof will be tabled at the meeting and signed by the Chairman and marked with the letter “A” for the purposes of identification, pursuant to which Deed the Trustee is authorised to sell Trustee Shares*

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to each of the Directors by private treaty at a sale price per Trustee Share which price is not less than the higher of the VWAP (as herein defined) or \$0.10 cents (10 cents);

- (c) *The Deed shall constitute a separate agreement in relation to each of the Directors who have entered into it and the term of the Deed in relation to each such Director shall be the period during which he shall be a director of the Company or of any such subsidiary or until the Director and the Company may agree to terminate such Deed;*

**NOW IT IS HEREBY RESOLVED**

- (d) *That the Deed is ratified and approved;*
- (e) *That each of the Directors named in the Deed and their Associates (within the meaning of the Corporations Act together with any future director of the Company or any subsidiary of the Company from time to time who agrees to be bound by the Deed, are each hereby authorised to purchase Trustee Shares from the Trustee pursuant to the Deed during the term of the Deed as it applies to each Director with all such purchases to be on the terms set out in (b) above;*
- (f) *The Trustee is authorised to sell Trustee Shares to any director of the Company or any such Associate of any such director pursuant to the Agreement during the term of the Deed as it applies to that Director on the terms and conditions set out in (b) above*

*For the purposes of this resolution the VWAP referred to in (b) shall in the case of each such sale be the Volume Weighted Average Price of all fully paid ordinary shares in the capital of the Company recorded as traded on the stock market conducted by ASX in the period of 30 days prior to the date of the proposed sale which 30 day period ends on the day preceding the date on which the sale is made."*

(Refer to Note 4 of the Explanatory Notes below.)

**6. Resolution 5: Extension of Vesting Date under Trustee Stock Scheme**

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

That, in accordance with the provisions of the Scheme of Arrangement entered into between the Company and its Members in accordance with an Order of the Supreme Court of Victoria made on 17 November 2010 ("Scheme"), the Vesting Date of the Scheme be extended from 5.00 pm (AEST) on 30 November 2015 to 5.00 pm AEST on 30 November 2020.

(Refer to Note 5 of the Explanatory Notes below.)

By order of the Board  
**OCTANEX N.L.**



**Robert Wright**  
Company Secretary  
15 October 2015

## Explanatory Notes to the Business of the Meeting

### Note 1: Annual Financial Report of the Company

The Consolidated Financial Statements and related reports for the last financial year are contained in the Company's 2015 Annual Report and will be laid before the Meeting. While no resolution is required, Members are encouraged to ask questions of the Directors and the Auditor and make comments on the Consolidated Financial Statements and reports.

The Auditor responsible for preparing the Auditor's Report for the year ended 30 June 2015, (or his representative) will attend the Meeting. The Chairman will also allow a reasonable opportunity for Members to ask the Auditor questions about the:

- conduct of the audit;
- preparation and content of the Auditor's Report;
- accounting policies adopted by the Company in relation to the preparation of the Consolidated Financial Statements; and
- independence of the Auditor in relation to the conduct of the audit.

To assist the Directors and the Auditor in responding to questions, please submit your questions by mail to Octanex N.L., Level 21, 500 Collins Street, Melbourne 3000 or by fax to +61 (0)3 8610 4799 or by email to [admin@octanex.com.au](mailto:admin@octanex.com.au) so they are received by no later than 5:00pm (ADST) on 19 November 2015, being five (5) business days prior to the Meeting.

As required under section 250PA of the Corporations Act, at the Meeting the Company will distribute a list setting out the questions directed to the Auditor that have been received in writing from Members, being questions the Auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the Consolidated Financial Statements for the year ended 30 June 2015. The Chairman will allow reasonable opportunity for the Auditor to respond to the questions set out in this list.

### Note 2: Resolution 1 - Remuneration Report

The Remuneration Report, which is included in the Directors' Report section of the Company's 2015 Annual Report, will be laid before the Meeting. While the resolution to adopt it is not binding on the Company or the Directors, Members are encouraged to ask questions and make comments on the Remuneration Report. You should also note that the following voting restrictions apply in relation to voting on the Remuneration Report.

#### Voting exclusion statement

A vote may not be cast (in any capacity) on Resolution 1 by or on behalf of any of the following persons:

- (a) a member of the *Key Management Personnel*, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of a member of the Key Management Personnel.

However, a person described in (a) or (b) may cast a vote on Resolution 1 if:

- (c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- (d) the vote is not cast on behalf of a person described in (a) or (b).

The Directors unanimously recommend eligible Members vote in favour of adopting the Remuneration Report.

### Note 3: Resolutions 2 and 3 - Re-election and election of Directors

The Company's Constitution (**Constitution**) requires that at every Annual General Meeting one third of the Directors (other than the Managing Director) shall, by rotation, retire from office and provides that such Director or Directors are eligible for re-election. Mr Willis and Mr Coombes retire by rotation and are seeking re-election at the Meeting. The Directors, other than Mr Willis and Mr Coombes, unanimously recommend all Members vote in favour of the re-election of Mr Willis and Mr Coombes.

### Note 4: Resolution 4 – Issue of Trustee Shares to Directors

On 25 November 2010 the Company entered into a scheme of arrangement with its members pursuant to an Order of the Supreme Court of Victoria ("Scheme") made on 17 November 2010. The entering into the Scheme was approved by the members of the Company in general meeting in accordance with the Company's constitution and the Corporations Act 2001.

Under the Scheme the Trustee referred to in resolution 5 ("Trustee") was issued and allotted 33,000,000 ordinary shares in the capital of the Company on trust for sale on the basis that the net proceeds of sale would be received by the Trustee and paid to the Company as the subscription moneys for the Trustee Shares sold.

Once issued to the Trustee, the Trustee would, in the absence of restrictions in the Scheme, have been free to sell the Trustee Shares on market or off market by private treaty to a wide range of persons without restriction under the Corporations Act or the Listing Rules of ASX Limited ("Listing Rules").

In particular, without restrictions being included in the Scheme by agreement between the Trustee and the Company the Trustee would have been free to sell the Trustee Shares to any of the Directors of the Company or any of their Associates in any circumstances where directors were able to purchase shares in the company on market or off market from any other seller of shares.

Accordingly, as a matter of good governance, the Company and the Trustee agreed that the Trustee would not sell any Trustee Shares to any director of the Company (or any associate of any such director) other than with such prior approval of members in general meeting as would be required for the director (or his associates) to be issued and allotted shares in the Company by the Company.

Resolution 4 is being put to members to obtain such approval.

As stated in the resolution, the resolution seeks approval and ratification of the Deed referred to in the resolution and entered into between each of the directors, the Company and the Trustee under which the Directors may each purchase Trustee Shares from the Trustee on the basis that the net proceeds of sale of those shares, after payment of costs of sale including all commissions and fees, will be received by the Company from the Trustee directly or by direction from the selling broker for the sole purpose of being applied by the Company to fund its activities.

To ensure that the Company is not disadvantaged by the terms of the Deed and any such sales of Trustee Shares, the Deed requires that the price paid by Directors shall at all times be the higher of the 30 day VWAP referred to in the resolution or \$0.10 (10 cents). At present this would mean directors would pay in excess of twice the current last sale price for fully paid shares in the capital of the Company as traded on ASX and at no time can the directors purchase such shares at less than that 30 day VWAP.

These terms of sale compare favourably to the terms of sale on which the Trustee could normally sell Trustee Shares which is generally at not less than:

- (i) at a discount of up to 20% from either the last sale price of securities of the same class of securities as are the Trustee Securities as traded on that Stock Market or at a discount of up to 20% from the average market price for securities in that class determined as at the date on which the Trustee shall have given instructions to any Market Participant to sell or offer for sale those Trustee Securities;
- (ii) at a discount of greater than the 20% as determined above if the Trustee has appointed a broker to act on its behalf to sell the Trustee Securities or to advise the Trustee in relation to their sale and the Trustee has agreed a selling price with the broker or with any prospective purchaser on recommendation of the broker and the Board of Directors of the Company has that proposed selling price.

The significant benefit that will be received by the Company is that the directors of the Company, to the extent that they purchase Trustee Shares from the Trustee, will be funding the Company on terms significantly more attractively than the Company could likely obtain from either placing shares to third parties or by the Trustee selling Trustee Shares on market.

To avoid any effect on the market price of fully paid shares traded on ASX under the ASX Code: OXX, all sales of Trustee Shares will be made off market.

The existence of the arrangements under the Deed do not impact on disclosure provisions required to be complied with by directors or otherwise involve any lessening of the restriction on the circumstances in which directors may purchase shares.

Directors will only be entitled to purchase Trustee Shares from the Trustee during such times as they are permitted to buy shares generally under the Company's share trading policy which complies with ASX and Corporations Act requirements.

#### **Voting exclusion for Resolution 4**

The Company advises that it will disregard any votes cast on Resolution 4 on the Notice of Meeting by any Director or any Associate of any Director within the meaning of the Corporations Act. However, the Company will not disregard a vote if:

- (i) it is cast by any such person or any of its associates as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## Note 5: Resolution 5 – Extension of Vesting Date of Scheme

As referred to in Note 4 above and in the Resolution, the Company entered into the Scheme and issued 33,000,000 ordinary shares as Trustee Shares to the Trustee on the basis that the Trustee Shares were held on trust for sale with the net proceeds thereof being payable to the Company as the subscription moneys for the Trustee Shares as and when sold.

At present under the Scheme the “Vesting Date”, being the date when the Scheme terminates, is defined to mean 5.00 pm (AEST) on 30 November 2015: *“(or such other date, not later than 5.00 pm AEST on 30 November 2020, as the members of the Company determine by ordinary resolution in general meeting or by agreement in writing signed by the holders of not less than fifty percent of the voting power attached to all of the issued ordinary shares of the Company (excluding any such Trustee Shares as are held by the Trustee as Trustee Securities))”*.

The purpose of the resolution is to extend the Vesting Date so that the Scheme shall continue for up to the further period as specified to enable the provisions of resolution 4 to be implemented, if agreed to by the members, and to enable the Company, through the Trustee to use the Scheme for the purposes of raising additional funds as contemplated by the Scheme.

All members are entitled to vote on the resolution.

### Voting Generally

- The Company has determined that, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cwth), the holders of shares of the Company who are on the Company’s share register as at 11:30am (ADST) on 24 November 2015 will be taken for the purposes of the Meeting to be held by the persons who held them at that time. Accordingly, those persons will be entitled to attend and vote at the Meeting.
- A Member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Member’s voting rights.
- A proxy duly appointed need not be a Member.
- A proxy form accompanies this Notice and, to be effective, the executed proxy form and any document necessary to show the validity of the proxy form must be lodged with the Company not less than 48 hours before the time appointed for the Meeting. Any proxy form lodged after that time will be treated as invalid.
- Directors and Officers of corporate shareholders should note that unless the corporate shareholder either:
  - (a) completes and lodges with the Company a valid form of appointment of proxy in accordance with the instructions on the enclosed proxy form; or
  - (b) completes and either lodges with the Company prior to the Meeting a form of appointment of personal representative in accordance with the provisions of Section 250D of the Corporations Act or causes such personal representative to attend the Meeting with such form of appointment; or
  - (c) has appointed an attorney,and such proxy, personal representative or attorney attends the Meeting, then such corporate shareholder will be unable to exercise any votes at the Meeting.
- Proxy and corporate appointment of representative forms may be returned to the Company in the manner detailed at point 6 on the reverse of the proxy form.
- Corporate shareholders should comply with the execution requirements set out above and on the reverse of the proxy form and otherwise comply with the provisions of Section 127 of the Corporations Act, as detailed at point 7 on the reverse of the proxy form.
- Completion of a proxy form will not prevent individual Members from attending the Meeting in person if they wish. Where a Member completes and lodges a valid proxy form and attends the Meeting in person then the proxy’s authority to speak and vote for that Member is suspended while the Member is present at the Meeting.
- Where a proxy form or form of appointment of personal representative is lodged and is executed under power of attorney the power of attorney must be lodged in like manner as a proxy.

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**PROXY FORM**  
**OCTANEX N.L.**

(ABN 61 005 632 315)

The Company Secretary  
Octanex N.L.  
Level 21  
500 Collins Street  
Melbourne, Victoria 3000

I/We (name of Member) .....

of (address) .....

being a Member/Members of Octanex N.L. **(Company)** HEREBY APPOINT

(name) ..... or, failing that person, then the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at The Institute of Chartered Accountants in Australia on Level 3 of 600 Bourke Street, Melbourne, Victoria on Thursday 26 November 2015 commencing at 11:00 am (ADST) and at any adjournment thereof.

**INSTRUCTIONS AS TO VOTING ON RESOLUTIONS To indicate your instructions mark**



**If no directions are given my/our proxy may vote as he/she thinks fit or may abstain. Otherwise my/our proxy is to vote as follows:**

	FOR	AGAINST	ABSTAIN
Resolution 1: Adoption of the Remuneration Report			
Resolution 2: Re-election of Director: J. M. D. Willis			
Resolution 3: Re-election of Director: D.C. Coombes			
Resolution 4: Sale by Trustee of Trustee Shares to Directors			
Resolution 5: Extension of Vesting Date under Trustee Stock Scheme			

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

Subject to the operation of the express voting exclusions contained in the Explanatory Notes to the Notice of Meeting, the Chair's intention is to vote an undirected proxy in favour of each resolution to be put to the Meeting, even if he has an interest in the outcome of the resolution/s. You should be aware that votes so cast by the Chair of the Meeting as your proxyholder will not be disregarded because of that interest.

If no direction is given above or if more than one box is marked in relation to a resolution, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of that resolution at the Meeting and any adjournment thereof.

**If you are appointing more than one proxy, you must complete the following statement**

My total voting right is \_\_\_\_\_ shares. This Proxy is appointed to represent \_\_\_\_\_ % of my voting right or if 2 proxies are appointed Proxy 1 represents \_\_\_\_\_ % and Proxy 2 represents \_\_\_\_\_ % of my total votes. If no direction is given above or if more than one box is marked in relation to a resolution, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of that resolution at the Meeting and any adjournment thereof.

**Signature(s)**

Date

Individual or  
Joint Shareholder 1

Director/ Sole Director with no  
Company Secretary

Joint Shareholder 2

Director/Company Secretary

Joint Shareholder 3

Sole Director & Sole Company  
Secretary

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## INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Member entitled to attend and vote at a General Meeting of the Company is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Member's voting rights.
2. A duly appointed proxy need not be a Member.
3. This proxy form and any document necessary to show the validity of the form must be lodged with the Company not less than 48 hours before the time appointed for the meeting. Any proxy lodged after that time will be treated as invalid.
4. In the case of joint holders of shares in the Company, all holders must sign.
5. Directors and Officers of corporate shareholders should note that unless the corporate shareholder either:
  - (i) completes and lodges with the Company a valid form of appointment of proxy; or
  - (ii) completes and either lodges with the Company a form of appointment of or certificate of appointment of personal representative in accordance with the provisions of Section 250D of the Corporations Act (**Act**) or causes such personal representative to attend the meeting with such form of appointment or certificate; or
  - (iii) has appointed an attorney,and such proxy, personal representative or attorney attends the relevant meeting, then such corporate shareholder will be unable to exercise any votes at the relevant meeting.
6. Proxy and corporate representative appointment forms may be returned to the Company by delivery (by hand, mail, courier or facsimile) to the Company Secretary, Octanex N.L. at its Registered Office:

Level 21  
500 Collins Street  
Melbourne  
Victoria 3000  
Facsimile: +61 (0)3 8610 4799
7. Corporate shareholders should comply with the provisions of Section 127 or Section 204A of the Act as applicable. Section 127 of the Act provides that a company may execute a document without using its common seal if the document is signed by:
  - two directors of the company; or
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary - that director. In this case the signatory must state this next to their signature.Section 204A of the Act permits a proprietary company that does not have a company secretary to validly execute an instrument appointing a proxy if it is executed by the sole company director of that company and the person signing the proxy states that next to their signature.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Act, a document must appear to have been executed in accordance with section 127(1) or (2) or section 204A of the Act. This effectively means the status of the person(s) signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) or section 204A as applicable. In all cases the person or persons signing the instrument of proxy will be deemed to have warranted and represented to the Company that the proxy is executed in accordance with sections 129(5) and (6) of the Act or section 204A of the Act as relevant.
8. Where a Member completes and lodges a valid proxy form and attends a meeting in person then the proxy's authority to speak and vote for that Member is suspended while the Member is present at that meeting.
9. Where a proxy form or form of appointment of or certificate of appointment of personal representative is lodged and is executed under power of attorney the power of attorney must be lodged in like manner as a proxy.

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