
Notice & Agenda

Praemium Limited - 2013 Annual General Meeting

Notice is given that Praemium Limited, ACN 098 405 826 ("Praemium" or "the Company") will hold its Annual General Meeting (AGM) at 11am (Melbourne time) on 19 November 2013 at Grant Thornton, Level 30 The Rialto, 525 Collins Street, Melbourne VIC, Australia.

If you are unable to attend the meeting you are encouraged to complete and return the enclosed Voting Form which allows you to lodge your vote directly or appoint a proxy to vote on your behalf. You may also lodge your direct vote or appoint a proxy online. The completed voting form must be received by Link Market Services no later than 11am on 17 November 2013.

Business

Praemium Financial Report

To receive the Financial Statements, Directors' Report and the Independent Auditor's Report for Praemium and its controlled entities for the year ended 30 June 2013.

Note: There is no requirement for shareholders to approve these reports.

Resolution 1 – Election of Directors

1.1 – Re-election of Director – Mr Robert Edgley

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

"To elect Mr Robert Edgley, who retires by rotation and offers himself for re-election as a director of Praemium Limited."

1.2 – Re-election of Director – Mr Peter Mahler

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

"To elect Mr Peter Mahler, who retires by rotation and offers himself for re-election as a director of Praemium Limited."

Notes for Resolutions 1:

- The non-candidate directors unanimously support the election of Mr Edgley and Mr Mahler.
- As Chair, Mr Loveday intends to vote undirected proxies in favour of the election of each of Mr Edgley and Mr Mahler.

Resolution 2 - Adoption of Remuneration Report

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

"That, the Remuneration Report for the financial year ended 30 June 2013 (set out in the 2013 Annual Report) be adopted."

Notes:

- This Resolution is advisory only and does not bind the Company or the directors.
- The directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's Remuneration policies.
- If 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "Spill Resolution") that another meeting be held within 90 days at which all of the company's directors (other than any managing director or CEO) must go up for re-election.
- A voting exclusion applies to this Resolution. Details of that exclusion/prohibition are set out in the Explanatory Statement. The Chairman of the Meeting is permitted to vote undirected proxies where the shareholder expressly authorises the chair to exercise the proxy.

Resolution 3– Approval of the issue of Securities to Directors

Resolution 3.1 – Approval of the issue of Securities to Mr Peter Mahler

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

“That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the allotment and issue of 250,000 ordinary fully paid shares to Mr Peter Mahler in accordance with the Company’s Directors & Employees Benefits Plan.”

Resolution 3.2 – Approval of the issue of Securities to Mr Bruce Loveday

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

“That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the allotment and issue of 250,000 ordinary fully paid shares to Mr Bruce Loveday in accordance with the Company’s Directors & Employees Benefits Plan.”

Resolution 3.3 – Approval of the issue of Securities to Mr Michael Ohanessian (Long term incentive)

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

“That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the allotment and issue of 2,500,000 ordinary fully paid shares to Mr Michael Ohanessian in accordance with the Company’s Directors & Employees Benefits Plan.”

Resolution 3.4 – Approval of the issue of Securities to Mr Michael Ohanessian (Short term incentive)

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

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the allotment and issue to Mr Michael Ohanessian, such number of fully paid ordinary shares determined by dividing \$172,000 (calculated using the formula set out in the Explanatory Memorandum) by the share price on the Grant Date (being 19 November 2013).”

Note: Resolutions 3.1 will be put forward on the basis that Mr Mahler is re-appointed as Director of the Company at Resolution 2. A voting exclusion applies to these Resolutions. Details of that exclusion/prohibition are set out in the Explanatory Statement.

Resolution 4 – Approval to issue up to a further 10% of the Company’s issued capital over the next 12 months

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2.”

Note: A voting exclusion applies to this Resolution. Details of that exclusion/prohibition are set out in the Explanatory Statement.

Please read the Explanatory Statement

Information regarding the Resolutions, including important information regarding voting exclusions and prohibitions where applicable, may be found in the accompanying Explanatory Statement, which form part of this notice of meeting.

By Order of the Board



Paul Gutteridge
CFO & Company Secretary
18 October 2013

EXPLANATORY STATEMENT

This Explanatory Statement have been prepared for the information of shareholders of the Company (Shareholders) in relation to the business to be conducted at the Company's 2013 Annual General Meeting.

The purpose of the Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the Resolutions. The Directors recommend that Shareholders read this Explanatory Statement before determining whether or not to support the resolutions.

All of the Resolutions to be voted on are ordinary resolutions with the exception of resolution 4 which is a special resolution. An ordinary resolution requires a simple majority of votes cast by Shareholders entitled to vote on the resolution. A special resolution requires at least 75% of the votes cast by members entitled to vote must be in favour of the resolution for it to be passed. This includes voting via proxies.

Questions and Comments

The Chairman will give Shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

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

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

Shareholders who would like to submit a written question to the Company's auditor, should post questions to the Company Secretary or fax it to (03) 8622 1200. Written questions must relate to the content of the auditor's report to be considered at the Annual General Meeting or the conduct of the audit. All qualifying questions will be addressed at the Annual General Meeting.

Please note that all questions must be received at least five business days before the Annual General Meeting; that is by no later than 12 November 2013.

Unless the Company's Share Registry has been notified otherwise, Shareholders will not be sent a hard copy of the Annual Report. All Shareholders can download the Annual Report, which contains the Financial Statement for the year ended 30 June 2013, from the Company's Website at www.praemium.com.au/financial-reports.html.

Resolution 1 – Election of Directors

It is a requirement of the Company's Constitution, that where the number of Directors (excluding the Managing Director and any Directors appointed as additional Directors) is equal to or less than 5, then 2 of the Directors must retire from office at each Annual General Meeting. However, the retiring Directors may, if eligible, offer themselves for re-election.

Mr Robert Edgley & Mr Peter Mahler retire by rotation and, being eligible, offer themselves for re-election as directors.

Information about the experience, skills and qualifications of all of the Directors, including those standing for election, are set out in the Company's 2013 Annual Report. Copies of the Annual Report can be downloaded from the Company's Website at www.praemium.com.au/financial-reports.html.

Recommendation

The Directors, with Mr Edgley abstaining, recommend that Shareholders vote in favour of Resolution 1.1.

The Directors, with Mr Mahler abstaining, recommend that Shareholders vote in favour of Resolution 1.2.

Resolution 2 – Remuneration Report

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

The Report details the remuneration policies for Praemium Limited and each of its incorporated subsidiaries including those incorporated in the United Kingdom, Jersey, Hong Kong and China (the 'Group') and reports the remuneration arrangements for Directors and Key Management Personnel (identified for the purposes of the Accounting Standards). The Report is set out on pages 13-17 of the 2013 Annual Report to Shareholders.

The vote on this Resolution is advisory only, and does not bind the Directors or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the Corporations Act 2001 if 25% or more of votes that are cast at the meeting are voted against the adoption of the Report at two consecutive AGM's, Shareholders will be required to vote at the second of those AGMs on a resolution (a "Spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than any Managing Director) must go up for re-election. Shareholders will recall that not more than 25% of the votes cast at the 2011 or 2012 AGM's were cast against the resolution. Key Management Personnel are not permitted to vote on the resolution. Accordingly, unless express authorisation has been provided, any undirected proxies held by the Chairman of the meeting, other directors or other key management personnel or any of their closely related parties will not be voted on Resolution 2.

Key management personnel of Praemium are the directors of Praemium and those other persons having authority and responsibility for planning, directing and controlling the activities of Praemium, directly or indirectly. The Remuneration Report identifies Praemium's key management personnel for the financial year ending 30 June 2013. Their closely related parties are defined in the Corporations Act 2001, and include certain of their family members, dependents and companies they control.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 2 by marking either "For", "Against" or "Abstain" on the Voting Form for that item of business.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Report.

Resolutions 3.1 and 3.2 – Approval of the issue of Securities to Directors

In accordance with ASX Listing Rule 10.14, any issue of securities to a director under an employee share plan requires shareholder approval. Shareholders should note that these securities will be issued under the Company's existing Praemium Directors & Employees Benefits Plan.

Shareholders will recall that at the 2012 AGM (resolution 4), approval was obtained to issue 250,000 fully paid ordinary shares to each of Mr Peter Mahler and Mr Bruce Loveday. These shares were issued on 9 November 2012.

In addition to the above shares, approval is now being sought in respect to the issue of a further 250,000 fully paid ordinary shares to each of Mr Mahler and Mr Loveday.

It is a requirement of ASX Listing Rule 10.15 that Shareholders be provided with the following information:

The Name of proposed allottee

Mr Peter Mahler (subject to being re-appointed under Resolution 1) and Mr Bruce Loveday are Directors and therefore related parties of Praemium. Both Mr Mahler and Mr Loveday are entitled to participate in the Company's Directors & Employees Benefits Plan.

Maximum number of securities that may be issued

500,000 fully paid ordinary Shares, of which, 250,000 will be issued to Mr Loveday and 250,000 will be issued to Mr Mahler. Securities are required to be issued within 12 months after the date of meeting (being 19 November 2014).

There have been no additional securities issued to the above related parties since approval by shareholders at 2012's AGM.

All related parties entitled to participate in the Scheme

In addition to Mr Mahler and Mr Loveday, the other related parties of Praemium Limited who are entitled to participate in the Company's Directors and Employees Benefits Plan, are Mr Bruce Parncutt, Mr Robert Edgley and Mr Michael Ohanessian.

The Price or formula for calculating the price

The Shares will be issued for no consideration.

The Directors have determined that the issue is reasonable remuneration for the purposes of Chapter 2E and therefore, Shareholder approval for the purposes of the related party provisions set out in Chapter 2E of the Corporations Act is not required.

Recommendation

Resolutions 3.1 will be put forward on the basis that Resolution 1.2 is passed at the AGM (and Mr Mahler is re-appointed).

The Directors, with Mr Mahler abstaining, recommend that Shareholders vote in favour of Resolution 3.1. The Directors, with Mr Loveday abstaining, recommend that Shareholders vote in favour of Resolution 3.2. Voting exclusions apply to these Resolutions.

Resolution 3.3– Approval of the issue of Securities to the Managing Director

Long Term Incentive (LTI)

The CEO's employment contract, as disclosed to the market in August 2011 provides a combination of long-term incentives, namely performance rights and options. On 9 August 2011, the Company's Managing Director, Mr Michael Ohanessian was issued 5 million performance rights under Praemium's Directors & Employees Benefits Plan.

The vesting of performance rights, which are able to be converted into fully paid ordinary shares are directly linked to achieving targeted EBIT per share as set by the Board. Assessment of performance targets commenced in the 2013 financial year for a period of 3 years. Provided targets are achieved, performance rights are weighted 50% in year one, 25% in year two and 25% in year three. The targets set by the Board are absolute, where no entitlements will be issued if baseline targets are not met.

With FY13's EBIT baseline target of -0.77 cents per share exceeded by 29%, based on audited financial results, 2,500,000 fully paid ordinary Shares (50% of 5 million performance rights) are entitled to be issued.

In accordance with ASX Listing Rules 10.14, any issue of securities to a director under an employee share plan requires shareholder approval. Upon Shareholder approval being obtained, 2,500,000 ordinary fully paid Shares in the capital of Praemium Limited can be issued relating to the Managing Director's LTI.

It is a requirement of ASX Listing Rule 10.15 that Shareholders be provided with the following information:

The Name of proposed allottee

Mr Michael Ohanessian is a Director and therefore a related party of Praemium and is also entitled to participate in the Company's Directors & Employees Benefits Plan.

Maximum number of securities that may be issued

2,500,000 fully paid ordinary Shares, in accordance with the CEO terms of appointment announced to the market on 9 August 2011.

There have been no additional securities issued to the above related party since approval by shareholders at 2012's AGM.

All related parties entitled to participate in scheme

In addition to Mr Michael Ohanessian, the other related parties who are entitled to participate in the Company's Directors and Employees Benefits Plan are Mr Bruce Parncutt, Mr Robert Edgley, Mr Mahler and Mr Loveday.

The Price or formula for calculating the price

The Shares will be issued for no consideration.

In accordance with ASX Listing Rule 10.15, securities are required to be issued within 12 months after the date of meeting (being 19 November 2014).

The Directors have determined that the issue is reasonable remuneration for the purposes of Chapter 2E and therefore, Shareholder approval for the purposes of the related party provisions set out in Chapter 2E of the Corporations Act is not required.

Recommendation

The Directors, with Mr Michael Ohanessian abstaining, recommend that Shareholders vote in favour of Resolution 3.3. Voting exclusions apply to these Resolutions.

Resolution 3.4 – Approval of the issue of Securities to the Managing Director

Short Term Incentive (STI)

In accordance with the terms of appointment announced to the market on 9 August 2011 the Company's Managing Director, Mr Michael Ohanessian, has the capacity to earn a short term incentive upon achievement of agreed performance criteria, being the achievement of Board agreed budgeted EBIT targets.

The STI is determined based on 30% of base salary on achievement of budget EBIT, and up to a maximum of 50% based on outperformance. As disclosed in Praemium's 2013 Annual Report, with FY2013's annual result exceeding target by 67% an STI of \$172,000 has been achieved.

In accordance with ASX Listing Rules 10.11, any issue of securities to a related party requires shareholder approval. These shares will not be issued under the Company's Directors & Employees Benefits Plan. Upon Shareholder approval being obtained, the number of ordinary fully paid Shares able to be issued is determined by dividing \$172,000 by the share price on 19 November 2013 (Grant Date).

In relation to the Managing Director's STI, which will not be issued under the Company's Directors & Employees Benefits Plan it is a requirement of ASX Listing Rule 10.13 that Shareholders be provided with the following information:

The Name of proposed allottee

Mr Michael Ohanessian is a Director and therefore a related party of Praemium.

Maximum number of securities that may be issued

The maximum value of STI is \$172,000, as disclosed in Praemium's 2013 Annual Report.

The number of shares to be issued shall be determined by dividing \$172,000 by the share price on the Grant Date.

The Price or formula for calculating the price

The Shares will be issued for no consideration.

Intended use of the funds raised

No funds will be raised from the issues as the purpose of the issues is to remunerate Mr Michael Ohanessian in a form other than cash.

In accordance with ASX Listing Rule 10.13, securities are required to be issued within 1 month after the date of meeting (being 19 December 2013). If approved, the Shares the subject of this resolution will be issued on 19 November 2013.

The Directors have determined that the issue is reasonable remuneration for the purposes of Chapter 2E and therefore, Shareholder approval for the purposes of the related party provisions set out in Chapter 2E of the Corporations Act is not required.

Recommendation

The Directors, with Mr Michael Ohanessian abstaining, recommend that Shareholders vote in favour of Resolution 3.4. Voting exclusions apply to these Resolutions.

Resolution 4 – Approval of further 10% of issue capital

(a) Introduction

On 1 August 2012, new ASX Listing Rule 7.1A was introduced to allow 'eligible entities' to obtain the approval of shareholders at an annual general meeting to issue up to 10% of its issued capital (**Additional Placement Facility**), in addition to the 15% available to the Company under ASX Listing Rule 7.1 (which allows the issue of up to 15% of a company's issued capital without shareholder approval). The Company is an eligible entity as it has a market capitalisation of less than \$300 million. The Company's current market capitalisation is \$50.5 million (at 11 October 2013).

If passed, this resolution would effectively allow the Company to issue up to 25% of its issued capital in the next 12 months without seeking any additional shareholder approvals. The shares the subject of the Additional Placement Facility must be an existing class of security currently quoted on the ASX. Shares issued with approval under ASX Listing Rule 7.1A may be issued at any time during the 12 month period from the date of this resolution.

This resolution must take the form of a special resolution. A special resolution requires at least 75% of the votes cast by members entitled to vote must be in favour of the resolution for it to be passed. This includes voting via proxies.

Shareholders are advised that it is a condition of approval under ASX Listing Rule 7.1A that the issue price for the Additional Shares must not be less than 75% of the VWAP calculated over the 15 trading day immediately before:

- (i) the date on which the price is agreed; or
- (ii) or if the securities are not issued with 5 trading days of the date referred to in paragraph (i) the date on which the securities are issued.

(b) Notice requirement under ASX Listing Rule 7.3A

It is a requirement of ASX Listing Rule 7.3A.1 that shareholders be given the following information when seeking approval under ASX Listing Rule 7.1A:

The minimum price at which the Additional Shares may be issued.

It is the intention of the Company that the shares issued under the Additional Placement Facility will not be for a price less than 5% of the VWAP calculation referred to at paragraph (a) above. In any event, the issue price of the shares cannot exceed the 25% discount referred to in paragraph (a) above.

Risk of economic and voting dilution of existing shareholders

An issue of shares under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks include:

- a) the market price for shares may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
- b) the equity securities may be issued at a price that is at a discount to the market price for the shares on the issue date.

Should the full Additional Placement Facility be utilised during the next 12 month period, this will have a dilutive effect on Shareholders. It is a requirement of ASX Listing Rule 7.3A that shareholders be provided with examples of the possible dilutive effect further issues can have on a shareholders economic and voting rights. Information under Listing Rule 7.3A.2:

- The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares as at 18 October 2013 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 this Notice.
- In particular, it assumes that "A" is calculated upon resolutions 4-9 inclusive being approved at the Annual General Meeting.

The table also shows:

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

Variable A in Listing Rule 7.1A.2		Dilution \$0.0675 issue price 50% decrease in Issue Price	Dilution \$0.135 Issue Price	Dilution \$0.27 issue price 100% decrease in Issue Price
Current Variable A 373,957,561 shares	10% voting dilution	37,395,756 shares	37,395,756 shares	37,395,756 shares
	Funds raised	\$2,524,214	\$5,048,427	\$10,096,854
50% increase in current variable A 560,936,341 shares	10% voting dilution	56,093,634 shares	56,093,634 shares	56,093,634 shares
	Funds raised	\$3,786,320	\$7,572,640	\$15,145,281
100% increase in current variable A* 747,915,122 shares	10% voting dilution	74,791,512 shares	74,791,512 shares	74,791,512 shares
	Funds raised	\$5,048,427	\$10,096,854	\$20,193,708

**This example is specifically required by ASX. The Company advises that it has no current intentions to double the number of shares on issue in the next 12 months.*

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Shares available under the 10% Listing Rule 7.1A approval;
- No options are exercised to convert into Shares before the date of the issue of the Shares available under Listing Rule 7.1A.
- 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%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of share issue under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Meeting.
- 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.
- The issue of Shares under Listing Rule 7.1A consists only of Shares. If the issue includes listed options, it is assumed that those listed options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price is \$0.135, being the closing price of the Shares on ASX on 11 October 2013.

The date by which securities approved under this listing rule will be issued.

Securities issued with approval under this ASX Listing Rule, must be issued within 12 months from the date of the resolution by 19 November 2014, or earlier if shareholders subsequently approval a significant transaction for the purposes of ASX Listing Rule 11.1.2 or ASX Listing Rule 11.2.

The purpose for which the securities may be issued including for non-cash consideration.

It is the Board's current intention that any funds raised pursuant to an issue of securities will be applied towards any potential acquisitions, in accordance with the Company's growth strategies. The board may also issue shares for cash consideration. In the event securities are issued for non-cash consideration, the company will provide for release to the market a valuation of the non-cash consideration in accordance with Listing Rule 7.1A.3

Any issue of shares under the Additional Placement Facility would be subject to the Directors satisfying themselves of the viability of such acquisition. At the time of this Explanatory Memorandum, the Company has not formed an intention in regards to any strategic acquisitions.

Details of the Company's allocation policy for securities issued under this listing rule.

The Company's current allocation policy in respect of the Additional Placement Facility is to make the Additional Shares available to a mix of existing and new shareholders. A final determination as to the suitability of the allocation of the shares will depend on the needs and requirements of the Company at the relevant time.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- a) 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;
- b) the effect of the issue of the Listing Rule 7.1A shares on the control the Company;
- c) the financial situation and solvency of the Company; and
- d) advice for corporate, financial and broking advisers (If applicable).

This is the first time the Company has sought approval for this resolution, with no previous approvals having been sought under Listing Rule 7.1A.

Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4. Voting exclusions apply to this Resolution.

OTHER INFORMATION

Entitlement to attend and vote

In accordance with Reg 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of Shares in the Company as at 7pm (Melbourne time) on 17 November 2013 will be entitled to attend and vote at the AGM as a Shareholder.

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

Voting Exclusion/Prohibition Statements

The Company will, in accordance with the Listing Rules, disregard any votes cast:

- On Resolutions 3.1, 3.2 & 3.3 by all directors of Praemium Limited;
- On Resolutions 3.4 by Mr Michael Ohanessian and his associates; and
- On Resolution 4, by a person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity as holder of ordinary securities, if the resolution is passed.

However, the Company need not disregard a vote if:

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

Special voting restrictions in relation to Resolution 2:

- In addition to the voting exclusions set out above (which relate to the ASX Listing Rules), special voting restrictions are imposed in relation to Resolution 2 by the Corporations Act. Further details are set out in the notes to the Resolution in the Notice of Meeting and above in this Explanatory Statement.

Proxies

In accordance with section 249L(d) of the Corporations Act 2001 (Cth) a member who is entitled to attend and vote at the AGM may appoint a proxy. A proxy can be either an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the Corporations Act 2001 (Cth); and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the AGM.

If satisfactory evidence of appointment as corporate representative is not received before the meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

If a Shareholder is entitled to cast two or more votes the Shareholder may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. If the proxy appointments do not specify the proportion of the member's voting rights that each proxy may exercise, each proxy may exercise half of the member's votes.

A proxy need not be a member.

The Proxy Form (and, if the appointment is signed by the appointer's attorney, the authority under which it was signed or a certified copy of the authority) must be received by the Company's share registry, Link Market Services Limited, by 11.00am (Melbourne time) on 17 November 2013.

If you choose to appoint a proxy you are encouraged to direct your proxy how to vote by marking either "For" "Against" or "Abstain" for that item of business. If you sign the enclosed voting form and do not mark Box A or Box B, you will have appointed the Chairman of the meeting as your proxy. Where the shareholder expressly authorises the chair to exercise the proxy, your shares will be voted on Resolution 2.

The completed proxy form may be:

Mailed/delivered to the Company's share registry using the enclosed envelope, to Link Market Services Limited at:

Street Address: Level 12, 680 George Street, SYDNEY, NSW 2000 or 1A Homebush Bay Drive, Rhodes NSW 2138

Postal Address: Locked Bag A14 SYDNEY SOUTH, NSW 1235

Faxed to Link Market Services Limited on Fax: 02 9287 0309

Online Proxy Appointment - Proxies can be lodged online at www.praemium.com.au by the following steps.

- Step 1 –** select Investor Relations from the top menu;
- Step 2 -** click on Shareholder Communications;
- Step 3 -** click on the link at the end of the webpage titled Præmium online share registry.
- Step 4 –** enter your Holder Identification Number (HIN) or Shareholder Registration Number (SRN) (which appears on your proxy form or a statement previously received), your surname or company name (as registered), your postcode and then select validate;
- Step 5 –** select Voting from the top menu;
- Step 6 –** complete the steps to lodge your proxy.

You will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website. To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

Direct Voting

In accordance with rule 8.7(j) of the Company's Constitution, where a Shareholder is entitled to vote, and cannot attend personally and does not wish to appoint a proxy, the Shareholder may vote directly on Resolutions to be considered at the AGM by mailing their vote(s) to the Company's share registry, Link Market Services Limited, by 11.00am (Melbourne time) on 17 November 2013.

The direct voting form may be:

Mailed/delivered to the Company's share registry, Link Market Services Limited at:

Street Address: Level 12, 680 George Street, SYDNEY, NSW 2000 or 1A Homebush Bay Drive, Rhodes NSW 2138

Postal Address: Locked Bag A14, SYDNEY SOUTH, NSW 1235

Faxed to Link Market Services Limited on Fax: 02 9287 0309

Online Direct Voting – Direct votes can be lodged online at www.praemium.com.au by using the following steps.

- Step 1 –** select Investor Relations from the top menu;
- Step 2 –** click on Shareholder Communications;
- Step 3 –** click on the link at the end of the webpage titled Præmium online share registry.
- Step 4 –** enter your Holder Identification Number (HIN) or Shareholder Registration Number (SRN) (which appears on your proxy form or a statement previously received), your surname or company name (as registered), your postcode and then select validate;
- Step 5 –** select Voting from the top menu;
- Step 6 –** after selecting the meeting and declaration and then clicking on OK, select the third option titled Direct Vote;
- Step 7 –** complete the steps to lodge your direct vote.

You will be taken to have signed your direct vote form if you lodge it in accordance with the instructions given on the website.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act 2001 (Cth) in which case the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act 2001 (Cth) to be provided. The Certificate must be lodged with the Company before the AGM or at the registration desk on the day of the AGM. The Company will retain the certificate. A form of this certificate may be obtained from the Company's share registry.



SHAREHOLDER VOTING FORM

STEP 1 Please mark either Box A or Box B

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

A VOTE DIRECTLY	OR	B APPOINT A PROXY
☐ elect to lodge my/our vote(s) directly (mark box)		☐ the Chairman of the Meeting (mark box)
i in relation to the Annual General Meeting of the Company to be held at 11:00am on Tuesday, 19 November 2013, and at any adjournment or postponement of the meeting. You should mark either "for" or "against" for each item. Do not mark the "abstain" 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 (excluding the registered shareholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named. If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11:00am on Tuesday, 19 November 2013, at Grant Thornton, Level 30 The Rialto, 525 Collins Street, Melbourne and at any adjournment or postponement of the meeting. If I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Voting Directions will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

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

STEP 2 VOTING DIRECTIONS

Resolutions	For	Against	Proxy Only Abstain*		For	Against	Proxy Only Abstain*
1.1 Re-election of Director - Mr Robert Edgley	☐	☐	☐	3.2 Approval of the issue of Shares to Mr Bruce Loveday	☐	☐	☐
1.2 Re-election of Director - Mr Peter Mahler	☐	☐	☐	3.3 Approval of the issue of Shares to Mr Michael Ohanessian (Long term incentive)	☐	☐	☐
2 Adoption of Remuneration Report	☐	☐	☐	3.4 Approval of the issue of Shares to Mr Michael Ohanessian (Short term incentive)	☐	☐	☐
3.1 Approval of the issue of Shares to Mr Peter Mahler	☐	☐	☐	4 Approval to issue up to a further 10% of the Company's issued capital over the next 12 months	☐	☐	☐

i * If you are voting under Box B and 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 IMPORTANT - VOTING EXCLUSIONS

☐ If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Items 3.1, 3.2 and 3.3 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of those Items and that votes cast by him/her for those Items, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 3.1, 3.2 and 3.3 and your votes will not be counted in calculating the required majority if a poll is called on these Items. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 3.1, 3.2 and 3.3.

STEP 4 SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

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

HOW TO COMPLETE THIS VOTING 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.**

Voting under Box A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either "for" or "against" for each item. Do not mark the "abstain" box. If you mark the "abstain" box for an item, your vote for that item will be invalid.

If no direction is given on all of the items, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the meeting as your proxy.

Custodians and nominees may, with the Share Registrar's consent, identify on the voting form the total number of votes in each of the categories "for" and "against" and their votes will be valid.

If you have lodged a direct vote, and then you attend the meeting, your attendance will cancel your direct vote.

The Chairman's decision as to whether a direct vote is valid is conclusive.

Voting under Box B - Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Box B. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Box B. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

Votes on Items of Business - Proxy Appointment

You should 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. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- on each of the first Voting Form and the second Voting 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 have already lodged 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.

Lodgement of a Voting Form

This Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Sunday, 17 November 2013**, being not later than 48 hours before the commencement of the meeting. Any Voting Form received after that time will not be valid for the scheduled meeting.

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



ONLINE > 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" (as shown on the front of the proxy form).



by mail:

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



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

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.