



25 October 2013

Dear Shareholder

Accompanying this letter is the notice of meeting for the annual general meeting of Ambertech Limited, to be held on 26 November 2013. I hope that you are able to either attend the meeting in person or, if not, convey your views by voting on the resolutions that form part of the meeting by proxy.

The company's annual report has been dispatched to shareholders and posted online commensurate with the notice of meeting. The annual report contains a detailed account of the performance of the company for the 2013 financial year and I would encourage you to read the various statements in it carefully. The past year has been another difficult one for the company and its shareholders – the reasons for which are fully described in the annual report. We will provide an update on our efforts to improve this performance at the AGM.

The formal business of the AGM comprises four items:

1. To receive and consider the financial and related reports;
2. To consider a resolution for the re-election of Mr Ed Goodwin as a director of the company;
3. To consider a resolution for the adoption of the Remuneration Report for the 2013 financial year; and
4. In the event that the Remuneration Report resolution is opposed by 25% or more of the votes cast, to consider a resolution to convene a further meeting of the company at which the position of all non-executive directors would be determined.

As shareholders would be aware, whilst the vote to adopt the Remuneration Report is not binding, if 25% or more votes are cast against two Remuneration Reports in succession, this **may** lead to a "spill" meeting of the company at which the position of all non-executive directors is determined. This procedure is commonly referred to as the "two strikes rule".

Adoption of the Ambertech Remuneration Report for the 2012 financial year was opposed by more than 25% of the votes cast. Accordingly, if the Remuneration Report for the 2013 financial year is also opposed by 25% or more of the votes cast, it would then be open to shareholders to move for all non-executive directors to stand for re-election, at a subsequent meeting, as described above.

In my opinion, this course of action is likely to be counterproductive to the interests of Ambertech and its shareholders. It should therefore be considered with due caution.

The stated intention of the two strikes rule was to empower shareholders to constrain remuneration arrangements that were clearly excessive. The Directors do not consider this to be the case at Ambertech. As described in the Remuneration Report for the 2013 financial year, members of the executive team have received minimal increases to their fixed remuneration over the past three years, whilst short and long term incentive payments have not fully met their trigger points because of Ambertech's financial performance (and as such, limited incentive payments have been made). In summary, the remuneration of the Ambertech executive team has been greatly constrained because of recent company performance. The non-executive Directors remuneration has not changed since 1 January 2010.



Following last year's AGM Remuneration Report vote, the Board spent time assessing the reasons for opposing the resolution with the representative of our largest independent shareholder to obtain their feedback. As a result, it is the board's opinion that the predominant sentiment against the resolution was a combination of a general criticism of the company and specific issues for that shareholder - not remuneration issues. At last year's AGM, the representative of the largest independent shareholder indicated that he did not consider that the remuneration was excessive.

A vote against the Remuneration Report for the 2013 financial year, especially if it is followed by a further general meeting with all of the costs and distraction the company can ill afford, will risk destabilising the company and its management at a time when all efforts are required to complete the strategic process necessary to improving future performance.

For these reasons, your Directors strongly urge shareholders to vote for the adoption of the Remuneration Report at the coming AGM and, if necessary, vote against the requirement for a further general meeting to consider the position of non-executive directors (ie vote against the "spill" resolution). Your Directors urge the shareholders to back the existing board and management to implement their strategic plans to enable the company to return to better performance.

Yours faithfully

Peter Wallace
Chairman



Ambertech Limited (ACN 079 080 158)
Notice of Annual General Meeting (AGM)

Notice is hereby given that the AGM of Ambertech Limited ("the Company") will be held at Pittwater RSL Club, 82 Mona Vale Rd, Mona Vale on Tuesday 26 November 2013 at 10:30am.

Agenda

Ordinary Business

1. Financial and other Reports

To receive the Financial Report and the Reports of the Directors and Auditors thereon for the year ended 30 June 2013.

2. Election of Directors

Resolution 1: Re-election of Mr Ed Goodwin as a Director

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

"That Mr Ed Goodwin, who retires by way of rotation in accordance with Article 6.1 of the Company's Constitution, and, being eligible offers himself for election, is hereby re-appointed a director of the Company."

3. Remuneration Report

Resolution 2: Non-binding vote on the 2013 Remuneration Report

To consider, and, if thought fit, to pass the following resolution as a non-binding resolution of shareholders:

"That pursuant to and in accordance with section 250R(2) of the Corporations Act the 2013 Remuneration Report, as contained within the Directors' Report, be adopted."

Other Business (if required)

4. Spill Resolution

Note - this Resolution will only be voted on if the outcome of Item 3 of this Notice of Meeting is such that at least 25% of the votes cast are against the adoption of the 2013 Remuneration Report. See Resolution 3 of the Explanatory Statement for further details.

Resolution 3: Spill Resolution (if required)

Subject to at least 25% of the votes cast being against the adoption of the 2013 Remuneration Report, to consider, and, if thought fit, pass the following as an ordinary resolution:

"That, pursuant to and in accordance with section 250V of the Corporations Act:

- (i) an Extraordinary General Meeting of the Company (Spill Meeting) be held within 90 days of the Company's 2013 Annual General Meeting (AGM);*
- (ii) all the Company's Directors (other than the Managing Director of the Company) who were Directors of the Company when the resolution to adopt the 2013 Remuneration Report was voted on at the 2013 AGM, and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- (iii) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting."*

By order of the Board

Robert Glasson
Company Secretary
25 October 2013



Notes

Admission to Meeting

Shareholders who will be attending the meeting, and who will not be appointing a proxy, are requested to bring the proxy form to the meeting to help speed admission.

Shareholders who do not plan to attend the meeting are encouraged to complete and return the proxy for each of their holdings of Ambertech Limited shares.

Proxies

If you are unable to attend and vote at the meeting and wish to appoint a person who will be attending as your proxy, please complete the enclosed proxy form. This form must be received by the Company at least 48 hours before the scheduled commencement time for the meeting.

A member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies (who need not be members of the Company) to attend and vote for the member at the meeting.

If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes. A single proxy exercises all voting rights.

The Chairman intends to vote undirected proxies for Items 2 and 3 and against Item 4 (if put to the meeting).

Proxies will only be valid and accepted by the Company and/or the share registry if they are signed and forwarded to the Company at the address or facsimile number quoted below so as to be received not later than 48 hours before the meeting.

The completed Proxy Form may be mailed/delivered to the Company's share registry, Link Market Services Limited at:

Postal address and street address:	Alternative street address:	Faxed to Link Market Services
Level 12	1A Homebush Bay Drive	Limited on Fax: +61 (0)2 9287 0309.
680 George Street	Rhodes	
Sydney NSW 2000	NSW	

Proxies can also be lodged electronically at Link Market Services' website 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, security holders will need their "Holder Identifier" (Security holder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form). You will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website.

The Company has determined in accordance with regulations pursuant to section 1074E of the Corporations Act 2001 that for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register as at 10:30am (EDST) on Sunday, 24 November 2013.

Explanatory Memorandum

The Directors of the Company recommend shareholders read this explanatory memorandum in full before making any decision in relation to the resolutions. The following information should be noted in respect of the various matters contained in the accompanying Notice.

Resolution 1 – Re-election of Mr Ed Goodwin as a Director of the Company

Article 6.1 of the Company's Constitution provides that at every Annual General Meeting of the Company any director (other than the Managing Director) who, if he does not retire, will at the conclusion of the meeting have been in office for 3 or more years and for 3 or more annual general meetings since last elected to office, shall retire from office. A retiring Director is eligible for re-election.

Accordingly, pursuant to Article 6.1 of the Company's Constitution, Mr Ed Goodwin, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company. Mr Goodwin is currently the Chairman of the Audit and Risk Management Committee.

The Directors (with Mr Goodwin abstaining) recommend that shareholders vote in favour of the re-election of Mr Goodwin.

Resolution 2 -Non-binding vote on the 2013 Remuneration Report

Pursuant to Section 250R (2) of the Corporations Act, a resolution to adopt the Remuneration Report contained within the Directors' Report must be put to the vote. Shareholders are advised that pursuant to Section 250R (3) of the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.

The 2013 Remuneration Report is set out within the Directors' Report. The Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive and non-executive Directors and specified executives of the Company;
- sets out remuneration details for each Director and specified executive of the Company;
- details and explains any performance conditions applicable to the remuneration of executive Directors and specified executives of the Company; and
- provides an explanation of the option-based compensation payments for each Director and specified executive of the Company.

A reasonable opportunity will be provided for discussion of the 2013 Remuneration Report at the meeting.

Voting Exclusion Statement – Resolution 2

The Company will disregard any votes cast on Resolution 2 (in any capacity) by, or on behalf of, the following persons:

- (a) a member of the Key Management Personnel (KMP) (which includes each of the Directors of the Company) whose remuneration is disclosed in the 2013 Remuneration Report; or
- (b) a Closely Related Party (as that term is defined in the Corporations Act) (such as close family members and any controlled companies) of such a member of the KMP.

However, the Company will not disregard the vote if it is cast as a proxy for a person who is entitled to vote and:

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

Directors Recommendation

The Directors note that the Government's stated intention of the "two strikes rule" was to empower shareholders to constrain remuneration arrangements that were clearly excessive. The Directors do not consider this to be the case for the Company. As described in the Remuneration Report for the 2013 financial year, members of the Company's executive team have received minimal increases to their fixed remuneration over the past three years, whilst short and long term incentive payments have not fully met their trigger points due to the Company's recent financial performance. The non-executive directors' remuneration has not changed since 1 January 2010.

Accordingly, the Directors unanimously recommend that shareholders vote in favour of adopting the 2013 Remuneration Report. The Chairman of the meeting intends to vote all undirected proxies in favour of Resolution 2.

Resolution 3 – Spill Resolution (if required)

If 25% or more of the votes that are cast are voted against the adoption of the 2013 Remuneration Report in Resolution 2, the Company is required to put this item to the 2013 AGM. In the event that less than 25% of the votes cast are against the adoption of the Remuneration Report, this resolution will not be put before shareholders.

In the event that the resolution is voted on by shareholders, and if more than 50% of votes that are cast are voted in favour of the spill resolution, section 250V of the Corporations Act requires the Company to convene an extraordinary general meeting (spill meeting) within 90 days of the 2013 AGM. The company intends to hold any such spill meeting immediately following the closing of the 2013 AGM. As a result, a notice of extraordinary general meeting for the spill meeting has been sent to Shareholders at the same time as the notice of 2013 AGM.

All of the Directors who were in office when the 2013 Remuneration Report was approved, other than the Managing Director (who may continue to hold office without re-election under the ASX Listing Rules), will need to stand for re-election at the spill meeting. Following the spill meeting, those persons whose election or re-election as Directors is approved will be the Directors of the Company. If a Director is re-appointed at the spill meeting, the appointment continues as if the cessation and re-appointment had not happened.

The Corporations Act includes a mechanism to ensure that the Company will have at least 3 directors (including the Managing Director) after the spill meeting, as is required for a public company. If at the spill meeting at least 2 non-executive directors are not appointed by ordinary resolution, those persons with the highest percentage of votes favouring their appointment will be taken to be appointed (even if less than half of the votes cast on the resolution were in favour of their appointment).

Voting Exclusion Statement – Resolution 3

The Company will disregard any votes cast on Resolution 3 (in any capacity) by, or on behalf of, the following persons:

- (a) a member of the Key Management Personnel (KMP) (which includes each of the Directors of the Company) whose remuneration is disclosed in the 2013 Remuneration Report; or
- (b) a Closely Related Party (as that term is defined in the Corporations Act) (such as close family members and any controlled companies) of such a member of the KMP.

However, the Company will not disregard the vote if it is cast as a proxy for a person who is entitled to vote and:

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

Directors' Recommendation

The spill resolution is an ordinary resolution, and will be passed if 50% 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) are cast in favour of this Resolution.

A vote in favour of a spill meeting will result in costs and distraction that the Company can ill afford, and will risk destabilising the Company and its management at a time when all efforts are required to complete the strategic process necessary to improving future performance.

For these reasons, your Directors strongly urge shareholders to vote against this spill meeting resolution. Your Directors urge the shareholders to back the existing board and management to implement their strategic plans to enable to company to return to better performance.

In summary, the Directors unanimously recommend that shareholders vote against the spill resolution. The Chairman of the meeting intends to vote all undirected proxies against Resolution 3.



By mail:
Ambertech Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: 02 9287 0309



All enquiries to: Telephone: 1300 554 474

SHAREHOLDER PROXY FORM

I/We being a member(s) of Ambertech 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 (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 **10:30am on Tuesday, 26 November 2013, at Pittwater RSL Club, 82 Mona Vale Road, Mona Vale, NSW** and at any adjournment or postponement of the meeting. 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 intends to vote undirected proxies for Resolutions 1 and 2; and against Resolution 3 (if put to the meeting).

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

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

STEP 2

VOTING DIRECTIONS

Resolution 1

Re-election of Mr. Ed Goodwin as a Director

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 2

Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 3

Spill Resolution

Note - this Resolution will only be voted on if the outcome of Resolution 2 (Remuneration Report) is such that at least 25% of the votes cast are against the adoption of the Remuneration Report. See Item 4 of the Explanatory Statement in the Notice of Meeting for further details.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* 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)

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).

AMO PRX301R



HOW TO COMPLETE THIS 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 a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 Step 1. 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 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. 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 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.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am on Sunday, 24 November 2013**, 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

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



by mail:

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



by fax:

02 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.**