

G8 Education Limited

ACN 123 828 553

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of G8 Education Limited (**Company**) will be held on **21 May 2015** at **11.00am (Brisbane time)** at The Southport Yacht Club, Macarthur Parade, Main Beach Gold Coast, Queensland.

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the Company's Financial Report, the Directors' Report, and the Auditor's Report for the period ended 31 December 2014.

Resolution 1: Remuneration Report

To consider and, if thought fit, pass the following as an advisory ordinary resolution in accordance with section 250R(2) of the *Corporations Act*:

"That the section of the report of the Directors contained in the 2014 Annual Report dealing with the remuneration of the Company's Directors and Senior Executives (**Remuneration Report**) be adopted."

This resolution shall be determined as if it were an ordinary resolution, but under Section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors of the Company.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a member of the Key Management Personnel (including Directors), details of whose remuneration are disclosed in the Remuneration Report, or a Closely Related Party of those persons. However, a vote may be cast on Resolution 1 by a member of the Key Management Personnel or a Closely Related Party, if the vote is cast as a proxy appointed in writing which specifies the way in which the proxy is to vote on Resolution 1, and the vote is not cast on behalf of a member of the Key Management Personnel or a Closely Related Party.

Resolution 2: Re-election of a Director – Brian Hilton Bailison

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

"That Mr Brian Hilton Bailison, who retires in accordance with Listing Rule 14.4 and Article 47(b) of the Company's Constitution and, being eligible for re-election, be elected as a Director of the Company."

Voting Exclusion Statement

As Resolution 2 does not propose to provide a financial benefit, the candidate may validly cast a vote in respect of the Resolution to elect them as a Director and comply with Section 224 of the *Corporations Act* and Listing Rule 10.3. In the interests of good corporate governance, however, Mr Bailison and his associates will abstain from voting on the resolution relating to their re-election (except as a proxy for a person who is entitled to vote).

Resolution 3: Re-election of a Director - Jennifer Joan Hutson

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

"That Ms Jennifer Joan Hutson, who retires in accordance with Listing Rule 14.4 and Article 47(b) of the Company's Constitution, and being eligible for re-election, be elected as a Director of the Company."

Voting Exclusion Statement

As Resolution 3 does not propose to provide a financial benefit, the candidate may validly cast a vote in respect of the Resolution to elect them as a Director and comply with Section 224 of the *Corporations Act* and Listing Rule 10.3. In the interests of good corporate governance, however, Ms Hutson and her associates will abstain from voting on the resolution relating to their re-election (except as a proxy for a person who is entitled to vote).

Resolution 4: Re-election of a Director: Matthew Reynolds

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

“That Mr Matthew Reynolds, having been appointed on 12 March 2015 in accordance with Article 46(b) of the Company’s Constitution, and retiring in accordance with Article 47(d) of the Company’s Constitution, and being eligible for re-election, be elected as a Director of the Company.”

Voting Exclusion Statement

As Resolution 4 does not propose to provide a financial benefit, the candidate may validly cast a vote in respect of the Resolution to elect them as a Director and comply with Section 224 of the *Corporations Act* and Listing Rule 10.3. In the interests of good corporate governance, however, Mr Reynolds and his associates will abstain from voting on the resolution relating to their re-election (except as a proxy for a person who is entitled to vote).

SPECIAL BUSINESS

Resolution 5: Ratification of Share issue

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

“That for the purposes of Listing Rule 7.4 and for all other purposes, members ratify and approve the previous issue of 20,366,599 shares issued through a placement on 29 October 2014 to raise \$100,000,001.10.”

Voting Exclusion Statement

The Company will disregard any votes cast by any party who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a 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 a direction on the Proxy Form to vote as the proxy decides.

Resolution 6: Issue of Shares to party nominated by Christopher Scott

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

“That subject to the approval of Resolutions 7, 8 and 9, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the issue of Shares and the provision of a Loan by the Company to the nominee of Mr Christopher Scott, Managing Director of the Company, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast by Christopher Scott and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a 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 a direction on the Proxy Form to vote as the proxy decides.

Resolution 7: Issue of Shares to party nominated by Jason Roberts

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

“That subject to the approval of Resolutions 6, 8 and 9, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of Shares to the nominee of Mr Jason Roberts, Chief Executive Officer, of the Company, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast by Jason Roberts and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a 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 a direction on the Proxy Form to vote as the proxy decides.

Resolution 8: Issue of Shares to party nominated by Christopher Sacre

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

“That subject to the approval of Resolutions 6, 7 and 9, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of Shares to the nominee of Mr Christopher Sacre, Chief Financial Officer of the Company, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast by Christopher Sacre and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a 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 a direction on the Proxy Form to vote as the proxy decides.

Resolution 9: Issue of Shares to party nominated by Ann Perriam

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

“That subject to the approval of Resolutions 6, 7 and 8, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of Shares to the nominee of Ms Ann Perriam, Junior Executive, of the Company, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast by Ann Perriam and any of her associates. However, the Company need not disregard a vote if it is cast by a person as a 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 a direction on the Proxy Form to vote as the proxy decides.

Resolution 10: Remuneration of Non-executive Directors

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

“That, for the purpose of ASX Listing Rule 10.17, the Company’s Constitution and for all other purposes, the maximum aggregate annual remuneration that may be paid by the Company as remuneration for the services of the Company’s Non-executive Directors be increased by \$350,000 per annum, from \$500,000 per annum to a maximum of \$850,000 per annum.”



G8 Education^{ltd}

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a Director or any associate of a Director. However, the Company need not disregard a vote if it is cast by a person as a 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 a direction on the Proxy Form to vote as the proxy decides.

By order of the Board of Directors

Jennifer Hutson

Chair

21 April 2015

Entitlement to vote

The Directors have determined that, for the purpose of voting at the Meeting, shares in the Company will be taken to be held by the Shareholders on 19 May 2015 at 11:00 am (Brisbane time).

PROXIES

In accordance with Section 249L of the *Corporations Act 2001*, Shareholders are advised that:

- each Shareholder who is entitled to attend and cast a vote at the meeting has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with Section 249X(3) of the *Corporations Act*, each proxy may exercise half of the votes. Fractions are disregarded.
- If you wish to appoint a proxy and are entitled to do so, please complete and return the attached proxy form.
- A corporation may elect to appoint a representative rather than a proxy, in accordance with the *Corporations Act*. In this case, the Company will require written proof of the representative's appointment, which must be lodged with or presented to the Company prior to the meeting.

The instrument appointing the proxy must be received by the Company's Registry at the address specified below at least 48 hours before the time notified for the Meeting (proxy forms can be lodged by facsimile).

Postal Address	Advanced Share Registry Services PO Box 1156 NEDLANDS WA 6909	Address	Advanced Share Registry Services 150 Stirling Highway NEDLANDS WA 6909
Facsimile Number	(08) 9389 7871		

VOTING PROHIBITION STATEMENT

A person appointed as a proxy must not vote, on the basis of that appointment, or Resolutions 2, 3, 4 or 5 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

EXPLANATORY STATEMENT

G8 Education Limited ABN 95 123 828 553

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting. It forms part of the Notice of Meeting and must be read together with that Notice.

Purpose of the Meeting

The purpose of the Meeting is to consider and vote on the Resolutions.

Entire document

Shareholders are encouraged to read this document in its entirety before making a decision on how to vote on the Resolutions being considered at the Meeting. If you have any doubt how to deal with this document, please consult your legal, financial or other professional advisor.

Glossary

Certain terms and abbreviations used in the Explanatory Statement have defined meanings, which are set out in the Glossary of this Explanatory Statement.

Resolutions are not interdependent

Resolutions 1 to 5 are not interdependent. In the event that one or more of those Resolutions are not approved by Shareholders, the balance Resolutions will not be affected. However, Resolutions 6 to 9 are interdependent. If one or more of those Resolutions are not approved by Shareholders, none of those Resolutions will be implemented.

2. ORDINARY BUSINESS

Financial Statements and Reports

The *Corporations Act 2001* requires the Company's Financial Report, the Directors' Report and the Auditor's Report to be tabled at the Annual General Meeting of the Company. In addition, the Company's Constitution provides for such reports and statement to be received and considered at the meeting.

Apart from the matters involving remuneration of Directors which are required to be voted upon, neither the *Corporations Act* nor the Company's Constitution requires a vote of members at the Annual General Meeting on such reports. However, members are given the opportunity to raise questions with respect to these reports and statements at the meeting.

The Financial Report, Directors' Report and Auditor's Report may be found in the annual report for the Company, which has previously been sent to members and which is also available on the Company's website www.g8education.edu.au.

Members may submit a written question to the Auditor no less than 5 days prior to the Annual General Meeting which relates to the content of the Auditor's report or the conduct of the audit in relation to the financial report to be considered at the meeting.

The Auditor will be attending the Annual General Meeting and will answer written questions submitted prior to the meeting.

3. RESOLUTION 1: REMUNERATION REPORT

3.1 Summary

Section 250R of the *Corporations Act 2001* requires that the Remuneration Report be put to the members for adoption by way of a non-binding vote.

The vote of the members is advisory only and does not bind the Directors or the Company.

The Remuneration Report may be found in the annual financial report which members received via mail or which members can access from the Company's website www.g8education.edu.au.

Following consideration of the Remuneration Report, members will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Please note that the Chairperson of the Meeting is not permitted to vote undirected proxies for Resolution 1. If you intend to appoint the Chairperson of the Meeting as your proxy, you should direct your proxy how to vote by ticking the relevant boxes next to each item on the Proxy Form (For, Against or Abstain), or by ticking the Chairperson's box, in which case the Chairperson will vote your proxy in favour of Resolution 1. Please follow the instructions on the Proxy Form.

If you do not direct the Chairperson of the Meeting how to vote on Resolution 1, the Chairperson will not be able to vote your undirected proxy for Resolution 1.

3.2 Consequences

You should also be aware that amendments to the Corporations Act have now implemented a 'two strikes' re-election process which applies to resolutions relating to the Remuneration Report.

If a company's Remuneration Report receives a 'no' vote of 25% or more of all votes cast at two consecutive annual general meetings (the 'two strikes'), a spill resolution must be put at the second AGM requiring shareholders to vote on whether the Company must hold another general meeting to consider spilling the Board. If the spill resolution is approved by a simple majority of 50% or more of the eligible votes cast, the spill meeting must be held within 90 days.

At the spill meeting, those individuals who were Directors when the Remuneration Report was considered at the most recent AGM will be required to stand for re-election. If, at the spill meeting, all of the Directors are removed, the remaining positions will be filled by those three with the highest percentage of votes in their favour.

Such an event would have a significant impact of the Company and severely interrupt the Company's strategy and potentially, its market value.

The Directors believe that the Company's remuneration policies and structures are appropriate relative to the size of the Company, its business and strategic objectives and market practice.

The Directors recommend you vote in favour of this resolution.

4. RESOLUTIONS 2 AND 3 – ELECTION OF DIRECTORS

Under Article 47(b) of the Company's Constitution and Listing Rule 14.4, one-third of the current Directors (excluding the Managing Director) must retire by rotation at each Annual General Meeting. Mr Brian Bailison and Ms Jennifer Hutson, being determined as the Directors due to retire at this Annual General Meeting and, being eligible, present themselves for re-election.

A summary of each candidate's experience and qualifications appear below.



4.1 Ms Jennifer Hutson

B.Com, LL.B, FAIM, MAICD

Ms Hutson is an investment banker and fund manager. She is an experienced corporate adviser and company director. She has over 20 years' experience in advising listed companies on capital raisings, mergers and acquisitions, finance and governance issues. She was previously Chairperson of S8 Limited, Harvey World Travel and Travelscene American Express, and a director of the Royal Children's Hospital Foundation and the Centenary Committee for Surf Life Saving Australia.

Special responsibilities: Chair of the Board, Member of Audit and Risk Management Committee and Nomination and Remuneration Committee

4.2 Mr Brian Bailison

B.Com, B.Acc (Cum Laude), ACA

Mr Bailison has over 20 years' experience in finance, corporate finance and operations from senior roles in listed and unlisted businesses in South Africa and Australia, including senior positions at Rand Merchant Bank Limited (South Africa's largest bank assurance business), Ivarney Investment Group (a diversified investment group), and PAYCE Consolidated Limited which operated 59 child care centres prior to them becoming part of the G8 Education corporate group.

Special responsibilities: Member of Audit and Risk Management Committee and Nomination and Remuneration Committee

The Directors recommend you vote in favour of the re-elections of Jennifer Hutson and Brian Bailison.

5. RESOLUTION 4– ELECTION OF DIRECTOR

Under Article 46(b) of the Company's Constitution, the Board may appoint any person as a director, subject to certain conditions. Directors appointed under Article 46(b) must retire at the next annual general meeting after their appointment and be subject to a vote for re-election at that meeting.

Therefore, in accordance with the Constitution, Matthew Reynolds ceases to hold office and, being eligible, presents himself for re-election.

A summary of Mr Reynolds' experience and qualifications appears below.

Mr Matthew Reynolds

BSc (Hons), LLB (Hons), MQLS

Mr Reynolds is currently a partner at HWL Ebsworth Lawyers and has experience in capital markets, ASX listings, private equity and mergers and acquisitions. He specialises in providing tailored legal and strategic advice in a highly regulated and technical market and has advised on a large number of complex capital market and merger and acquisition projects. His key clients are primarily in the energy and resources, technology and infrastructure sectors throughout Australia and Asia.

Mr Reynolds was previously a Director of G8 Education Limited from 2011 to 2013.

He holds a Bachelor of Political Science and Economics (Honours) and a Bachelor of Laws (Honours) and is a member of the Company Law Committee of the Queensland Law Society.

The Directors recommend you vote in favour of the election of Matthew Reynolds.

6. RESOLUTION 5: RATIFICATION OF SHARE ISSUE

Summary

On 29 October 2014, the Company announced that it had issued 20,366,599 Shares to institutions and professional investors. This issue represents 5.8% of the Company's issued Shares.

Shareholder ratification

Listing Rule 7.1 provides that a listed company must not, without prior approval of its shareholders, issue securities if the number of securities issued, when aggregated with the number of securities issued by the company during the previous 12 months, exceeds 15% of the number of securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that an issue of securities made by a listed company without the prior approval of its shareholders may be treated as having been made with shareholder approval if:

- (a) at the time the issue took place, it did not breach Listing Rule 7.1; and
- (b) the shareholders of the company in general meeting, subsequently ratify the issue of the shares.

Resolution 5 is proposed for the purpose of ratifying the issue of the Placement Shares and thereby refreshing the Company's ability to issue securities up to the 15% limit in any subsequent 12 month period.

Listing Rule 7.5 requires the following information concerning the issue of the Placement Shares to be included in the Notice of Meeting:

Number of Shares issued:	20,366,599 Shares
Price at which the Shares were issued:	\$4.91 per Share
Allottees:	Institutions and professional investors
Terms of the Shares:	The Shares rank equally in all respects with the existing fully paid ordinary shares on issue
Intended use of the funds raised:	To fund future acquisitions of childcare and education centres
Voting exclusion statement:	A voting exclusion statement relating to Resolution 1 is included in the Notice of Meeting.

The Directors recommend you vote in favour of this Resolution.

7. RESOLUTION 6: ISSUE OF SHARES AND PROVISION OF LOAN

7.1 Issue of Shares and grant of Loan

The Company has agreed, subject to Shareholder approval, to offer the nominee of Christopher Scott, Managing Director the right to acquire 1,000,000 Shares at \$5.00 per Share with a total value of \$5,000,000.

The Company intends to grant a limited recourse, interest free Loan to the nominee of Christopher Scott to subscribe for the Shares. The Shares are to be issued to the nominee of Christopher Scott to provide further incentive to perform and to secure his ongoing commitment to the continued growth of the Company.

7.2 Related party transaction

In order for G8 Education to give a financial benefit to a related party, G8 Education must:

- (a) obtain the approval of the Company's members in the manner set out in sections 217 – 227 of the *Corporations Act*; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls with an exception.

The provision of the Loan to the nominee of Christopher Scott requires the Company to seek Shareholder approval because:

- (a) the limited recourse, interest free Loan to acquire the Shares constitutes the giving of a financial benefit; and
- (b) as Managing Director, Christopher Scott is a related party of the Company.

In addition, Listing Rule 10.11 requires shareholder approval to be obtained where a company issues or agrees to issue, shares to a director of the Company or his associate.

7.3 Details required by the *Corporations Act* and *Listing Rules*

Pursuant to and in accordance with the requirements of section 219 of the *Corporations Act* and Chapter 10 of the Listing Rules, the following details are provided in relation to the proposed issue of Shares and provision of a Loan to Christopher Scott:

Issue	Details
(a) Relationship	Christopher Scott is a related party by virtue of him being a Director of the Company. The Shares will be allotted to a party nominated by Christopher Scott.
(b) Nature of financial benefit	The provision of a Loan which will enable Christopher Scott's nominee to acquire Shares constitutes the giving of a financial benefit. Although the provision of the Loan and the associated issue of Shares will take place following Shareholder approval, the Shares will only vest with Christopher Scott's nominee if certain performance hurdles are achieved, in three separate tranches over a three year period. These details are summarised

Issue	Details
	in item (i) below.
(c) Issue price	The Shares will be funded by a Loan provided by the Company on the terms set out below. The Shares are being allotted at \$5.00, which is \$1.29 higher than (or approximately 35 per cent greater than) the closing price of the Shares of \$3.71 on 10 April 2015, 7 trading days prior to the date of this Notice.
(d) Maximum number of Shares to be issued	1,000,000 Shares
(e) Maximum amount of Loan	\$5,000,000
(f) Use of funds	No funds will be raised from the issue of Shares as there will be no change in the Company's cash position - the Loan made by the Company will used to subscribe for the Shares to be issued to Christopher Scott's nominee. Amounts repaid to the Company in the future in satisfaction of the Loan will be used by the Company for general working capital purposes.
(g) Terms of the Loan	The Loan, which constitutes a financial benefit to a related party, will be provided on the following key terms: (i) Limited recourse: the Loan will be secured against the Shares, and neither Christopher Scott nor his nominee will be personally liable. In the event that the Shares are sold to repay the Loan, and the sale proceeds are insufficient to cover the amount of the Loan which is outstanding, the Company cannot recover the remaining amount from Christopher Scott or his nominee. Conversely, where the sale proceeds are greater than the amount of the outstanding Loan, the Company will not receive any additional payment; (ii) Interest free: the Loan will be interest free unless otherwise agreed; (iii) Term: three years from the date of issue of the Shares subject to earlier repayment; (iv) Transfer: In the event that Christopher Scott leaves the employ of the Company, the Shares still subject to escrow shall be transferred at the lower of current market value and \$5.00 per Share to a party nominated by the Company.
(h) Purpose of Loan	The primary purpose of the provision of the Loan to Christopher Scott's nominee is to enable Christopher Scott's nominated entity to subscribe for Shares in the Company and thereby provide cost effective consideration for his ongoing commitment and contribution to the Company.
(i) Date and terms of issue of Shares	Subject to Shareholder approval, the Shares will be issued to Christopher Scott's nominee no later than one (1) month after the date of the Meeting, on the following terms:

Issue	Details
	(a) All Shares will be subject to escrow and will not be able to be transferred or sold until release in accordance with following timetable: (i) one-third of the Shares (being 333,333 Shares) will vest if the Earnings Per Share (EPS) on a fully diluted basis as at 31 December 2015 is more than 40% greater than the EPS as at 31 December 2014; (ii) one-third of the Shares (being 333,333 Shares) will vest if the EPS on a fully diluted basis as at 31 December 2016 is at least 15% year on year above the EPS as at 31 December 2015; (iii) one-third of the Shares (being 333,334 Shares) will vest if the EPS on a fully diluted basis as at 31 December 2017 is at least 15% year on year above the EPS as at 31 December 2016. (b) The Shares will not be able to be transferred or sold until released from escrow as set out above, or the Loan is repaid. (c) All Shares will be released from escrow in the event of a takeover.
(j) Class of Shares	Fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing ordinary shares on issue. The Shares will be subject to a holding lock until such time as the Loan has been extinguished or repaid.
(k) Remuneration of Christopher Scott	The total remuneration for Christopher Scott is \$585,000 per annum plus statutory superannuation.
(l) Relevant interests of Christopher Scott	Christopher Scott has no relevant interest in any shares in G8 Education Limited.
(m) Financial and dilutory effect	The Directors of the Company believe that providing the proposed Loan to the nominee of Christopher Scott to acquire the shares in the Company is not materially prejudicial to the interest of the Company or its Shareholders. The assessment of material prejudice takes into consideration the whole transaction and its immediate consequences, and has quantitative and qualitative elements. The quantitative element involves an assessment of the impact of providing the loans to acquire the shares on the Company's future profits and cash flows. The qualitative element requires an assessment of all interlocking elements of the commercial transaction as a whole to determine where the net balance of the financial advantage lies. The Directors of the Company consider that the provision of the Loan will not have a material impact of the Company's financial position. As the Loan funds will be used for payment of the share price for the shares to be issued, the funds will be immediately returned to the Company in the form of subscription money. Accordingly, the granting of the Loan to acquire the shares will have no detrimental impact on the Company's cash flow

Issue	Details												
	and on repayment of the Loan, the funds received will be available to the Company as working capital. Further, the Directors of the Company do not have any reason to believe that the nominee of Christopher Scott will default on its obligations under the terms of the Loan. In addition, the proposed issue of Shares to Christopher Scott’s nominee will not have a significant dilutory effect on the position of other shareholders in the Company, as the proposed share issue will take the total shares on issue from 359,151,207 Shares, to 360,151,207 ordinary Shares (assuming no options are exercised and no other Shares are issued), and will vest in separate tranches over a three year period.												
(n) Trading history	The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below: <table><tr><th></th><th>Price</th><th>Date</th></tr><tr><td>Highest</td><td>\$5.63</td><td>09.09.2014</td></tr><tr><td>Lowest</td><td>\$3.44</td><td>10.02.2014</td></tr><tr><td>Last</td><td>\$3.71</td><td>10.04.2015</td></tr></table> The Share price may increase or decrease prior to the date of the Meeting.		Price	Date	Highest	\$5.63	09.09.2014	Lowest	\$3.44	10.02.2014	Last	\$3.71	10.04.2015
	Price	Date											
Highest	\$5.63	09.09.2014											
Lowest	\$3.44	10.02.2014											
Last	\$3.71	10.04.2015											
(o) Opportunity Cost	The Directors consider that in providing the Loan to Christopher Scott’s nominee upon the terms proposed, the following opportunity cost to the Company and benefits foregone by the Company may occur: (i) no interest is payable on the Loan. By making the loan to Christopher Scott interest-free, the Company is forgoing a commercial rate of return on the Loan; (ii) the Loan is limited recourse, which means the full amount of the Loan may not be recovered where the Shares are sold for less than the amount outstanding on the Loan. In addition, where the sale proceeds are greater than the amount of the Loan, the Company will not receive any additional repayment as the allottee is entitled to the seller’s proceeds. The Board considers that the limited recourse nature of the Loan is appropriate to enable the Company to adequately incentivise Christopher Scott as the Managing Director, and encourage him to increase the shareholding of his nominated entity in the Company, to align his interest with those of Shareholders. The Board considers that the benefits achieved by offering a limited recourse loan exceed the potential detriment to the Company of the loan not being fully repaid.												
(p) Value of the financial benefit	The financial benefit has been valued for accounting purposes by the Directors using the Black-Scholes modes (and for comparison purposes, a single step binomial model) to determine the fair value of the financial benefit on the basis that taken as a whole, the arrangements are similar to an option.												

Issue	Details									
	The option component has been valued using the Black-Scholes Model and the dividends separately valued using a dividend discount model. The value of the interest free component of the loan has been included in the option value. The following table sets out the estimated value of the benefits in respect of the potential issue of Shares to Christopher Scott’s nominee: <table><tr><th>Expected present value of Shares</th><th>Expected present value of Dividends</th><th>Total Value</th></tr><tr><td>\$</td><td>\$</td><td>\$</td></tr><tr><td>126,401</td><td>388,936</td><td>515,338</td></tr></table> In arriving at the above valuation, the Directors adopted the following assumptions: • The market price of shares of \$3.64 (being the volume weighted average closing price for the month ended 2 April 2015); • The risk free interest rate applicable to three year Commonwealth Bonds of 1.80% (being the monthly average for the month ended 7 April 2015); • A dividend payment rate of 24 cents per share per annum (paid as to 6 cents per share for each of the March, June, September and December quarters); • Volatility of the share price over the expected life of the instrument of 32.809% (being the volatility for the preceding 3 years as a proxy for expected future volatility over the life of the shares); • Volatility of earnings per share (EPS) growth for the years ending 31 December 2016 and 2017 of 59.33% (being the volatility for the years 2008 – 2014); • Average assumed EPS growth for the years ending 31 December 2016 and 2017 of 16.56% (being the average EPS growth for the years 2008 – 2014); and • EPS exhibits similar behavior to share price movements. In other words, EPS follows a lognormal distribution and EPS growth follows a normal distribution. Shareholders should be aware that this is an indicative valuation only for illustrative purposes. The actual accounting expense may be different due to variations in the assumptions. Valuation inputs The valuation methodology is a function of the relationship between a number of valuations, including the share price, the strike price, the time	Expected present value of Shares	Expected present value of Dividends	Total Value	\$	\$	\$	126,401	388,936	515,338
Expected present value of Shares	Expected present value of Dividends	Total Value								
\$	\$	\$								
126,401	388,936	515,338								

Issue	Details
	of vesting and the volatility of the share price. The application of the methodology therefore requires a number of inputs, some of which must be assumed. The key inputs used in the valuation methodology are summarised below: • Share price: the volume weighted average share price for the month to 2 April has been adopted; • Issue date: the date of the AGM has been adopted as the effective date; • Time to expiry: The tranches expire on 31 December 2015, 31 December 2016 and 31 December 2017 respectively, if the vesting conditions have not been met for that period; • Strike price: \$5.00; • Risk free rate of government bonds with the same maturity as the Shares: the average for the previous month on 3 year Australian government bonds has been adopted; • Volatility of share price: this has been calculated for the preceding three years as a proxy for expected future volatility over the life of the Shares. The valuation methodology also took into consideration: • That the shares are to be issued at \$5.00 which is a premium to the current volume weighted average of \$3.64 for the last month. Accordingly, no financial benefit will accrue to the recipient upon issue of the shares as the shares are secured by a limited recourse loan and restricted pending performance targets being met. • The EPS growth hurdle which is required to be met prior to each tranche of the shares vesting which requires assumptions as to the probability that the performance targets will be met; in respect of the performance targets for 31 December 2015, the probability of meeting the target was assumed to be 60%, for 31 December 2016, and 31 December 2017, the probability of the EPS growth target being met was assumed to be 51.05%. The basis for these assumptions is that EPS growth follows a normal distribution and in other words, EPS follows a lognormal distribution. This method is a proxy which is consistent with various share and option pricing models on share price movements. The Black-Scholes value is then adjusted to arrive at the expected present value of the option component. • As dividends will flow from the shares, it is necessary to value the present value of the dividend stream which flows from the shares. The expected future dividends from the shares, adjusted for the probability of meeting the EPS hurdles. Once the shares vest in the recipient, the dividends are excluded as the future value has been accounted for in the options' payoff at that point.



Issue	Details
(q) Costs and fees	The Company will not incur any costs or fees in relation to issuing the Shares to Christopher Scott's nominee, other than listing fees payable to ASX which are not expected to be more than \$2,000.
(r) Interests of Directors	Christopher Scott is the only Director with an interest in the outcome of the proposed Resolution because his proposed nominee is the proposed recipient of the Shares and the Loan to finance the acquisition of those Shares. No other Directors have an interest in the outcome of this Resolution.
(s) Directors' recommendations	The Directors other than Christopher Scott, recommend that Shareholders vote in favour of this Resolution for the reasons set out below: (i) The use of the Loan by Christopher Scott's nominee to subscribe for Shares will align the interests of Christopher Scott with those of Shareholders by creating a stronger link between performance, resulting in increased Shareholder value and reward. (ii) The release of the Shares from escrow in tranches over a three year period is part of ensuring ongoing alignment between the Managing Director and the performance of the Company for the benefit of Shareholders. (iii) Under the proposed arrangement, Christopher Scott's nominee is required to enter into a restriction deed in respect of the Shares which imposes restrictions in terms of transferring or selling the Shares in tranches of one-third per annum over a three year period. (iv) Provision of the incentive by way of an issue of Shares means that no capital outlay is required by the Company, and therefor there will be no effect on the Company's cash flow (other than in respect of any costs associated with the granting of the loan, the listing of the Shares which are not expected to be material, and any dividends paid). (v) As the Shares may not be transferred into the open market until one, two and three years after issue, the dilutory impact on the share price will be lessened. (vi) The Directors consider that the incentive to Christopher Scott represented by the issue of Shares and the provision of a Loan is a cost effective and efficient incentive for the Company when compared to other forms of incentive (eg. cash bonuses or increased remuneration). The Board is not aware of any other information that would reasonably be required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass this Resolution.

The Directors (other than Christopher Scott) believe that the proposed share issue and Loan terms are commercially reasonable, and recommend you vote in favour of this Resolution.

8. RESOLUTIONS 7, 8 AND 9: ISSUE OF SHARES AND PROVISION OF LOANS TO CHRISTOPHER SACRE, JASON ROBERTS AND ANN PERRIAM

8.1 Issue of Shares and grant of Loans

The Company has agreed, subject to Shareholder approval, to offer:

- (a) the nominee of Jason Roberts, Chief Executive Officer the right to acquire 1,000,000 Shares at \$5.00 per Share with a total value of \$5,000,000;
- (b) the nominee of Christopher Sacre, Chief Financial Officer the right to acquire 1,000,000 Shares at \$5.00 per Share with a total value of \$5,000,000; and
- (c) the nominee of Ann Perriam, Junior Executive, the right to acquire 122,198 Shares at \$5.00 per Share with a total value of \$610,990.

The Company intends to grant a limited recourse, interest free Loan to each of the nominees of the above members of the Company's senior management team to subscribe for the Shares.

The Shares are to be issued to the nominees of the Company's senior management team to provide further incentive to perform and to secure the ongoing commitment of each of them to the continued growth of the Company.

8.2 Provision of financial assistance

As Chief Operating Officer, Chief Executive Officer, and Junior Executive respectively, none of Christopher Sacre, Jason Roberts, nor Ann Perriam are related parties of the Company.

However, Christopher Sacre, Jason Roberts and Ann Perriam are being offered financial assistance by way of a Loan from G8 Education to their nominees to acquire Shares in the Company, in the same manner as Christopher Scott. Part 2J.3 of the Corporations Act provides that a company may financially assist a person to acquire shares in the company only if:

- (a) the giving of the financial assistance does not materially prejudice either the interests of the company or its shareholders, or the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders; or
- (c) the assistance is exempt.

The Directors believe that the proposed giving of the financial assistance will not materially prejudice either the interests of G8 Education or its Shareholders, or the Company's ability to pay its creditors. Accordingly, Shareholder approval is not required under Part 2J.3 of the Corporations Act.

However, ASX has determined that shareholder approval is required under Listing Rule 10.11 because of positions held by each of Christopher Sacre, Jason Roberts and Ann Perriam.

8.3 Terms of the Loans

The Loans to each of the nominees of Jason Roberts, Christopher Sacre and Ann Perriam will be provided on the following key terms:

Term	Details
Limited recourse	The Loan will be secured against the Shares, and neither Jason Roberts, Christopher Sacre and Ann Perriam nor their nominees will be personally liable. In the event that the Shares are sold to repay the Loans, and the sale proceeds are insufficient to cover the amount of the respective Loan which is outstanding, the Company cannot recover the remaining amount from Jason Roberts, Christopher Sacre and Ann Perriam or their respective nominees. Conversely, where the sale proceeds are greater than the amount of the relevant outstanding Loan, the Company will not receive any additional payment.
Interest free	The Loans will be interest free unless otherwise agreed.
Term	The Loan term will be three years from the date of issue of the Shares subject to earlier repayment.
Transfer	In the event that any of Jason Roberts, Christopher Sacre and Ann Perriam leave the employ of the Company, the Shares still subject to escrow shall be transferred at the lower of current market value and \$5.00 per Share to a party nominated by the Company.

8.4 Approval for issue of Shares

In accordance with Chapter 10 of the Listing Rules, the Company seeks members' approval for the issue of Shares as follows:

Term	Details		
Proposed allottee:	Jason Roberts' nominee	Christopher Sacre's nominee	Ann Perriam's nominee
Maximum number of Shares to be issued:	1,000,000 Shares	1,000,000 Shares	122,198 Shares
Proposed date of issue:	Within one (1) month of the date of the meeting approving the issue of Shares		
Relationship	Chief Executive Officer	Chief Financial Officer	Junior Executive
Issue price:	\$5.00 per Share		
Terms of issue:	Subject to Shareholder approval, the Shares will be issued no later than one (1) month after the date of the Meeting, on the following terms: (a) All Shares will be subject to escrow and will not be able to be transferred or sold until release in accordance with following timetable: (i) one-third of the Shares will vest in each respective nominated entity if the Earnings Per Share (EPS) on a fully diluted basis as at 31 December 2015 is more than 40%		

Term	Details		
	greater than the EPS as at 31 December 2014; (ii) one-third of the Shares will vest in each respective nominated entity if the EPS on a fully diluted basis as at 31 December 2016 is at least 15% year on year above the EPS as at 31 December 2015; (iii) one-third of the Shares will vest in each respective nominated entity if the EPS on a fully diluted basis as at 31 December 2017 is at least 15% year on year above the EPS as at 31 December 2016. (b) The Shares will not be able to be transferred or sold until released from escrow as set out above, or the Loan is repaid. All Shares will be released from escrow in the event of a takeover. The Shares will rank equally in all respects with the existing Shares on issue.		
Dilutory effect	The proposed issue of Shares to the nominees of Jason Roberts, Christopher Sacre, and Ann Perriam will not have a significant dilutory effect on the position of other shareholders in the Company, as the proposed share issue will take the total shares on issue from 360,651,207 Shares (assuming Shares are issued to Christopher Scott's nominee), to 362,773,405 ordinary Shares (assuming no options are exercised and no other Shares are issued), and will vest in three equal tranches over a three year period.		
The use or intended use of the funds raised:	The Shares will be funded by a Loan to Jason Roberts or his nominee provided by the Company in the amount of \$5,000,000.	The Shares will be funded by a Loan to Christopher Sacre or his nominee provided by the Company in the amount of \$5,000,000.	The Shares will be funded by a Loan to Ann Perriam or her nominee provided by the Company in the amount of \$610,990.
Voting exclusion statement:	The Company will disregard any votes cast on this resolution by Jason Roberts and any of his associates.	The Company will disregard any votes cast on this resolution by Christopher Sacre and any of his associates.	The Company will disregard any votes cast on this resolution by Ann Perriam and any of her associates.

8.5 Current remuneration

The total remuneration arrangements for each of Jason Roberts, Christopher Sacre and Ann Perriam are set out below:

Key Management Personnel	*Current remuneration
Jason Roberts, Chief Executive Officer	\$317,000 per annum
Christopher Sacre, Chief Operating Officer	\$350,000 per annum
Ann Perriam, Junior Executive	\$195,000 per annum

**plus statutory superannuation*

8.6 Value of financial benefit

Adopting the Black-Scholes model (and for comparison purposes, a single step binomial model), the following table sets out the estimated fair value of the benefits in respect of the proposed loan and share issue to each of Jason Roberts, Christopher Sacre and Ann Perriam:

	Expected present value of Shares \$	Expected present value of Dividends \$	Total value \$
Jason Roberts' nominee	126,401	388,936	515,338
Christopher Sacre's nominee	126,401	388,936	515,338
Ann Perriam's nominee	15,446	47,527	62,973

Further details regarding the financial benefits are set out below:

Issue	Details
(a) Value of the financial benefit	The financial benefit has been valued for accounting purposes by the Directors using the Black-Scholes modes (and for comparison purposes, a single step binomial model) to determine the fair value of the financial benefit on the basis that taken as a whole, the arrangements are similar to an option. The option component has been valued using the Black-Scholes Model and the dividends separately valued using a dividend discount model. The value of the interest free component of the loan has been included in the option value. In arriving at the above valuations, the Directors adopted the following assumptions: The market price of shares of \$3.64 (being the volume weighted average closing price for the month ended 2 April 2015);

Issue	Details
	• The risk free interest rate applicable to three year Commonwealth Bonds of 1.80% (being the monthly average for the month ended 7 April 2015); • A dividend payment rate of 24 cents per share per annum (paid as to 6 cents per share for each of the March, June, September and December quarters); • Volatility of the share price over the expected life of the instrument of 32.809% (being the volatility for the preceding 3 years as a proxy for expected future volatility over the life of the shares); • Volatility of earnings per share (EPS) growth for the years ending 31 December 2016 and 2017 of 59.33% (being the volatility for the years 2008 – 2014); • Average assumed EPS growth for the years ending 31 December 2016 and 2017 of 16.56% (being the average EPS growth for the years 2008 – 2014); and • EPS exhibits similar behavior to share price movements. In other words, EPS follows a lognormal distribution and EPS growth follows a normal distribution. Shareholders should be aware that this is an indicative valuation only for illustrative purposes. The actual accounting expense may be different due to variations in the assumptions. Valuation inputs The valuation methodology is a function of the relationship between a number of valuations, including the share price, the strike price, the time of vesting and the volatility of the share price. The application of the methodology therefore requires a number of inputs, some of which must be assumed. The key inputs used in the valuation methodology are summarised below: • Share price: the volume weighted average share price for the month to 2 April has been adopted; • Issue date: the date of the AGM has been adopted as the effective date; • Time to expiry: The tranches expire on 31 December 2015, 31 December 2016 and 31 December 2017 respectively, if the vesting conditions have not been met for that period; • Strike price: \$5.00; • Risk free rate of government bonds with the same maturity as the Shares: the average for the previous month on 3 year Australian government bonds has been adopted; • Volatility of share price: this has been calculated for the preceding

Issue	Details
	three years as a proxy for expected future volatility over the life of the Shares. The valuation methodology also took into consideration: • That the shares are to be issued at \$5.00 which is a premium to the current volume weighted average of \$3.64 for the last month. Accordingly, no financial benefit will accrue to the recipient upon issue of the shares as the shares are secured by a limited recourse loan and restricted pending performance targets being met. • The EPS growth hurdle which is required to be met prior to each tranche of the shares vesting which requires assumptions as to the probability that the performance targets will be met; in respect of the performance targets for 31 December 2015, the probability of meeting the target was assumed to be 60%, for 31 December 2016, and 31 December 2017, the estimate a probability of the EPS growth target being met was assumed to be 51.05%. The basis for these assumptions is that EPS growth follows a normal distribution and in other words, EPS follows a lognormal distribution. This method is a proxy which is consistent with various share and option pricing models on share price movements. The Black-Scholes value is then adjusted to arrive at the expected present value of the option component. • As dividends will flow from the shares, it is necessary to value the present value of the dividend stream which flows from the shares. The expected future dividends from the shares, adjusted for the probability of meeting the EPS hurdles. Once the shares vest in the recipient, the dividends are excluded as the future value has been accounted for in the options' payoff at that point.
(b) Costs and fees	The Company will not incur any costs or fees in relation to issuing the Shares to the above nominees, other than listing fees payable to ASX which are not expected to be more than \$2,000.
(c) Interests of Directors	No Directors have an interest in the outcome of these Resolutions.
(d) Directors' recommendations	The Directors recommend that Shareholders vote in favour of this Resolution for the reasons set out below: (i) The use of the Loan by the relevant party's nominee to subscribe for Shares will align the interests of executives with those of Shareholders by creating a stronger link between performance, resulting in increased Shareholder value and reward. (ii) The release of the Shares from escrow in tranches over a three year period is part of ensuring ongoing alignment between the executives and the performance of the Company for the benefit of Shareholders. (iii) Under the proposed arrangement, the nominees are required to

Issue	Details
	enter into a restriction deed in respect of the Shares which imposes restrictions in terms of transferring or selling the Shares in tranches of one-third per annum over a three year period.
(iv)	Provision of the incentive by way of an issue of Shares means that no capital outlay is required by the Company, and therefore there will be no effect on the Company's cash flow (other than in respect of any costs associated with the granting of the loan, the listing of the Shares which are not expected to be material, and any dividends paid).
(v)	As the Shares may not be transferred into the open market until one, two and three years after issue, the dilutory impact on the share price will be lessened.
(vi)	The Directors consider that the incentive represented by the issue of Shares and the provision of a Loan is a cost effective and efficient incentive for the Company when compared to other forms of incentive (eg. cash bonuses or increased remuneration).
	The Board is not aware of any other information that would reasonably be required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass these Resolutions.

The Directors recommend you vote in favour of these Resolutions.

9. **RESOLUTION 10: REMUNERATION OF NON-EXECUTIVE DIRECTORS**

The maximum annual aggregate remuneration of Non-executive Directors was last set in October 2007, when the Company was admitted to the Official List of the ASX.

Details of the current total fees paid to Non-executive Directors during 2014 are set out in the Company's Remuneration Report.

Shareholder approval is sought to increase the maximum annual aggregate remuneration that may be paid by the Company as remuneration for the services of the Company's Non-executive Directors from \$500,000 to \$850,000 per annum, which is more reflective of market practices for ASX listed companies similar in size to G8 Education Limited. If approved, the increase will be divided between Non-executive Directors as the Board determines and will take effect on and from 1 July 2015. The Company does not intend to fully utilise the increase in the near future.

10. **ADDITIONAL INFORMATION AND RECOMMENDATION**

Copies of the Notice of Meeting and the Explanatory Memorandum were lodged with ASIC before being sent to members.

The Directors consider that this Explanatory Memorandum contains all material information known to the Company that could reasonably be required by members in deciding how to vote on the Resolutions.

11. GLOSSARY

Term	Definition
ASX	ASX Limited
Closely Related Party	In relation to a number of the Key Management Personnel, means: (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the company; (e) a company which the member controls; or (f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
Company	G8 Education Limited
Director	A director of the Company
Earnings Per Share (EPS)	Earnings per Share for ordinary shares in G8 Education Limited, being the ratio of the last reported earnings to the number of Shares then on issue, before taking into account any items treated as exceptional or extraordinary items. Earnings are net of tax, significant items, distributions to debt, minority interest and preference share holders.
Explanatory Statement	The explanatory statement accompanying and forming part of the Notice of Meeting
Key Management Personnel	Has the same meaning as in the accounting standard AASB 124 and, generally speaking, includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.
Listing Rules	The listing rules of ASX as applicable to the Company from time to time
Loan	A limited recourse, interest free loan to be offered to each of Christopher Scott, Christopher Sacre, Jason Roberts and Ann Perriam as described in the Explanatory Statement
Meeting	The general meeting of the Company to be held at the time and place specified in the Notice of Meeting
Notice of Meeting	The notice of meeting and accompanying Explanatory Statement
Placement Shares	The placement shares described in section 6 of the Explanatory Statement



Term	Definition
Proxy Form	The form that accompanies the Notice of Meeting
Resolutions	The resolutions to be put to Shareholders at the Meeting, as set out in the Notice of Meeting
Share	A fully paid ordinary share in the capital of the Company
Shareholder	A holder of a Share

PROXY FORM

Annual General Meeting

G8 Education Limited

A.B.N. 95 123 828 553



G8 Education^{ltd}

I/We being a member(s) of G8 Education Limited and entitled to attend and vote hereby appoint

A

the **Chairperson
of the Meeting**
(mark box)

OR if you are NOT appointing the Chairperson 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

or failing the person/body corporate named, or if no person/body corporate is named, the Chairperson of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11.00am (Brisbane time) on 21 May 2015**, at The Southport Yacht Club, Macarthur Parade, Main Beach Gold Coast, Queensland and at any adjournment of that meeting.

Where I/we have appointed the Chairperson as my/our proxy (or where the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy on all Resolutions (except where I/we have indicated a different voting intention below) even though a Resolution may be connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting, being **11.00am (Brisbane time) on 19 May 2015**. The Chairperson of the Meeting intends to vote undirected proxies in favour of all items of business.

B

To direct your proxy how to vote on any resolution please insert ☒ in the appropriate box below.

	For		Against		Abstain*	
Resolution 1 Remuneration Report						
Resolution 2 Re-election of a Director: Brian Hilton Bailison						
Resolution 3 Re-election of a Director: Jennifer Joan Hutson						
Resolution 4 Election of a Director: Matthew Reynolds						
Resolution 5 Ratification of Share issue						
Resolution 6 Issue of Shares to party nominated by Christopher Scott						
Resolution 7 Issue of Shares to party nominated by Jason Roberts						

Note: If faxing your response please ensure you send both pages 1 and 2.

	For		Against		Abstain*	
Resolution 8 Issue of Shares to party nominated by Christopher Sacre						
Resolution 9 Issue of Shares to party nominated by Ann Perriam						
Resolution 10 Remuneration of Non-Executive Directors						

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.

If no direction is given above, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of each resolution (including any procedural resolution) to be considered by the meeting and any adjournment of that meeting.

C

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (individual)

Joint Securityholder 2
(Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary
(Delete one)

Director

This form should be signed by the Securityholder. If a joint holding, both Securityholders should sign. If signed by the Securityholder'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* (Clth).

IMPORTANT

Please complete this form where indicated (A), (B), & (C) and return to Advanced Share Registry Services:

Postal Address	Advanced Share Registry Services PO Box 1156 NEDLANDS WA 6909	Address	Advanced Share Registry Services 110 Stirling Highway NEDLANDS WA 6009
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Facsimile Number (08) 9262 3723

Proxy forms must be received by **11.00am (Brisbane time) on 19 May 2015**.

Notes:

- Insert name of proxy. The proxy must be a natural person.
- A member is entitled to appoint 1 or 2 proxies to attend and vote at the meeting. If you appoint a second proxy you must delete the word "all" and insert the proportion of your voting rights given to the proxy in this form. An additional proxy form for the other proxy will be supplied on request.
- If you wish to direct your proxy how to vote, mark For, Against or Abstain for each resolution.
- All joint holders of shares must sign this form. A corporation must sign in accordance with its Constitution.
- The proxy form (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company no later than **11.00am (Brisbane time) on 19 May 2015**.

Note: If faxing your response please ensure you send both pages 1 and 2.