



This document is important and requires your immediate attention.

Advanced Braking Technology Ltd
ACN 099 107 623

**Notice of Annual General Meeting
and Explanatory Statement**

For the purpose of providing information to Shareholders regarding the Annual General Meeting of Advanced Braking Technology Ltd to be held at 11.00 am (ACDT) on Thursday 29 November 2018, at:

Baker Young Stockbrokers Limited
Level 6, 121 King William Street
Adelaide SA 5000

Contents

- A. Notice of Annual General Meeting
- B. Explanatory Statement
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Important note

This booklet sets out information to assist Shareholders to assess the resolutions to be considered at the Annual General Meeting.

You should read this information carefully and in its entirety before making a decision as to how to vote at the Annual General Meeting. No responsibility is taken for the contents of this booklet by ASIC, ASX or any of their officers.

If you do not fully understand the contents of this information you should consult your financial or legal adviser for assistance.

A Notice of Annual General Meeting and Proxy Form are included in/with this booklet. Shareholders are urged to complete the online proxy at www.investorvote.com.au or return the enclosed Proxy Form as soon as possible, irrespective of whether or not they intend to attend the Annual General Meeting.

Questions

If you have any queries regarding the contents of this booklet or in relation to the Annual General Meeting, please contact the Company Secretary, Ms Kaitlin Smith, on (08) 9302 1922.

Time and Place of Annual General Meeting and How to Vote

Venue

The Annual General Meeting of the Shareholders of Advanced Braking Technology Ltd (**Company**) will be held in the Park Room at;

Baker Young Stockbrokers Limited
Level 6, 121 King William Street
Adelaide SA 5000

Commencing at

11.00 am (ACDT) on Thursday 29 November 2018

How to Vote

You may vote by attending the Annual General Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

Voting by Proxy

To be valid, your Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.00am (ACDT) on Tuesday 27 November 2018. Any Proxy Form received after that time will not be valid for the Annual General Meeting as scheduled.

Online At www.investorvote.com.au

By mail Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia

By fax 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

By mobile Scan the QR Code on your Proxy Form and follow the prompts
Custodian For Intermediary Online subscribers only (custodians) please visit
voting www.intermediaryonline.com to submit your voting intentions

Advanced Braking Technology Ltd

ACN 099 107 623

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Advanced Braking Technology Ltd for 2018 will be held at 11.00 am (ACDT) on Thursday 29 November 2018.

Agenda

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting describes the business to be transacted at the Annual General Meeting.

Ordinary Business

Financial Statements and Reports

To receive and consider the annual financial report and the reports of the Directors and of the Auditor for the financial year ended 30 June 2018.

Resolution 1 – Adoption of Remuneration Report

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

“That, for the purposes of Section 250R (2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2018 be adopted.”

Please note that pursuant to Section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution:

- (a) by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- (b) by or on behalf of a Closely Related Party of a member of Key management Personnel; and
- (c) as a proxy by a member of Key Management Personnel of a Closely Related Party

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairperson pursuant to an express authority to exercise the proxy.

Resolution 2 – Re-Election of Director - Mr David Slack

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

“That, for the purpose of ASX Listing Rule 14.4 and article 13.2 of the Constitution and for all other purposes, Mr. David Slack, who retires by rotation in accordance with article 13.2 of the Constitution, and being eligible and offers himself for re-election, be re-elected as a Director.”

Resolution 3 – Re-Election of Director – Ms Dagmar Parsons

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

“That Ms Dagmar Parsons, being a Director of the Company who was appointed as an additional director on 24th April 2018 in accordance with article 13.5 of the Constitution, and being eligible and offers herself for re-election, be re-elected as a Director.”

Special Business

Resolution 4 – Consolidation of Shares

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

“That for the purposes of section 254H of the Corporations Act and for all other purposes, the Shareholders approve the consolidation of all of the Shares in the capital of the Company with effect on and from 5 December 2018 or another date determined by the Board on the basis of every ten (10) Shares into one (1) Share on the terms and conditions set out in the Explanatory Statement.”:

Resolution 5 – Approval of further 10% Placement Facility

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

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of Equity Securities totalling 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 and on the terms and conditions set out in the Explanatory Statement.”

Note: this Resolution is a special resolution and can only be passed if at least 75% of the votes cast, in person or by proxy and by members who are entitled to vote on the Resolution, vote in favour.

Voting exclusion statement

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity or an associate of that person (or those persons)).

However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the 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

Resolution 6 – Board Spill Meeting (Contingent Resolution)

If required, to consider and, if thought fit, pass the following Resolution as an ordinary resolution:

“That, subject to and conditional on at least 25% of the votes cast on Resolution 1 being cast against that Resolution:

- (1) a general meeting of the Company (**Spill Meeting**) be held within 90 days of the passing of this resolution;*
- (2) all of the Directors in office when the resolution to make the Directors’ report for the financial year ended 30 June 2018 was passed 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*
- (3) 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.*

Voting exclusion statement

The Company will disregard any votes cast on this Resolution:

- (a) by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
 - (b) by or on behalf of a Closely Related Party of a member of Key management Personnel; and
 - (c) as a proxy by a member of Key Management Personnel of a Closely Related Party
- unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairperson pursuant to an express authority to exercise the proxy.

Other Business

In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Annual General Meeting.

By order of the Board

Kaitlin Smith
Company Secretary
Dated: 26 October 2018

Explanatory Statement

1. General Information

This Explanatory Statement and all attachments are important documents. They should be read carefully.

This Explanatory Statement has been prepared for the Shareholders of Advanced Braking Technology Ltd (**Company**) in connection with the Annual General Meeting of the Company to be held at 11:00am ACDT on Thursday 29 November 2018 at Baker Young Stockbrokers, Level 6, 121 King William Street Adelaide SA 5000

The purpose of this Explanatory Statement is to provide Shareholders with the information known to the Company that the Board considers material to their decision on whether to approve the Resolutions in the accompanying Notice. This document is important and should be read in conjunction with all of the information contained in this booklet, including the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

Proxies

Please note that: (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy; (b) a proxy need not be a member of the Company; (c) a Shareholder may appoint a body corporate or an individual as its proxy; (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and (e) Shareholders 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Members of Key Management Personnel and their Closely Related Parties will not be able to vote as proxy on Resolutions 1 and 6 unless the Shareholder directs them how to vote or, in the case of the Chairperson, unless the Shareholder expressly authorises the Chairperson to do so. If a Shareholder intends to appoint a member of Key Management Personnel or their Closely Related Parties (other than the Chairperson) as its proxy, the Shareholder should ensure that it directs the proxy how to vote on Resolutions 1 and 6.

If a Shareholder intends to appoint the Chairperson as its proxy on Resolution 1 and 6, the Shareholder can direct the Chairperson how to vote by marking one of the boxes for the Resolutions (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If a Shareholder does not direct the Chairperson how to vote, the Shareholder can expressly authorise the Chairperson to vote as the Chairperson thinks fit on Resolutions 1 and 6 by marking the appropriate box on the Proxy Form even though the Resolution is connected to the remuneration of members of Key Management Personnel and even if the Chairperson has an interest in the outcome of the Resolution.

To vote by proxy, please complete and sign the enclosed Proxy Form and return it so that it is received by no later than 11.00am (ACDT) on Tuesday 27 November 2018 in accordance with the instructions set out on the Proxy Form. Proxy Forms received later than this time will be invalid.

Voting entitlements

In accordance with Regulation 7.11.37 of the *Corporations Regulations* 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm (ACDT) on Tuesday 27 November 2018. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Annual General Meeting.

2. Financial Statements and Reports

In accordance with the Corporations Act and the Constitution, the business of the Annual General Meeting will include the receipt and consideration of the annual financial report of the Company for the year ended 30 June 2018, together with the related Directors' report, Directors' declaration and Auditors' report. This item of business is intended to provide an opportunity for Shareholders to raise questions on the reports themselves and on the performance of the Company generally. No resolution need be put to the meeting in relation to these items.

As a Shareholder, you are entitled to submit a written question to the Auditor prior to the Annual General Meeting provided that the question relates to:

- the content of the Auditor's report; or
- the conduct of the audit in relation to the financial report.

All written questions must be received by the Company no later than 5.00pm (ACDT) on Thursday, 22 November 2018.

All questions must be sent to the Company and may not be sent to the Auditor. The Company will then forward all questions to the Auditor.

The Auditor will be present at the Annual General Meeting and Shareholders will have the opportunity to ask the Auditor questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies, and the independence of the Auditor.

3. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires a listed company to put to its shareholders (at its annual general meeting) a resolution that the remuneration report be adopted. Such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2018.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting. Notwithstanding the advisory effect of Resolution 1, the Board will consider the outcome of the vote made by the Shareholders with regard to the Remuneration Report at the Annual General Meeting when reviewing the Company's remuneration policies.

Although the effect of Resolution 1 is advisory only, under the "two strikes" rule, companies will be required to put a resolution to shareholders to hold fresh elections for directors if, at two consecutive annual general meetings, at least 25% of the votes cast on a resolution (such as Resolution 1) to adopt the remuneration report are cast against that resolution. At the Company's annual general meeting held on 24 November 2017, 68% of the votes cast on the resolution to adopt the remuneration report were cast against that resolution. Accordingly, if at least 25% of the votes cast on Resolution 1 at the forthcoming Annual General Meeting are cast against that Resolution, then the Company will be required to propose a resolution (see Resolution 6 below) to hold another general meeting within the following 90 days. If such a resolution is passed, then at the subsequent general meeting all Directors (other than the Managing Director) who were in office when the Remuneration Report was approved by the Board will cease to hold office (but may, if eligible, stand for re-election).

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Directors recommend that Shareholders vote in favour of Resolution 1. The Chairman intends to vote undirected proxies in favour of Resolution 1.

4. Resolution 2 – Re-Election of Director – Mr David Slack

ASX Listing Rule 14.4 and article 13.2 of the Constitution require that one third of the Directors (or, if their number is not a multiple of 3, then the number nearest to but not exceeding one third) must retire from office at each Annual General Meeting. The Directors retire by rotation, with the Director(s) who have been the longest in office since being appointed or re-appointed being the Director(s) who must retire in any one year.

The Constitution ensures that no Director is able to remain in office for longer than 3 years without standing for re-election. Each Director is entitled to offer himself/herself for re-election as a Director at the Annual General Meeting which coincides with his/her retirement.

The Managing Director (if any) is exempted by his office as managing director from the requirement to retire by rotation.

Mr Slack retires by rotation (in accordance with the requirements of the Constitution) at the Annual General Meeting. As he is entitled and eligible for re-election, he seeks re-election as a Director at the Annual General Meeting.

Mr Slack is the founding Managing Director of Australian equity fund manager Karara Capital Pty Ltd. Karara was established in 2007 and now has around \$3.7 billion in funds under management. Over the past 30 years, Mr Slack has made a significant contribution to the Australian funds management industry. Notably, he was co-founder and joint managing director of Portfolio Partners Limited, which was sold to Norwich Union in 1998. Prior to that, Mr Slack was a founding executive director of County Nat West Investment Management, where he was head of Australian Equities. He was a non-executive director of the Victorian Funds Management Corporation until 2007, holding positions of deputy Chair and Chair of the Board Investment Committee. Mr Slack has a Bachelor of Economics with Honours and is a fellow of FINSIA. He is a member of the Australian Institute of Company Directors.

The Directors (with Mr Slack abstaining) recommend that Shareholders vote in favour of Resolution 2. The Chairman intends to vote undirected proxies in favour of Resolution 2.

5. Resolution 3 – Re-Election of Director – Ms Dagmar Parsons

Resolution 3 seeks Shareholder approval for the re-election of Ms Dagmar Parsons as a Director of the Company.

Article 13.5 of the Company's Constitution provides that the Directors may appoint a Director as an additional Director and that any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election. The Board considered that Ms Parsons's extensive experience in the mining and resources industry would be a valuable addition to the skills and experience of the Board and, accordingly, Ms Parsons was appointed a Director of the Company on 24th April 2018. In accordance with Article 13.5 of the Constitution offers herself for re-election at the Annual General Meeting.

Ms Parsons has more than 25 years' experience in the mining and resources industry across a range of functions, working in senior executive roles with Worley Parsons, AECOM and Downer.

Ms Parsons has worked with major national and multinational entities to drive critical market success by providing strategic direction, visionary leadership and innovative thinking. As a Mechanical Engineer, Ms Parsons has developed an in-depth knowledge of engineering, manufacturing, and service industry environments in the Mining, Oil and Gas, Power and Infrastructure sectors.

Ms Parsons has considerable experience in transforming and growing complex businesses across diverse corporate, operational and entrepreneurial roles in Australia, Asia and Europe. She has a strong appreciation of the role of good governance in setting, implementing and overseeing strategic imperatives.

Ms Parsons holds Masters Degrees in Mechanical Engineering, and a Masters of Business Administration. She is a Graduate Member of the Australian Institute of Company Directors.

If approved by Shareholders, the appointment will take effect immediately following the end of the Annual General Meeting.

The Directors (with Ms Parsons abstaining) recommend that Shareholders vote in favour of Resolution 3. The Chairman intends to vote undirected proxies in favour of Resolution 3.

6. Resolution 4 – Consolidation of Capital

The Company proposes to consolidate its share capital through the consolidation of every ten (10) Shares into one (1) Share.

If Resolution 4 is passed, the number of securities on issue will be reduced from:

- 2,970,495,190 fully paid ordinary shares to 297,049,519; and
- 145,400,000 convertible notes with a value of \$0.008 convertible to shares at \$0.008 per share any time prior to the maturity date of 22 December 2018 to 14,540,000. Under the convertible note conditions, as there was a capital raising prior to the Maturity Date, the price that fully paid ordinary shares are issued at in that particular capital raising, \$0.002, becomes the conversion price.

(subject to rounding).

Reasons for the consolidation

The Company has a very large number of shares on issue, which imposes a number of disadvantages on the Company, including:

- a large number of shares on issue relative to comparable companies, resulting in a lower share price;
- negative perceptions associated with a low share price; and
- additional share price volatility relating to the fact that the minimum share price movement permitted by the ASX (\$0.001) represents a high proportion of the share price.

The Directors are of the opinion that a consolidation will create a more efficient capital structure and assist in mitigating these disadvantages.

Legal requirements

Section 254H of the Corporations Act provides that a company may convert all of its shares into a smaller number of shares by a resolution passed at a general meeting.

Approval of the proposed consolidation of the Company's shares is sought pursuant to Resolution 4.

In relation to the convertible notes, ASX Listing Rule 7.21 requires the reorganisation of the convertible notes so that the holder of such notes will not receive a benefit that holders of Shares do not receive. Accordingly, it is proposed that *every ten (10) convertible notes with a value of \$0.008 per note convertible to ordinary fully paid shares at \$0.008 on or before 22 December 2018 be consolidated into one (1) convertible note, with the exercise price per convertible note amended in inverse proportion to that ratio.*

In relation to any retention, performance or incentive rights on issue, every ten (10) rights are to be consolidated into one (1) right.

Effect on Shareholders

As the share consolidation applies equally to all Shareholders, individual Shareholders will be reduced in the same ratio as the total number of Shares (subject only to the rounding of fractions). It follows that the consolidation will have no material effect on the percentage interest of each individual Shareholder in the Company. Similarly, the aggregate value of each Shareholder's holding (and the Company's market capitalisation) should not change other than minor changes as a result of rounding – as a result of the share consolidation alone (that is, assuming no other market movements or impacts occur).

If Resolution 4 is passed and the conditions to its implementation are satisfied, then the consolidation will be implemented and binding upon all Shareholders, regardless of how (or if) they vote on the Resolution.

Where the consolidation would result in the holding of a fraction of a share, the Company will round that fraction up to the nearest whole number of shares. Where the Directors form the opinion that Shareholders have been

split or aggregated to obtain the benefit of rounding, transfers of shares and aggregated parcels of shares may be disregarded for the purpose of rounding.

It is not considered that any taxation implications exist for shareholders. However, shareholders are advised to seek their own taxation advice on the effect of the consolidation.

From the date of the consolidation, all holding statements will cease to have any effect, except as evidence of entitlement to a certain number of shares on a post-consolidation basis.

After the consolidation becomes effective, the Company will arrange for new holding statements to be issued to shareholders. It is the responsibility of each shareholder to check the number of shares held prior to disposal.

Timetable

Set out below is an indicative timetable for the consolidation assuming Resolution 4 is passed. These indicative dates are subject to change at the Board's discretion (subject to the ASX Listing Rules).

ACTION	DATE
Annual General Meeting.	29 November 2018
Notification to ASX that the consolidation is approved.	29 November 2018
Last day for trading in pre-consolidated securities.	30 November 2018
Trading in the consolidated securities on a deferred settlement basis starts.	3 December 2018
Last day for the Company to register transfers on a pre-consolidated basis.	4 December 2018
<ul style="list-style-type: none"> • First day for entity to send notice to each security holder. 	5 December 2018
<ul style="list-style-type: none"> • Issue date. Deferred settlement market ends. • Last day for securities to be entered into the holders' security holdings. If securities are certificated, last day for the Company to issue them and send the certificates to the holders. • Last day for the Company to send notice to each security holder 	11 December 2018
Normal trading starts.	12 December 2018

The Directors recommend that Shareholders vote in favour of Resolution 4. The Chairman intends to vote undirected proxies in favour of Resolution 4.

7. Resolution 5 – Approval of 10% Placement Facility

7.1 General

ASX Listing Rule 7.1A enables eligible entities, subject to obtaining Shareholder approval, to issue additional Equity Securities up to 10% of its fully paid ordinary securities on issue through placements over a 12 month period after the eligible entity's annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity, as its current market capitalisation is \$8,911,486 based on a share price of \$0.003 per share, being the closing price of the Shares on the ASX on 18 October 2018.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the

10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 6.2 below).

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present in person or by proxy and eligible to vote at the Annual General Meeting must be cast in favour of Resolution 5 for it to be passed.

The Directors consider that Resolution 5 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 5.

7.2 Summary of ASX Listing Rule 7.1A

(a) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. At the date of this Notice of Annual General Meeting, the Company has only one class of quoted Equity Securities, being the 2,970,495,190 Shares currently on issue.

(b) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue, or agree to issue, during the 12 month period after the date of such annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of the issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus, the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

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

D is 10%

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

(c) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. At the date of this Notice, the Company has a capacity to issue:

- (1) 445,574,279 (pre-consolidation) Shares under Listing Rule 7.1; and
- (2) 297,049,519 (pre-consolidation) Shares under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 6.2(b) above).

(d) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 ASX trading days immediately before:

- (1) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (2) if the Equity Securities are not issued within 5 ASX trading days of the date in section 6.2(d)(1) above, the date on which the Equity Securities are issued.

(e) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (1) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (2) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(f) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

7.3 Information required by Listing Rule 7.3A

ASX Listing Rule 7.3A sets out a number of matters which must be included in a notice of meeting seeking an approval under ASX Listing Rule 7.1A. The following information is provided for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 ASX trading days immediately before:
 - (1) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (2) if the Equity Securities are not issued within 5 ASX trading days of the date in section 6.3(a)(1) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
 - (1) the market price for the Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (2) the Equity Securities may be issued at a price that is at a discount to the market price for the Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (1) 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
- (2) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Dilution				
Variable "A" in Listing Rule 7.1A.2	Issue Price (per Share)	50% decrease in Deemed Issue Price \$0.0015	Deemed Issue Price \$0.003	50% increase in Deemed Issue Price \$0.0045
Current Variable "A" 2,970,495,190 Shares	10% dilution - Shares issued	297,049,519	297,049,519	297,049,519
	Funds raised	\$445,574	\$891,149	\$1,336,723
50% increase in current Variable "A" 4,445,574,279 Shares	10% dilution - Shares issued	445,574,279	445,574,279	445,574,279
	Funds raised	\$668,361	\$1,336,723	\$2,005,084
100% increase in current Variable "A" 5,940,990,380 Shares	10% dilution - Shares issued	594,099,038	594,099,038	594,099,038
	Funds raised	\$891,149	\$1,782,297	\$2,673,446

The table has been prepared on the following assumptions:

- (i) The price of Shares is deemed, for the purposes of the table above, to be \$0.003, being the closing price of the Company's Shares on ASX on 18 October 2018 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 25% discount to market that the Equity Securities may be placed at.
 - (ii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (iii) No Options are exercised into Shares before the date of the issue of the Equity Securities. The Company currently has nil unlisted Options and nil listed Options on issue as at the date of the Notice;
 - (iv) The 10% dilution reflects the aggregate percentage voting dilution against the issued share capital at the time of issue. This is why the dilution is shown in each example as 10%.
 - (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 - (vi) 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.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (1) as non-cash consideration for the acquisition of new assets and investments (including expenses associated with such acquisitions). In such circumstances, the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (2) for cash consideration in which case the Company intends to use the funds raised for the expansion of products and distribution arrangements, increasing product production and general working capital purposes or towards the acquisition of new assets or investments (including expense associated with such acquisitions).

Although the Company may seek to issue Equity Securities for the acquisition of new assets and investments (including expenses associated with such acquisitions), the particular assets and investments which may be acquired by the Company have yet to be ascertained.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (1) the purpose of the issue;
 - (2) alternative 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;
 - (3) the effect of the issue of the Equity Securities on the control of the Company;
 - (4) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
 - (5) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) The Company has previously obtained approval under rule 7.1A, such approval having been sought and obtained by the Company at the Annual General Meeting of the Company held on 24 November 2017.
- (g) The Company has or will have issued (net of converting securities) a total of 763,286,506 additional Equity Securities during the 12 months preceding the date of the Annual General Meeting, representing (net of converting securities) approximately 0.34% of the total diluted number of Equity Securities on issue in the Company on 24 November 2017, which were 2,207,208,684.

Information relating to issues of Equity Securities by the Company in the 12 months prior to the date of the Annual General Meeting is as follows:

- (1) on 12 October 2017, 10,500,000 ordinary fully paid shares were issued to an Unlisted Convertible Noteholder at a notional price of \$0.0533 (non-cash consideration) per share under the Conversion of Convertible Note conditions. Current value of the shares is \$31,500 using the closing share price of \$0.003 as at 18 October 2018;
- (2) on 30 October 2017, 6,412,252 ordinary fully paid shares were issued (non-cash consideration) to Key Management Personnel pursuant to the terms of the 2017 ABV Short Term Incentive Plan. Current value of the shares is \$19,237 using the closing share price of \$0.003 as at 18 October 2018;

- (3) on 10 August 2018, 219,720,665 ordinary fully paid shares were issued under an accelerated Institutional Entitlement Issue ('Offer') at an issue price of \$0.002 per share. The issue price represented a 0% discount to the closing market price of the Company's shares on the date of issue. The Offer was open to all institutional shareholders of the Company on the record date, being 7 August 2018. The Institutional Offer raised \$439,441. There are nil proceeds remaining as all the proceeds from the Offer have been fully used in supplementing general working capital;
 - (4) on 12 September 2018, 420,427,270 ordinary fully paid shares were issued under an Retail Entitlement Issue ('Offer') at an issue price of \$0.002 per share. The issue price represented a 0% discount to the closing market price of the Company's shares on the date of issue. The Offer was open to all shareholders of the Company on the record date, being 7 August 2018. The Retail Offer raised \$840,855. \$150,560 of the proceeds from the Offer has been used for working capital. \$690,295 remaining proceeds will be used for working capital, product development and for future growth;
 - (5) on 14 September 2018, 101,226,319 shortfall ordinary fully paid shares were issued in accordance with the Retail Entitlement Issue ('Offer') at an issue price of \$0.002 per share. The issue price represented a 0% discount to the closing market price of the Company's shares on the date of issue. The Offer was open to all shareholders of the Company on the record date, being 7 August 2018. The Shortfall Offer raised \$202,453. The proceeds from the Offer have not been used. \$202,453 remaining proceeds will be used as working capital, product development and for future growth; and
 - (6) on 2 October 2018, 5,000,000 ordinary fully paid shares were issued to an Unlisted Convertible Noteholder at a notional price of \$0.002 per share (non-cash consideration) under the Conversion of Convertible Note conditions. Current value of the shares is \$15,000 using the closing share price of \$0.003 as at 18 October 2018.
- (h) A voting exclusion statement is included in the Notice of Annual General Meeting.

8. Resolution 6 – Spill Meeting (Contingent Resolution)

This Resolution will only be put to the Annual General Meeting if at least 25% of the votes cast on Resolution 1 (Adoption of Remuneration Report) are cast against that Resolution. If less than 25% of the votes cast on Resolution 1 are cast against that Resolution, then there will be no second strike and Resolution 6 will not be put to the Annual General Meeting.

If put to the AGM, this Resolution will be considered as an ordinary resolution.

If this resolution is passed, and becomes effective based upon the results of the poll on Resolution 1, then it will be necessary for the Board to convene a further general meeting (Spill Meeting) of the Company within 90 days of the AGM in order to consider the composition of the Board.

If a Spill Meeting is held, each Director (other than the Managing Director and CEO) who:

- (1) held office at the date when the resolution to make the Directors' Report for the financial year ended 30 June 2018 was passed;
- (2) continues in office at the date of the Spill Meeting; and
- (3) will automatically vacate office at the conclusion of the Spill Meeting unless they are willing to stand for re-election and are re-elected at that Spill Meeting.

Accordingly, even if Mr David Slack and Ms Dagmar Parsons are re-elected or elected (as the case may be) by shareholders at this year's Annual General Meeting, they will still need to be re-elected at the Spill Meeting to remain in office after the Spill Meeting. The other Directors who will cease to hold office if they are not re-elected at the Spill Meeting are Mr Adam Levine and Mr Mark Lindh.

The Directors recommend that Shareholders vote against Resolution 6. The Chairman intends to vote undirected proxies against Resolution 6.

Glossary

In this Notice of Annual General Meeting and Explanatory Statement the following terms have the following meaning unless the context otherwise requires:

\$ means Australian dollars.

10% Placement Facility has the meaning given in section 6.1 of this Explanatory Statement

ACDT means Australian Central Daylight Time.

Annual General Meeting means the annual general meeting of the Company the subject of the Notice of Annual General Meeting.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules or **Listing Rule** means the official listing rules of ASX.

Auditor means the auditor of the Company, Moore Stephens.

Board means the board of Directors.

Chairperson means the person appointed to chair the Annual General Meeting.

Closely Related Party of a member 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 the 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 entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means Advanced Braking Technology Ltd (ACN 099 107 623).

Constitution means the Company's constitution.

Convertible Notes has the meaning given in section 5 of this Explanatory Statement.

Corporations Act means *Corporations Act 2001* (Cth).

Director means a director of the Company and **Directors** has a corresponding meaning.

Equity Securities includes a Share, a right to a Share or Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement to this Notice of Annual General Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly 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.

Managing Director means the managing director of the Company.

Notice or **Notice of Annual General Meeting** means the notice of Annual General Meeting.

Option means an option to acquire a Share.

Proxy Form means the proxy form **attached** to the Notice of Annual General Meeting.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the Company's annual report for the year ended 30 June 2018.

Resolutions means the resolutions set out in the Notice of Annual General Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the issued capital of the Company.

Shareholder means a shareholder of the Company.



Advanced Braking Technology Ltd

ABN 66 099 107 623

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 181698

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 11:00am (ACDT) Tuesday, 27 November 2018

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Advanced Braking Technology Ltd hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman 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 directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Advanced Braking Technology Ltd to be held at Baker Young Stockbrokers Limited, Level 6, 121 King William Street, Adelaide, South Australia on Thursday, 29 November 2018 at 11:00am (ACDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Resolution 6 where the Chairman of the Meeting intends to vote against.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 6 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Mr David Slack	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-Election of Director – Ms Dagmar Parsons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Consolidation of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of further 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Board Spill Meeting (Contingent Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 6 where the Chairman of the Meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____ / ____ / ____