

SMARTTRANS HOLDINGS LIMITED

ACN 009 065 650

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of SmartTrans Holdings Limited (**SmartTrans** or the **Company**) will be held at Bayview Eden Hotel at 6 Queens Road, Melbourne VIC 3004 on Friday 27 November 2015 at 10.00am (AEDT) (**Meeting**).

The Explanatory Notes to this Notice provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Notes and the Proxy Form form part of this notice.

BUSINESS OF THE MEETING

Item 1: Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2015.

Item 2: Remuneration Report

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

"To adopt the Remuneration Report for the year ended 30 June 2015."

Notes:

- (i) In accordance with section 250R of the Corporations Act 2001, the vote on this resolution will be advisory only and will not bind the directors or the Company.
- (ii) A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

Item 3: Re-election of Director – Mr Andrew Forsyth

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

"That Mr Andrew Forsyth, being a director who is retiring in accordance with clause 13.2 of the Company's Constitution and Listing Rule 14.4, and being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Item 4: Election of Director – Mr Gregory Simpson

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

"That Mr Gregory Simpson, being a Director who was appointed by the Directors on 22 April 2015 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Item 5: Non-executive Directors' Remuneration

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

"That, for the purposes of Listing Rule 10.17 and for all other purposes, effective from the close of the Meeting the total amount that may be paid in aggregate and in any one year by the Company to the Non-executive Directors as remuneration for services be increased by \$420,000, from \$80,000 to \$500,000."

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

Item 6: Issue of Director Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That in accordance with Listing Rule 10.11 and for all other purposes the Company be authorised to issue, for nil consideration, Options to subscribe for ordinary Shares in the Company to the value of:

- (a) *\$50,000 to Dr Geoffrey Raby or his nominee;*
- (b) *\$25,000 to Mr Andrew Forsyth or his nominee;*
- (c) *\$25,000 to Mr Gregory Simpson or his nominee;*
- (d) *\$25,000 to Mr Yui Tang or his nominee; and*
- (e) *\$25,000 to Mr Ian Hawkins or his nominee*

who are Related Parties of the Company as described in the Explanatory Notes."

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes)

Item 7: Adoption of New Constitution

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

"That, for the purposes of sections 136 and 648G of the Corporations Act 2001 (Cth) and for all other purposes, the existing Constitution of the Company be repealed in whole and replaced by a new Constitution which will be tabled at the meeting."

ENTITLEMENT TO VOTE

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered shareholders of the Company as at 7:00pm (AEDT) on Wednesday 25 November 2015 (**Entitlement Time**).

This means that if you are not the registered holder of a Share in the Company at the Entitlement Time, you will not be entitled to vote at the Meeting.

ANNUAL REPORT

Copies of the Company's full Annual Report may be accessed at our website www.smarttrans.com.au and clicking on the Investor Relations tab.

VOTING OPTIONS AND PROXIES

If you do not plan to attend the Meeting in person, you are encouraged to complete and return the Proxy Form which accompanies this Notice of Annual General Meeting.

Voting by Proxy

A Shareholder who is entitled to attend and vote at this Meeting is entitled to appoint not more than 2 proxies to attend and vote in place of the member.

If the Shareholder appoints 2 proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the shareholder's votes. If the specified proportion or number of votes exceed that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a Shareholder of the Company. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Subject to the specific proxy provisions applying to Items 2, 5 and 6 (see the Explanatory Notes below):

- If a Shareholder has not directed their proxy how to vote, the proxy may vote as the proxy determines, and
- If a Shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on an item of business, the Chairman will vote in accordance with his voting intention as stated in this Notice of Meeting, namely in favour of each of the proposed resolutions set out in the Notice of Meeting.

Proxy Voting by the Chairman

For Item 2 (Remuneration Report), Item 5 ((Non-Executive Directors' Remuneration) and Item 6 (Issue of Director Options), where the Chairman is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the Chairman is to vote on Items 2, 5 and 6, the Shareholder is directing the Chairman to vote in accordance with the Chairman's voting intentions for these items of business, even though Items 2, 5 and 6 are connected with the remuneration of Key Management Personnel.

The Chairman intends to vote all undirected proxies in favour of the resolutions in the Notice of Meeting, including Items 2, 5 and 6.

Proxy Forms

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company's share registry, as an original or by facsimile, **no later than** 10:00am (AEDT) on Wednesday 25 November 2015 (**Proxy Deadline**).

Proxy forms may be submitted in one of the following ways:

- (i) **By mail** to Computershare Investor Services Pty Ltd using the reply paid envelope or GPO Box 242, Melbourne VIC 3001. Please allow sufficient time so that it reaches Computershare Investor Services Pty Ltd by the Proxy Deadline;
- (ii) **By fax** to Computershare Investor Services Pty Ltd on +1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);
- (iii) **Online** via the Company's Share Registry website at www.investorvote.com.au or via your mobile phone using your QR code. Please refer to the Proxy Form for more information; or
- (iv) **By hand delivery** to Computershare at Level 4, 60 Carrington Street, Sydney NSW 2000.

Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

CORPORATE REPRESENTATIVES

Where a shareholding is registered in the name of a corporation, the corporate shareholder may appoint a person to act as its representative to attend the meeting by providing that person with:

- (i) a letter or certificate authorising him or her as the corporation's representative, executed in accordance with the corporation's constitution; or
- (ii) a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

BY ORDER OF THE BOARD



Leanne Ralph
Company Secretary
15 October 2015

Explanatory Notes

Notes on Business

ITEM 1 – Financial Statements

As required by section 317 of the *Corporations Act 2001* Cth (**Corporations Act**) the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be presented to the meeting.

The Financial Report contains the financial statements of SmartTrans Holdings Limited and its controlled entities.

There is no requirement for a formal resolution on this item.

The Chairman of the Meeting will allow a reasonable opportunity at the meeting for Shareholders to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor, RSM Bird Cameron Partners (**RSM Bird Cameron**), questions about the Audit Report, the conduct of its audit of the Company's Financial Report for the year ended 30 June 2015, the preparation and content of the Audit Report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of RSM in relation to the conduct of the audit.

Shareholders may submit written questions to RSM Bird Cameron to be answered at the meeting, provided the question is relevant to the content of RSM Bird Cameron's Audit Report or the conduct of the audit of the Company's Financial Report for the year ended 30 June 2015.

Written questions must be received no later than 5.00pm (AEDT) on Monday 23 November 2015. Any written questions to RSM Bird Cameron can be sent to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC 3001 (or by Fax: on +1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)).

ITEM 2 – Adoption of remuneration report

Reasons for Resolution

In accordance with section 300A of the Corporations Act the Company has proposed a remuneration report for the consideration of shareholders.

As provided by section 250R(3) of the Corporations Act, the resolution on this item of business is advisory only and does not bind the board or the Company.

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward.

Voting Exclusion Statement

As required by the Corporations Act, the Company will disregard any votes cast on Item 2 by any member of the Company's Key Management Personnel (**KMP**) or a Closely Related Party of any such member unless the person:

- (i) votes as a proxy appointed by writing that specifies how the person is to vote on the resolutions; or
- (ii) is the Chairman of the Meeting and votes as a proxy appointed by writing that authorises the Chairman to vote on the resolutions even though that resolution is connected with the remuneration of a member of the Company's KMP.

What this means for Shareholders: If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 2. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2 and give the Chairman your express authority to vote your undirected proxy (in which case the Chairman will vote in favour of this item of business).

Directors' Recommendation

The Board unanimously recommend that Shareholders vote in favour of this item.

ITEM 3 – Retirement and Re-election of Director – Mr Andrew Forsyth

In accordance with the Company's Constitution and ASX Listing Rule 14.5 an election of Directors must be held at each AGM. The Constitution states that one-third of all directors (not including Directors appointed during the year by the Board or the Managing Director) must retire and may offer themselves for re-election. Directors appointed during the year by the Board must also retire and may offer themselves for election. If no Directors are scheduled to be elected by virtue of the ASX Listing Rules or the Constitution, then one-third of directors must still retire and be re-elected by the Shareholders of the Company. Normally, this would be the Director (other than the Managing Director) who has held office the longest since being appointed or last being elected.

Listing Rule 14.4 states that no director is entitled to hold office without re-election past the third AGM following the Director's appointment or three years, whichever is longer. Mr Forsyth was last appointed as a director on 15 November 2012 and therefore must retire and is eligible to be re-elected at this AGM.

Details of Mr Forsyth are set out below.

Mr Forsyth is a solicitor and a director of Dymocks Group of Companies, Tandragee Pty Limited, Coolgardie Units Pty Limited and Jamajon Pty Limited. Also a director of the company's subsidiaries Sm@rtTrans Limited, SmartTrans Technology (Beijing) Limited and SmartTrans (HK) Ltd.

The Board may determine that a director is independent notwithstanding the existence of an interest, position, association or relationship of the kind identified in the examples listed under Recommendation 2.3 of the ASX Corporate Governance Principles and Recommendations (3rd edition) (**ASX Principles**), Mr Forsyth is considered independent by the Board despite the fact that he has an association with substantial shareholders of the Company. The Board is of the view that despite this association he is to be considered independent, as he doesn't have this association in a material respect and has the capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the company and its shareholders.

Directors' Recommendation

The Board unanimously (other than Mr Forsyth) supports the re-election of Mr Forsyth and recommends that Shareholders vote in favour of this item.

ITEM 4 - Election of a Director – Mr Gregory Simpson

In accordance with Clause 13.5 of the Company's constitution and ASX Listing Rule 14.4 any director appointed to fill a casual vacancy or as an additional director holds office until the next AGM and is then eligible for re-election.

Mr Gregory Simpson was appointed to fill a casual vacancy as a Director on 22 April 2015. Mr Simpson therefore retires at the forthcoming AGM in accordance with the Constitution and being eligible, has offered himself for re-election.

Mr Simpson is a Chartered Accountant and has served as a financial and commercial consultant to the Board of SmartTrans since January 2013. Mr Simpson holds a Bachelor of Commerce degree with significant experience in the accounting and commercial fields.

Having had regard to the ASX Principles, the Board considers Mr Simpson to be an independent Director.

Directors' Recommendation

The Board unanimously (other than Mr Simpson) supports the re-election of Mr Simpson and recommends that Shareholders vote in favour of this item.

ITEM 5 – Non-executive Directors' Remuneration

It is proposed to increase the maximum aggregate remuneration that may be paid to non-executive directors by \$420,000, from \$80,000 per annum to \$500,000 per annum. The Board's remuneration policy for non-executive Directors aims to ensure that the Company can attract and retain suitably skilled, experienced and committed individuals to serve on the Board.

The proposed increase in the maximum aggregate amount payable to non-executive Directors will ensure fees are in line with future market rates and enable non-executive Directors' fees to be paid to any incoming Directors. It is the Board's policy that the remuneration of non-executive Directors should accord with market rates and the level of responsibilities involved with each Board position.

Shareholder approval of this proposal is sought under article 13.8 of the Company's Constitution and under ASX Listing Rule 10.17.

For the purposes of ASX Listing Rule 10.17, no securities have been issued to non-executive Directors at any time over the last three years under rule 10.11 or 10.14.

Voting Exclusion Statement

The Company will disregard any votes cast on the proposed Item 5 by any Director of the Company and any associate of any such persons. However, the Company need not disregard a vote 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 Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy does.

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on the proposed Item 5 unless:

- a) the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed Item 5; or
- b) the person is the Chair and votes as a proxy appointed by writing that authorises the Chair to vote on the proposed Item 5 even though the resolution is connected directly or indirectly with the remuneration of KMP of the Company.

Directors' Recommendation

As the non-executive Directors have a personal interest in Item 5, all Directors abstain from making a recommendation on this resolution.

ITEM 6 – Issue of Options to Directors

Background

The Company intends to adopt the recommendation of remuneration consultant Mastertek Pty Ltd to remunerate the Company's non-executive Directors partly in cash and partly by way of the issue of Options to acquire fully paid ordinary Shares (**Director Options**).

The Company proposes to issue the Director Options to the current non-executive Directors of the Company, being Dr Geoffrey Raby, Mr Andrew Forsyth, Mr Gregory Simpson and Mr Yui Tang.

The Company also proposes to issue Director Options to Director and Chief Technical Officer Mr Ian Hawkins. Mr Hawkins has agreed to the Director Options being issued as part of his remuneration as a Director.

Approval for the issue of the Director Options is sought in accordance with Listing Rule 10.11. As approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1.

Incentivising through the issue of Director Options

Having regard to the recommendations of remuneration consultant Mastertek Pty Ltd, the Board considers it to be in the Company's interest to grant the Director Options to the current non-executive Directors of the Company and to executive Director Mr Ian Hawkins.

The Board believes that the grant of Director Options is an effective method of incentivising Directors to maximise the long-term value of the Company for Shareholders as it more effectively aligns the interests of the Directors with those of shareholders, by giving the Directors an opportunity to share in the success of the Company. The exercise price of the Director Options will be set by reference to the market value of the underlying Shares at the time of grant of the Options as set out below. By paying the Directors' remuneration partially by way of the Director Options, the Company also preserves its cash reserves.

The Company will engage a valuer to provide an independent valuation of the Director Options as at their issue date using the Hull-White Binomial Model (**Valuation**), which is the most widely used and recognised model for pricing American options (options that can be exercised at any time prior to and including the options expiry date. The value of an option

calculated by the Hull-White Binomial Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk-free interest rate, the volatility of the Company's underlying Share price, the expected early exercise factor and expected dividends. The number of Director Options to be issued to each recipient will be determined based on the Valuation.

By way of example, the table below sets out the impact of a variation in the grant date share price of the Company on the valuation of an option (and assuming the option terms set out below):

| Grant Date Company Share Price (cents) | Option Exercise Price – 110% of Company Share Price (cents) | Value of one option (cents) |
|--|---|-----------------------------|
| 2.0 | 2.20 | 0.94 |
| 2.2 | 2.42 | 1.04 |
| 2.4 | 2.64 | 1.13 |
| 2.6 | 2.86 | 1.22 |
| 2.8 | 3.08 | 1.32 |
| 3.0 | 3.30 | 1.41 |
| 3.2 | 3.52 | 1.50 |
| 3.4 | 3.74 | 1.60 |
| 3.6 | 3.96 | 1.69 |
| 3.8 | 4.18 | 1.78 |
| 4.0 | 4.40 | 1.88 |

Option Terms

A summary of the key terms of the Director Options is as follows:

- (a) Exercise: The Director Options are exercisable into Shares on a 1:1 basis.
- (b) Exercise Price: 110% of the volume weighted average price for Shares during the 5 trading days immediately prior to the date of issue of the Director Options.
- (c) Expiry date: 3 years from the date of issue.
- (d) Value of the Director Options: The value of each of the Director Options will be calculated in accordance with the Hull-White Binomial Model methodology described above. The total value of Director Options to be issued to each recipient is \$50,000 for Dr Geoffrey Raby and \$25,000 for each of Mr Andrew Forsyth, Mr Yui Tang, Mr Gregory Simpson and Mr Ian Hawkins.
- (e) Number of Director Options to be granted: The number of Director Options to be granted will be calculated by dividing the approved total value of Director Options for each recipient by the value of one Director Options as at the date of the grant.

If this resolution is not approved by Shareholders, each recipient will be paid the equivalent remuneration in cash.

Listing Rule 10.13

For the purposes of Listing Rule 10.13 and for all other purposes the following information is provided to Shareholders:

- (a) The Director Options will be issued to Dr Geoffrey Raby, Mr Andrew Forsyth, Mr Yui Tang, Mr Gregory Simpson and Mr Ian Hawkins or their respective nominees.
- (b) The maximum number of Director Options to be issued will be determined based on the valuation of the Directors Options as at the date of issue, for example:

| Option Valuation (Cents) | Number of Options | |
|-------------------------------------|---------------------------|------------------------------------|
| | Dr Raby (\$50,000) | Other recipients (\$25,000) |
| 1.41 | 3,546,099 | 1,773,049 |
| 1.69 | 2,958,579 | 1,479,289 |
| 1.88 | 2,659,574 | 1,329,787 |

- (c) The Company will issue the Director Options as soon as possible but in any event within one month following this Meeting.
- (d) The Director Options are being issued for nil consideration being part of the recipients' remuneration.
- (e) No funds are being raised by the issue of the Director Options.
- (f) A voting exclusion statement is set out below

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a Financial Benefit to a Related Party of the public company unless providing the benefit falls within a prescribed exception to the general prohibition. Section 211(1) of the Corporations Act provides that shareholder approval is not needed to give a financial benefit if:

- (a) the benefit is remuneration to a Related Party as an officer or employee of the public company; and
- (b) to give the remuneration would be reasonable given the circumstances.

A "Related Party" is defined widely in section 228 of the Corporations Act and includes, relevantly, a director (or proposed director) of a public company.

As the issue of Director Options comprises part of remuneration payable to the Directors, and the total remuneration the non-executive Directors will be within the maximum remuneration approved by Shareholders at the earlier at this meeting, the issue of the Director Options does not need Shareholder approval pursuant to Chapter 2E.

Voting Exclusion Statement

The Company will disregard any votes cast on this item by Dr Geoffrey Raby, Mr Andrew Forsyth, Mr Gregory Simpson, Mr Yui Tang and Mr Ian Hawkins 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 in the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

In addition, the Company's KMP (who are disclosed in the Remuneration Report) and their Closely Related Parties are not permitted to cast a vote as a proxy for a person, if that person has not included a direction on how to vote on these resolutions in the Proxy Form.

However, the KMP or any Closely Related Party may vote if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the resolution or by a person who is the Chair of the meeting at which the resolution is voted on and 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 KMP.

Director Recommendation

Directors recommend that Shareholders vote in favour of this item.

ITEM 7 – Adoption of New Constitution

Background

The Company's current Constitution was adopted at the AGM of the Company held on 23 November 2000. Since then, there have been a number of changes to the ASX Listing Rules, the introduction of the *Corporations Act 2001* (Cth) and developments in general corporate and commercial practice for ASX listed companies.

As a result, the Board recommends the adoption of a new constitution which takes account of these changes and is consistent with current market practice. Section 136(2) of the Corporations Act provides that a Company can only modify or repeal its constitution by a special resolution. Item 7 is a special resolution and as such must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

A copy of the Company's existing constitution and proposed new constitution can be obtained before the meeting from the Company's website at www.smarttrans.com.au. A copy of each of them will also be available at the Meeting.

Key changes

The proposed modifications will ensure the Company's constitution is consistent with contemporary principles of good corporate and commercial practice. The changes will also facilitate the efficient operations of the Company. There have been no fundamental changes to Shareholders' rights, such as the right to vote, to participate in dividends or in the event of a winding up.

Key changes to the constitution include:

- Directors' age: the requirement that directors over the age of 72 may not be appointed or re-appointed except subject to a resolution has been repealed under the Corporations Act and is not in the new constitution.
- Meetings: the company may hold a meeting at two or more venues in Australia and using various forms of technology.
- Notice: expansion of the methods by which notice can be given (including electronically).
- Proxies: further detail around the appointment and treatment of proxies.
- Dividends: updates to the declaration of dividends, as companies are no longer restricted to paying dividends out of profits.
- Sale of minimum holdings: updates to the way in which the small shareholding facility can be conducted.
- General modernisation of provisions and drafting.

Proportional takeover provisions

A proportional takeover bid is one under which an offer is made for only a proportion of the securities held by each security holder. The Company's proposed replacement constitution includes provisions which prohibit the registration of a transfer of shares under a proportional takeover bid unless and until a resolution to approve the bid is passed by the relevant security holders. These provisions are similar to those contained in the Company's current constitution.

If a proportional takeover bid is made, the Directors will be required to seek approval of the bid proceeding through a meeting of the persons entitled to vote on the resolution. That resolution shall be taken to have been passed only if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half. The bidder, and any associate of the bidder, will be excluded from voting. The Directors must ensure that a resolution to approve the bid is held on a day which is not less than 15 days prior to the end of the period during which the offers made under the Takeover Bid remain open. If a resolution to approve the bid is voted on and is rejected, all offers under the bid are taken to be withdrawn and each binding takeover contract for the bid is rescinded.

The proportional takeover provisions cease to apply at the end of the period of three years after the date of approval, unless renewed by special resolution of Shareholders. Where the approval of shareholders is sought to include proportional takeover provisions in a constitution, the Corporations Act requires certain information to be provided to shareholders. That information is set out below.

Reasons for Renewing Provisions

Directors consider that holders of bid class securities should have the opportunity to vote on any proportional takeover bid for the Company. A proportional takeover bid may enable control of the Company to pass without security holders having an opportunity to sell all of their securities to the bidder. Security holders, therefore, may be exposed to the risk of being left as a minority in the Company and of the bidder being able to acquire control of the Company without payment of an adequate premium for all of their securities.

Takeover approval provisions lessen these risks as they allow security holders to decide whether a proportional takeover bid is acceptable and should be allowed to proceed.

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or increase the extent of, a

substantial interest in the Company.

Review of Advantages and Disadvantages of Provisions

Directors consider that the takeover approval provisions have no potential advantages or potential disadvantages to them as they will remain free to make whatever recommendations they consider appropriate on any proportional takeover bid that may be made.

The major potential advantage of the provisions for security holders is that they give security holders a say in determining whether a proportional takeover bid should be allowed to proceed and therefore may assist in ensuring that any proportional takeover bid is attractive to a majority of security holders.

Some potential disadvantages are that the inclusion of takeover approval provisions may reduce the likelihood of a proportional takeover bid being successful and may accordingly discourage the making of a proportional takeover bid. This may reduce the opportunity which security holders have to sell some of their securities.

Directors consider that it is in the interest of security holders to have the right to vote on a proportional takeover bid and therefore recommend that Shareholders vote in favour of the takeover approval provisions.

Directors' Recommendation

Directors recommend that Shareholders vote in favour of this item.

Chairman's Voting Intention

The Chairman of the Meeting intends to vote all available proxies in favour of all resolutions.

GLOSSARY

AEDT means Australian Eastern Daylight Time as observed in Melbourne, Australia.

Annual General Meeting or Meeting means the meeting convened by the Notice.

Associate has the meaning given to that term in sections 10 and 11 and sections 13 to 17 of the Corporations Act.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules means the Listing Rules of the ASX.

ASX Principles means the ASX Corporate Governance Principles and Recommendations (3rd edition).

Board means the current board of directors of the Company.

Closely Related Party has the meaning as defined in section 9 of the Corporations Act.

Company means SmartTrans Holdings Limited (ACN 000 065 650).

Constitution means the Company's Constitution.

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

Directors means the current directors of the Company.

Explanatory Notes means the Explanatory Notes accompanying the Notice.

Key Management Personnel has the meaning as defined in section 9 of the Corporations Act.

Items means the resolutions set out in the Notice, or any one of them, as the context requires.

Notice or Notice of Meeting or Notice of Annual General Meaning means this notice of annual general meaning and the explanatory notes accompanying the Notice and the Proxy Form.

Option means an option to acquire an ordinary Share in the Company.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's Report section of the Company's annual financial report for the year ended 30 June 2015.

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

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

Shareholder means a holder of a Share.

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:**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 10.00am (AEDT) Wednesday, 25 November 2015

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 SmartTrans Holdings 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 SmartTrans Holdings Ltd to be held at Bayview Eden Hotel at 6 Queens Road, Melbourne, Victoria on Friday, 27 November 2015 at 10.00am (AEDT) 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 2, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 2, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

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 2, 5 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 2 | Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Re-election of Director – Mr Andrew Forsyth | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Election of Director – Mr Gregory Simpson | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Non-executive Directors' Remuneration | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Issue of Director Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 | Adoption of New Constitution | <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. 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

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

/ /
Date



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