

CXXU  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



### 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](http://www.intermediaryonline.com)

### For all enquiries call:

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

## Proxy Form

**XX**

For your vote to be effective it must be received by 6:00pm (AEDT) on Tuesday 21 November 2017

### 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

**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](http://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.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

**SRN/HIN: I9999999999**



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

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**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.



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# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of CAP-XX Limited 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 CAP-XX Limited to be held at the CAP-XX Limited offices, Units 9 & 10, 12 Mars Road, Lane Cove, Sydney, Australia on Thursday 23 November 2017 at 6:00pm (AEDT) and at any adjournment or postponement of that meeting.

## 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	Election of Mr Bruce Grey as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issued Share Capital - Dilution Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Employee Share Option Plan	<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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / /

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Computershare +

**CAP-XX LIMITED**  
**ABN 47 050 845 291**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given an Annual General Meeting of shareholders of CAP-XX Limited will be held at CAP-XX Limited offices, Units 9 & 10, 12 Mars Road, Sydney, Australia, at 6.00 pm (AEDT) on Thursday, 23 November 2017.

**AGENDA**

**BUSINESS**

**1. Consideration of Reports**

To receive and consider the Financial Report, Directors' Report and the Independent Audit Report of CAP-XX Limited for the financial year ended 30 June 2017.

**2. Election of Directors**

**Resolution 1 – Election of Mr Bruce Grey as a Director**

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

*“That Mr Bruce Grey, retiring in accordance with the Company’s Constitution and being eligible for election, be elected as a director of the Company.”*

**3. Dilution Policy**

**Resolution 2 – Issued Share Capital - Dilution Policy**

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

*“That, notwithstanding any issues of securities by the Company during the 12 months prior to the date of this meeting, and notwithstanding the Dilution Policy (as defined in the attached Explanatory Statement) of the Company, the directors of CAP-XX are hereby authorised to exercise all or any of the powers of the Company to issue for cash an aggregate number of securities up to 15% of the entire issued capital of CAP-XX, provided that such authority will expire on the date 12 months after the passing of this resolution”*

**4. Employee Share Option Plan**

**Resolution 3 – Number of Ordinary Shares which may be put under Option by the Company**

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

*“That, the total number of Ordinary shares which may be put under option by the Company under the Employee Share Plan be increased from the existing cap of 10% to 15%.”*

**NOTES**

1. Shareholders may listen to the Annual General Meeting by phoning +61 3 8600 9130 and when prompted keying in Account No: 72207679 followed by Guest Pin No: 1931#. An opportunity will be given also to those shareholders to ask questions. The time for the Meeting equates with 7.00 am (GMT) on Thursday, 23 November 2017.
2. The Explanatory Statement, which accompanies and forms part of this Notice, describes the business to be considered at the Annual General Meeting.
3. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder’s voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
4. The proposed Chairman of the meeting intends to vote undirected proxies in favour of the resolutions.
5. For the determination of voting entitlements, the directors have set a time to determine the identity of those entitled to attend and vote at the meeting. The time is 7.00 pm (AEDT) on Tuesday, 21 November 2017 (48 business hours prior to commencement of the meeting) which equates with 7.00 am (GMT) on Tuesday, 21 November 2017.

6. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office or Computershare Investor Services Pty Ltd in accordance with the proxy instructions on that form. This form must be received by 6.00 pm (AEDT) on Tuesday, 21 November 2017 which equates with 7.00 am (GMT) on Tuesday, 21 November 2017.

By Order of the Board

Michael Taylor  
Company Secretary  
Date: 16th October 2017

## EXPLANATORY STATEMENT

The purpose of this Explanatory Statement is to provide shareholders with information that the Board believes to be material to shareholders in deciding whether to approve the resolutions detailed in the Notice.

### Consideration of Reports

The Australian Corporations Act requires that the Financial Report, Directors' Report and the Independent Audit Report be laid before the Annual General Meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders at the Annual General Meeting on the reports. However, shareholders will be given ample opportunity to raise questions with respect to these reports at the meeting.

### Election of Directors

#### Resolution 1 – Election of Mr Bruce Grey as a Director

Bruce Grey retires in accordance with the Company's Constitution and, being eligible for election, offers himself for election as a director of the Company.

Bruce was appointed as a director on 27 August 2012. His experience, qualifications and special responsibilities are set out on page 10 of the Company's Annual Report.

#### Resolution 2 – Issued Share Capital - Dilution Policy

The Company has in place a dilution policy (**Dilution Policy**) which provides that the Company will not, without the approval of shareholders, issue further securities for cash unless :-

- (i) such issues do not result in the aggregate number of securities issued for cash in the 12 months before the issue date exceeding 15% of the entire issued capital of CAP-XX; or
- (ii) such issues are done by way of a rights issue or offering in favour of all holders of securities.

In the 12 months prior to the date of Annual General Meeting, CAP-XX has issued a total of 27,834,090 shares for cash, representing 9.3 % of its current entire issued capital.

The effect of Resolution 2 is to ratify these prior issues of shares such that they will not be counted towards the 15% limit for the purposes of the dilution policy and to "reset" or refresh the 15% annual limit effective as at the date the resolution is passed.

If Resolution 2 is not passed, then CAP-XX's 15% issue capacity under the Dilution Policy will not be refreshed, which will restrict CAP-XX's ability to issue securities or seek funding by way of capital raisings over the next 12 months.

CAP-XX currently has no plans to raise additional capital but the Board believes the ability to place shares provides CAP-XX with financing flexibility.

#### Resolution 3 – Number of Ordinary Shares which may be put under Option by the Company

Since the Initial Public Offering (IPO), in April 2006, the Company has had in place a cap on the total number Ordinary Shares which may be put under option via the Employee Share Option Plan (ESOP). The cap currently stands at 10%. As of June 30, 2017, there are 24,870,000 Options outstanding against 298,006,035 issued shares or 8.3%.

The CAP-XX Board remains focussed on keeping operating expenditures, including salaries, tight. The Company has a varied number of operational and product developmental initiatives currently in place, the need to retain and attract key staff members is paramount to the Company's short and long-term success. Apart from the ESOP and a modest sales commission scheme in place for the sales staff, there is no other short term or long-term incentive scheme in place. The Board historically uses stock options to reward employees rather than high salaries. The options granted generally have a vesting calculation that

commences 12 months after grant date, have a term of 4-5 years and an exercise price that is greater than the share price when granted. The Board believe that the ability to issue Options to key staff assists in aligning employee and Shareholder interests.

The extension of the ESOP is necessary as CAP-XX is anticipating an expansion of activities requiring additional employees as well as assisting in the retention of key existing employees.

As with other technology companies similar to CAP-XX , the Board is requesting that the current Stock Option cap of 10% be raised to 15% which will mean that a maximum of 44,700,905 stock options will be available to be granted under the existing Employee Share Option Plan.