



GROUP LIMITED  
ACN 003 964 181

## NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of PPK Group Limited (**Company** or **PPK**) will be held at The Grace Hotel, 77 York Street, Sydney. N.S.W. Australia on **Monday, 28 April 2014 at 3.00 pm (Sydney time)**.

The Explanatory Statement accompanying this Notice of Meeting explains the items of business to be considered at the Meeting. The Explanatory Statement forms part of this Notice of General Meeting and should be read in conjunction with it.

Unless otherwise stated, capitalised terms and certain other expressions used in this Notice of Meeting have the meaning given to them in the Glossary and a reference to a section, is a reference to a section in the Explanatory Statement.

## SPECIAL BUSINESS

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### **Resolution 1 – Approval of PPK Group Levison Share and Loan Plan, the issue of Shares under that Plan and the buy-back of all or any of those Shares under that Plan**

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

**“THAT:**

*(a) the PPK Group Levison Share and Loan Plan (details of which are described in the Explanatory Statement) be approved for the purposes of sections 257B, 259B and 260C of the Corporations Act and all other purposes;*

*(b) the issue of 7,500,000 Shares to The Ignition Trust (an entity controlled by Robin Levison) under the PPK Group Levison Share and Loan Plan (**Levison Plan Shares**) be approved for the purposes of ASX Listing Rules 7.1 and 10.14 and all other purposes; and*

*(c) the buy-back of all or any of the Levison Plan Shares in accordance with the PPK Group Levison Share and Loan Plan during the 12 month period commencing on the date this resolution is passed be approved for the purposes of section 257C of the Corporations Act and all other purposes.”*

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### **Resolution 2 – Approval of PPK Group McNamara Share and Loan Plan, the issue of Shares under that Plan and the buy-back of all or any of those Shares under that Plan**

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

**“THAT:**

*(a) the PPK Group McNamara Share and Loan Plan (details of which are described in the Explanatory Statement) be approved for the purposes of sections 257B, 259B and 260C of the Corporations Act and all other purposes;*

*(b) the issue of 4,000,000 Shares to The McNamara Investment Trust under the PPK Group McNamara Share and Loan Plan (**McNamara Plan Shares**) be approved for the purposes of ASX Listing Rule 7.1 and all other purposes; and*

*(c) the buy-back of all or any of the McNamara Plan Shares in accordance with the PPK Group McNamara Share and Loan Plan during the 12 month period commencing on the date this resolution is passed be approved for the purposes of section 257C of the Corporations Act and all other purposes.”*

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**Resolution 3 – Approval of PPK Group Zhang Share and Loan Plan, the issue of Shares under that Plan and the buy-back of all or any of those Shares under that Plan**

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

**“THAT:**

*(a) the PPK Group Zhang Share and Loan Plan (details of which are described in the Explanatory Statement) be approved for the purposes of sections 257B, 259B and 260C of the Corporations Act and all other purposes;*

*(b) the issue of 4,000,000 Shares to the Zhang Investment Trust under the PPK Group Zhang Share and Loan Plan (**Zhang Plan Shares**) be approved for the purposes of ASX Listing Rule 7.1 and all other purposes; and*

*(c) the buy-back of all or any of the Zhang Plan Shares in accordance with the PPK Group Zhang Share and Loan Plan during the 12 month period commencing on the date this resolution is passed be approved for the purposes of section 257C of the Corporations Act and all other purposes.”*

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**Resolution 4 – Approval of prior issue of Tranche 1 Placement Shares**

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

*“THAT, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the prior issue of 3,285,320 Shares to Eligible Investors on the terms set out in the Explanatory Statement is approved.”*

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**Resolution 5 – Approval of issue of Tranche 2 Placement Shares to Robin Levison (or his nominee)**

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

*“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 266,667 Tranche 2 Placement Shares to Robin Levison (or his nominee) on the terms set out in the Explanatory Statement is approved.”*

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**Resolution 6 – Approval of issue of Tranche 2 Placement Shares to Glenn Molloy (or his nominee)**

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

*“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 650,000 Tranche 2 Placement Shares to Glenn Molloy (or his nominee) on the terms set out in the Explanatory Statement is approved.”*

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**Resolution 7 – Approval of issue of Tranche 2 Placement Shares to Graeme Webb (or his nominee)**

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

*“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 1,033,368 Tranche 2 Placement Shares to Graeme Webb (or his nominee) on the terms set out in the Explanatory Statement is approved.”*

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**Resolution 8 – Approval of issue of Tranche 2 Placement Shares to Jury Wowk (or his nominee)**

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

*"THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 87,698 Tranche 2 Placement Shares to Jury Wowk (or his nominee) on the terms set out in the Explanatory Statement is approved."*

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**Resolution 9 – Approval of issue of Tranche 2 Placement Shares to Raymond Beath (or his nominee)**

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

*"THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 57,179 Tranche 2 Placement Shares to Raymond Beath (or his nominee) on the terms set out in the Explanatory Statement is approved."*

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**CHAIR'S VOTING INTENTIONS**

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Subject to any applicable voting exclusions (see below), the Chair of the Meeting intends to vote all available undirected proxies in favour of each Resolution.

As the Chairman has an interest in the outcome of Resolutions 1 and 5, the Deputy Chairman (or, in his absence, another Director) will act as Chair of the Meeting during the discussion and voting on those Resolutions.

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**VOTING EXCLUSION STATEMENTS**

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**Resolution 1**

The Company will disregard any votes cast on Resolution 1 by:

- Robin Levison (being the only Director eligible to participate in any employee incentive scheme in relation to the Company);
- any associate of Robin Levison (including Ignition Capital Pty Ltd); and
- any other member of the key management personnel of the Company or the PPK Group (**KMP**) at the date of the Meeting and their closely related parties, acting as proxy.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person entitled to vote, in accordance with a direction on the proxy form; or
- it is cast by the Chair of the Meeting as proxy for a person entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides and the Chair has received express authority to vote as the proxy decides even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP.

**Resolutions 2 and 3**

The Company will disregard any votes cast on Resolutions 2 and 3 by:

- the person who may participate in the proposed issue of Shares under the relevant Resolution;
- any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the relevant Resolution is passed; and
- any associate of any of those persons.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote on the Resolution, in accordance with a direction on the proxy form; or
- it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote on the Resolution, in accordance with a direction on the proxy form to vote as the proxy decides.

**Resolution 4**

The Company will disregard any votes cast on Resolution 4 by:

- the person who participated in the issue of Shares under the Resolution; and

- any associate of any of those persons.
- However, the Company will not disregard a vote if:
- it is cast by a person as proxy for a person who is entitled to vote on the Resolution, in accordance with a direction on the proxy form; or
  - it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote on the Resolution, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolutions 5- 9 (inclusive)**

The Company will disregard any votes cast on Resolutions 5 – 9 (inclusive) by:

- the person who is to receive Shares under the relevant Resolution; and
- any associate of that person.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote on the Resolution, in accordance with a direction on the proxy form; or
- it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote on the Resolution, in accordance with a direction on the proxy form to vote as the proxy decides.

## **ENTITLEMENT TO VOTE**

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that, for the purposes of voting at the Meeting, shares of the Company will be taken to be held by the persons who are registered holders at 7.00 pm (Sydney time) on Saturday, 26 April 2014. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## **PROXIES**

If you are appointing a proxy, to ensure that your vote counts, please read the following and the instructions on the proxy form carefully.

Shareholders are advised that:

- each Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy to attend and vote instead of the Shareholder;
- the proxy need not be a Shareholder of the Company and may be an individual or body corporate;
- a Shareholder who is entitled to cast two or more votes may appoint not more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes;
- a Shareholder may specify the way in which the proxy is to vote on the resolution or may allow the proxy to vote at his or her discretion (subject to any applicable voting exclusions);
- If a Shareholder's appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting;
- In accordance with the Corporations Act, any directed proxy appointments in favour of a person other than the Chair of the Meeting that are not voted on a poll at the Meeting will automatically default to the Chair, who is required to vote proxies as directed on the poll (subject to any applicable voting exclusions); and
- if a Shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it: (i) appoints an individual as its corporate representative to exercise its powers at the Meeting in accordance with section 250D of the Corporations Act and (ii) provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

### **Undirected proxies on remuneration related resolution**

- If a Shareholder appoints the Chair of the Meeting as their proxy (or the Chair becomes a Shareholder's proxy by default) and does not direct the Chair how to vote on Resolution 1 (which relates to the remuneration of a member of the KMP), then, in accordance with the

express authority contained in the proxy form, the Chair will vote in favour of that Resolution; and

- (b) If a Shareholder intends to appoint a member of the KMP (other than the Chair of the Meeting) or one of their closely related parties as their proxy, and does not direct their proxy how to vote on Resolution 1, their proxy will not be able to vote as the Shareholder's proxy on that Resolution.

A proxy form accompanies this Notice of General Meeting.

To be effective, proxies (and the original or a certified copy of any power of attorney or other authority under which the proxy is signed) must be received by the Company **no later than 3.00 pm (Sydney time) on Saturday, 26 April 2014:**

(i) by **facsimile** : on +61 (02) 9290 9655; or

(ii) by delivery in person or **mail** :

PPK Group Limited Share Registry  
C/- Boardroom Pty Limited  
Level 7, 207 Kent Street  
Sydney NSW 2001 ; or

(iii) **Online** : [www.boardroomlimited.com.au/vote/ppkgroupegm2014](http://www.boardroomlimited.com.au/vote/ppkgroupegm2014)

**BY ORDER OF THE BOARD**



**ANDREW J. COOKE**  
**COMPANY SECRETARY**  
**DATED: 24 March 2014**

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide Shareholders with material information to assist them in making an informed decision on the business to be conducted at the Meeting.

### SPECIAL BUSINESS

#### 1.1 Background to Resolutions 1, 2 and 3

On 22 October 2013, PPK announced that it had appointed former Industrea Limited Managing Director, Mr Robin Levison, as Executive Chairman with primary executive responsibility for formulating and implementing PPK's new growth strategy focusing on the mining services sector (as approved by the Board from time to time). It is intended that this new strategic focus be achieved through the expansion of the existing Rambor mining services business and new, synergistic acquisitions.

The acquisition of the COALTRAM mining equipment business and associated intellectual property for a cash purchase price of \$13 million (which was completed on 14 March 2014) is the first step in the execution of this strategy.

Robin Levison was re-appointed as a Director at PPK's Annual General Meeting held in November 2013. As noted in the Notice of AGM, Robin Levison was appointed as CEO of Industrea Limited (**Industrea**), an ASX listed global supplier of mining products and services, in August 2004 and then as its Managing Director in November 2005. Following the takeover of Industrea by a US based multi national in November 2012 Robin assumed the role of Global Director, Mergers and Acquisitions with the new owner during the post-acquisition integration phase.

As announced on 4 November 2013, the Company has also secured the services of Mr Dale McNamara as Director – Global Mining and Mr Zhang Jinping as President – PPK China Operations.

Dale McNamara has more than 30 years experience in operational and management roles in the coal mining industry in Australia and China. He founded Wadam Industries, a subsidiary of Industrea, and served as its Managing Director from 1993. He was then appointed as Deputy Chief Executive Officer of Industrea in 2009. Following the takeover of Industrea in November 2012 Dale assumed the position of Global Director, Mining with the new owner.

Zhang Jinping graduated from China Henan Polytechnic University with a Mining bachelor degree and has 30 years experience in underground coal mining operations in China. He was a senior employee of China Coal Research Institute for 12 years and Chief Representative based in Beijing, China for both Wadam Industries and Industrea for 18 years. Mr Zhang has a significant understanding of the Chinese coal market and the major participants active in that market.

Messrs Levison, McNamara and Zhang (each a **Senior Executive**) are the foundation core group of senior executives responsible for the growth and operation of PPK's expanded Mining Services Division.

As previously announced, under the terms of appointment of each Senior Executive, PPK agreed (subject to the approval of Shareholders) to issue to him (or his nominee) a parcel of sign-on Shares at an issue price of 70 cents per Share (**Plan Shares**) under a Share and Loan Plan (**Plan**), under which PPK agreed to fully fund the acquisition of each parcel of Plan Shares by way of a limited recourse loan for a term of 3 years at an initial interest rate of 6.45% per annum (**Loan**). The terms of Robin Levison's appointment were agreed on 21 October 2013 and the terms of appointment of Dale McNamara and Zhang Jinping were agreed on 28 October 2013.

The primary objectives of each Plan are to:

- align the interests of the Senior Executive with the interests of PPK and its Shareholders and other stakeholders by rewarding their performance with the delivery of sustainable shareholder value;
- motivate and retain the services of the Senior Executive;
- ensure that the Senior Executive's remuneration is competitive and aligned with remuneration in the Australian mining services market; and

- encourage the performance and growth of the Mining Services Division.

A summary of the key terms and conditions of each Plan (which are identical in all material respects) is set out in section 1.2 below.

The entity nominated by each Senior Executive to whom his parcel of Plan Shares is proposed to be issued under the applicable Plan (**Nominated Entity**), number of Plan Shares comprised in each parcel and corresponding Loan amount proposed to be advanced by PPK are set out in the table below:

Senior Executive	Nominated Entity	Plan Shares	Loan amount
Robin Levison	Ignition Capital Pty Ltd aff The Ignition Trust	7,500,000	\$5,250,000
Dale McNamara	McNamara Investment Group Pty Ltd aff The McNamara Investment Trust	4,000,000	\$2,800,000
Zhang Jinping	Zhang Family Investment Group Pty Ltd aff The Zhang Investment Trust	4,000,000	\$2,800,000
<b>Total</b>		<b>15,500,000</b>	<b>\$10,850,000</b>

The proposed Plan Shares comprise a long term incentive included in the remuneration package of each Senior Executive. The services of each Senior Executive are being provided under a Consultancy Agreement between PPK and his Nominated Entity and a Service Agreement between PPK and the Senior Executive.

Under each Share Plan Resolution, Shareholder approval is sought to the relevant Plan for the purposes of various provisions of the Corporations Act relating to employee incentive schemes (as explained in section 1.5 below), the issue of the applicable number of Plan Shares under the relevant Plan for the purposes of certain ASX Listing Rules (as explained in section 1.6 below) and the buy-back of all or any of those Plan Shares during the 12 month period following the date on which the Resolution is passed should that become necessary or desirable under the Plan for the purposes of the relevant provision of the Corporations Act (as explained in section 1.5.1 below).

None of the Share Plan Resolutions is conditional on either or both of the other Share Plan Resolutions being passed.

## 1.2 Terms and Conditions of Share and Loan Plans

The following is a summary of the key terms and conditions of each Share and Loan Plan:

### Loan

1. **Purpose:** PPK has agreed to lend to the Nominated Entity a loan for the purpose of paying the issue price of the Plan Shares in full (**Loan**). The issue price of each Plan Share is 70 cents.
2. **Interest:** Interest is payable on the Loan at the benchmark interest rate from time to time determined under section 136 of the *Fringe Benefits Tax Assessment Act 1986 (Cth)* (**Interest Rate**) - which is currently 6.45% per annum. Interest accrues monthly. Any accrued but unpaid interest shall be capitalised at 6 monthly intervals and interest is payable on the capitalised amount at the Interest Rate.
3. **Dividends and capital returns:** PPK may in its absolute discretion set off against the then outstanding balance of the Loan plus any accrued but unpaid interest (**Outstanding Loan Balance**) any amount that it is required to pay in cash to the Nominated Entity in respect of

the Plan Shares, including any dividends, distribution or return of capital, net of any tax payable on that amount.

4. **Repayment on sale:** The Outstanding Loan Amount must be immediately repaid on the sale of the Plan Shares by the Nominated Entity.
5. **Repayment on expiry of Term:** If the Outstanding Loan Balance has not previously been repaid in accordance with any other provision of the Plan, the Outstanding Loan Balance must be repaid in full on the date which is 3 years after the date on which the Loan is made. For such purposes, the Nominated Entity is entitled to do any or more of the following:
  - (a) repay the Outstanding Loan Balance from its own resources;
  - (b) sell, or request PPK to buy-back, at the prevailing market price sufficient of the Plan Shares to repay the Outstanding Loan Balance and any tax payable on the sale of or buy-back of those Plan Shares; and
  - (c) borrow an amount up to the Outstanding Loan Balance from a third party using the Plan Shares as security for the repayment of that amount.
6. **Early Repayment on death or total and permanent incapacity:** If, prior to the repayment of the Outstanding Loan Balance, the Senior Executive dies or becomes totally and permanently incapacitated, PPK may in its absolute discretion either sell or buy-back the Plan Shares at the prevailing market price. The proceeds of sale or buy-back must be applied firstly in repayment of the Outstanding Loan Balance and any costs incurred in relation to such sale or buy-back and secondly to pay the balance (if any) to the Nominated Entity.
7. **Early Repayment on termination of employment otherwise than for cause:** If, prior to the repayment of the Outstanding Loan Balance, the Consultancy Agreement between PPK and the Nominated Entity (**Consultancy Agreement**) or the Employment Agreement between PPK and the Senior Executive (**Employment Agreement**) is terminated by either party otherwise than for cause, the Outstanding Loan Balance must be repaid in full within 90 days after the termination date.

If the Nominated Entity fails to do so, PPK may in its absolute discretion either sell or buy-back the Plan Shares at the prevailing market price.

The proceeds of sale or buy-back must be applied firstly in repayment of the Outstanding Loan Balance and any costs incurred in relation to such sale or buy-back and secondly to pay the balance (if any) to the Nominated Entity.

8. **Early Repayment on termination of employment for cause:** If, prior to the repayment of the Outstanding Loan Balance, the Consultancy Agreement or the Employment Agreement is terminated by PPK with immediate effect in accordance with the applicable Agreement, PPK must (subject to the approval of Shareholders where required) buy-back the Plan Shares for an amount equivalent to the Outstanding Loan Balance and apply the proceeds of the buy-back to repayment of the Outstanding Loan Balance. In these circumstances, the Nominated Employee forfeits any further right, title and interest in the Plan Shares.

The circumstances in which PPK is entitled to terminate the Employment Agreement with immediate effect include where the Senior Executive:

- (a) is guilty of wilful or deliberate misconduct in breach of the Agreement;
- (b) commits an act of fraud, insubordination, gross misconduct, gross negligence or breach of duty; and
- (c) is found guilty of a criminal offence which is punishable by imprisonment (other than a traffic offence) which in the reasonable opinion of the Board detrimentally affects PPK or a member of the PPK Group.

The circumstances in which PPK is entitled to terminate the Consultancy Agreement with immediate effect include where:

- (a) the Nominated Entity fails to provide the services of the Senior Executive (except during periods of statutory leave to which he is entitled in his capacity as an employee of the Nominated Entity);
- (b) the Nominated Entity or the Senior Executive is guilty wilful or deliberate misconduct in breach of the Agreement; and

- (c) the Nominated Entity fails to obey any lawful and responsible instruction by the Board.
9. **Limited recourse:** Despite any other term and condition of the Plan, if the Nominated Entity fails to repay the Outstanding Loan Balance in accordance with the Plan, the Nominated Entity is under no obligation to repay the full amount of the Outstanding Loan Balance and PPK must accept the net proceeds of the sale or buy-back of the Plan Shares in full satisfaction of the Outstanding Loan Balance.

### Plan Shares

10. **Issue price:** 70 cents per Share.
11. **Ranking:** Subject to any restrictions imposed under the Plan, the Plan Shares will rank equally in all respects with PPK's existing issued Shares as from their issue date.
12. **Quotation on ASX:** PPK must apply for official quotation of the Plan Shares on the ASX promptly after the date on which they are issued.
13. **Security and restrictions on dealing:** Until the Outstanding Loan Balance is repaid in accordance with the Plan:
- (a) PPK has a lien over the Plan Shares; and
- (b) the Plan Shares may not be sold or transferred, mortgaged or otherwise encumbered (other than in favour of PPK) or dealt with by the Nominated Entity without the consent of PPK in its absolute discretion (**Dealing Restrictions**).
14. **Holding Lock:** PPK may implement any arrangements which it considers necessary or desirable for the purpose of preventing a breach of the Dealing Restrictions, including applying a holding lock to the Plan Shares.

### 1.3 Effect on capital structure, Senior Executives' voting power and accounting impact on PPK

#### 1.3.1 Effect on capital structure

As at the date of this Notice,

- Robin Levison has a relevant interest in 4,000,000 Shares and neither of Dale McNamara or Zhang Jinping has a relevant interest in any Shares; and.
- PPK has 53,924,158 Shares on issue (and does not have any options or other convertible securities on issue).

If all the 15,500,000 Plan Shares are issued under the Share Plan Resolutions, the total number of Shares on issue will increase to 69,424,158 Shares – thereby diluting the interest of existing Shareholders (including Robin Levison) by approximately 22.33% (assuming no other Shares are issued or cancelled).

#### 1.3.2 Senior Executives' voting power in PPK

The following table sets out details of each Senior Executive's voting power in PPK immediately after the issue of the Plan Shares under one or more of the Share Plan Resolutions (assuming no other Shares are issued or cancelled and no change in each Senior Executive's relevant interest in PPK's Shares).

	Total issued Shares	Voting power of Robin Levison	Voting power of Dale McNamara	Voting power of Zhang Jinping
Current	53,924,158	7.42%	Nil	Nil
After issue of Levison	61,424,158	18.72%	Nil	Nil

Plan Shares				
After issue of Levison and McNamara Plan Shares	65,424,158	17.58%	6.11%	Nil
After issue of Levison and Zhang Plan Shares	65,424,158	17.58%	Nil	6.11%
<b>After issue of ALL Plan Shares</b>	<b>69,424,158</b>	<b>16.57%</b>	<b>5.76%</b>	<b>5.76%</b>
After issue of McNamara Plan Shares only	57,924,158	6.91%	6.91%	Nil
After issue of Zhang Plan Shares only	57,924,158	6.91%	Nil	6.91%
After issue of McNamara and Zhang Plan Shares only	61,924,158	6.46%	6.46%	6.46%

As noted in section 5.1, subject to Shareholder approval, it is proposed that a total of 2,094,912 Tranche 2 Placement Shares be issued to the Directors (or their respective nominees), including 266,667 Tranche 2 Placement Shares to Robin Levison (or his nominee). In addition, as noted in section 4.1 up to an additional 2,666,667 new Shares (approximately) may be issued under the Share Purchase Plan. The voting power of each Senior Executive will vary following the issue of the Tranche 2 Placement Shares and the new Shares under the Share Purchase Plan.

### 1.3.3 Accounting impact on PPK

Under the applicable Accounting Standard, the Plans give rise to a share-based payment expense which is ultimately measured by reference to the fair value of the Plan Shares as at the date on which the Share Plan Resolutions are passed. As the Plan Shares are to be acquired by way of limited recourse loans, the fair value of the Plan Shares is measured using an option pricing model in accordance with the Accounting Standard. The Accounting Standard requires that the expense be recognised as from the date on which the provision of services of the Senior Executives commenced and that it be measured on the basis of the then estimated fair value of the Plan Shares.

As noted in the Company's consolidated financial statements for the half-year ended 31 December 2013 given to the ASX on 27 February 2014, the Company recognised an after tax, non-cash expense of \$552,000 in connection with the Plans during that period and a corresponding credit to Shareholders' Equity in the form of a Share Option Reserve. This expense will be adjusted based on the fair value of the Plan Shares as at the approval date.

## 1.4 Share trading history

The highest, lowest and last closing market sale prices of the Shares on ASX during the 12 months immediately preceding the date of this Notice and the respective dates of those sales are set out in the table below:

	Price	Date
Highest	89 cents	28 January 2014
Lowest	42 cents	5 April 2013
Last	75 cents	21 March 2014

The closing market sale price of the Shares on ASX on the trading day immediately before the announcement of Robin Levison's appointment as Executive Chairman and PPK's new focus on the mining services sector on 22 October 2013 was 52 cents.

## **1.5 Corporations Act approvals**

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Each of the Plans is an employee share scheme within the meaning of the Corporations Act.

### **1.5.1 Employee share scheme buy-back**

As noted in section 1.2 above, PPK is entitled to buy-back all or some of the Plan Shares issued under each Plan if, before the repayment of the Outstanding Loan Balance, the Senior Executive dies or becomes totally and permanently incapacitated or his employment or the provision of his services is terminated. Where the Senior Executive's employment or services are terminated by PPK with immediate effect for cause, the Plan Shares must be bought back for an amount equivalent to the Outstanding Loan Balance. In all other circumstances, they must be bought back at the prevailing market price of the Shares. - see clauses 6, 7 and 8 in section 1.2 for further details.

Subsection 257B(1) of the Corporations Act sets out a procedure for various forms of buy-back, including an "employee share scheme buy-back". In general terms, where the number of Shares proposed to be bought back under an employee share scheme (together with all other Shares bought back over the previous 12 months) is less than 10% of the lowest number of Shares on issue at any time in the previous 12 months (**10/12 limit**), PPK may buy-back those Shares without the further approval of Shareholders provided that the employee share scheme has been approved by Shareholders. Accordingly, the approval of Shareholders is sought to each of the Plans for the purposes of subsection 257B of the Corporations Act to permit PPK to buy-back all or any of the relevant Plan Shares should that become necessary or desirable in circumstances where the 10/12 limit would not be exceeded.

Where the 10/12 limit would be exceeded, section 257C(1) of the Corporations Act requires that the terms of the buy-back agreement must be approved by an ordinary resolution passed at a general meeting of the company. Depending on the circumstances, the number of Shares which PPK may choose, or be required, to buy-back under one or more of the Plans may exceed the 10/12 limit. Accordingly, the approval of Shareholders is also sought to the buy-back all or any of the relevant Plan Shares should that become necessary or desirable in circumstances where the 10/12 limit would be exceeded.

ASIC's policy is that shareholder approval under section 257C of the Corporations Act will remain current for no longer than 12 months after it is given. Accordingly, if the Share Plan Resolutions are passed at this Meeting it may be necessary to refresh the shareholder approvals for the buy-back of the relevant Plan Shares at future general meetings.

### **1.5.2 Security over the Shares**

Subsection 259B(2) of the Corporations Act allows a company to take security over shares in itself under an employee share scheme that has been approved by a resolution passed at a general meeting of the company (as an exception to the prohibition on a company taking security over its own shares under subsection 259B(1) of the Corporations Act).

As also noted in section 1.2 above, under each Plan PPK has a lien over the Plan Shares until the Outstanding Loan Balance is repaid in accordance with the Plan. Accordingly, the approval of Shareholders is also sought to each of the Plans for the purposes of the exemption in subsection 259B(2) of the Corporations Act.

### **1.5.3 Financial assistance**

Under section 260A of the Corporations Act a company may financially assist a person to acquire shares in the company (or a holding company of the company) only if (i) giving the assistance does not materially prejudice the interests of the company or its shareholders or the company's ability to pay its creditors or (ii) the assistance is approved by shareholders under section 260B or (iii) the assistance is exempted under section 260C.

Subsection 260C(4) allows a company to financially assist a person to acquire shares in the company where the assistance is given under an employee share scheme which has been approved at a general meeting of shareholders.

Under each of the Plans, PPK will provide financial assistance to the Nominated Entity to acquire the relevant Plan Shares in the form of the applicable Loan. Accordingly, the approval of Shareholders is sought to each of the Plans for the purposes of the exemption in subsection 260C(4) of the Corporations Act.

## **1.6 ASX Listing Rules approvals**

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### **ASX Listing Rule 7.1**

Under ASX Listing Rule 7.1, a listed company must not issue (or agree to issue) equity securities (which includes Shares) if the equity securities will, when aggregated with any equity securities issued during the previous 12 months otherwise than under certain exceptions or with the approval of shareholders, exceed 15% of the number of its ordinary shares on issue at the beginning of that 12 month period, unless one of the exceptions to ASX Listing Rule 7.1 applies or the approval of shareholders is obtained (or treated as having been obtained) under that Rule.

If the prior issue of the Tranche 1 Placement Shares is not approved under Resolution 4, the issue of each parcel of Plan Shares (both individually and collectively) will breach the 15% limit which applies to PPK under ASX Listing Rule 7.1. The issue of Levison Plan Shares when aggregated with the issue of either or both of the McNamara Plan Shares and the Zhang Plan Shares will also breach this limit even if the prior issue of the Tranche 1 Placement Shares is approved. Accordingly, Shareholder approval is sought to the issue of each parcel of Plan Shares for the purposes of ASX Listing Rule 7.1. In addition, by approving the issue of the Plan Shares they will not reduce the number of equity securities that PPK could issue in the future within its 15% annual placement capacity under ASX Listing Rule 7.1.

### **ASX Listing Rule 10.14**

Under ASX Listing Rule 10.14, a listed company must not issue securities (which includes Shares) to a director of the company (or an associate of the director) under an employee incentive scheme without the approval of shareholders.

The PPK Group Levison Share and Loan Plan is an employee incentive scheme and The Ignition Trust is an associate of Robin Levison within the meaning of the ASX Listing Rules. Accordingly, Shareholder approval to the issue of the Levison Plan Shares to The Ignition Trust is also sought under Resolution 1 for the purposes of ASX Listing Rule 10.14.

ASX Listing Rule 10.14 does not apply to the proposed issue of the McNamara Plan Shares or the Zhang Plan Shares under Resolutions 2 and 3.

## **Resolution 1 – Approval of PPK Group Levison Share and Loan Plan, the issue of Shares under that Plan and the buy-back of all or any of those Shares under that Plan**

### **2.1 Background**

Under Resolution 1, Shareholder approval is sought to:

- the PPK Group Levison Share and Loan Plan (**Plan**) for the purposes of various provisions of the Corporations Act relating to employee share schemes (as explained in section 1.5 above);
- the issue of 7,500,000 Shares to The Ignition Trust under the Plan (**Levison Plan Shares**) for the purposes of various ASX Listing Rules (as explained in section 1.6 above); and
- the buy-back of all or any of the Levison Plan Shares during the 12 month period following the date on which the Resolution is passed should that become necessary or desirable under the Plan for the purposes of the relevant provision of the Corporations Act (as explained in section 1.5.1 above).

Relevant background information in relation to the proposal is set out in sections 1.1, 1.3 and 1.4 above and the key terms and conditions of the Plan are summarised in section 1.2 above.

## 2.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties of a public company. Relevantly, it prohibits the giving of a financial benefit to a related party of a public company (including a director or an entity controlled by a director) without the approval of shareholders in the prescribed manner unless it falls within one of the exceptions.

The exceptions include where the benefit is given on terms that would be reasonable in the company's circumstances if the company and the related party were dealing at arms' length or on terms that are less favourable to the related party than those terms.

The issue of the Levison Plan Shares constitutes giving a financial benefit to a related party of PPK.

The Board (other than Robin Levison who has a material personal interest in Resolution 1) considers that Shareholder approval under Chapter 2E is not required in relation to the proposed issue of the Levison Plan Shares because the proposal was negotiated on an arm's length basis prior to Robin Levison becoming a related party.

## 2.3 ASX Listing Rules information

In accordance with ASX Listing Rules 7.3 and 10.15, the following information is provided for the purposes of Shareholder approval to the issue of the Levison Plan Shares:

<i>Number of securities to be issued</i>	7,500,000 Shares.
<i>Issue date</i>	As soon as practicable after the date of the Meeting but, in any event, not later than 12 months after the date of the Meeting.
<i>Issue price</i>	70 cents per Share.
<i>Name of allottee</i>	Ignition Capital Pty Ltd ACN 101 417 896 aff The Ignition Trust.
<i>Terms of securities</i>	Fully paid ordinary shares ranking equally in all respects with all other Shares on issue as at the issue date, including in respect of the Interim Dividend (subject to the restrictions imposed on them under the PPK Group Levison Share and Loan Plan).
<i>Use of funds</i>	No funds will be raised by the issue of the Shares (because PPK has agreed to fully fund the acquisition of the Shares by way of a limited recourse loan of \$5,250,000 to The Ignition Trust).
<i>Previous issues under the Plan and eligible participants</i>	No securities have previously been issued under the Plan. The Ignition Trust (being an associate of Robin Levison) is the only person eligible to participate in the Plan.
<i>Loan terms relating to the issue of the Shares</i>	The terms of the loan proposed to be made by PPK to The Ignition Trust to fund the issue price of the Shares under the Plan are summarised in section 1.2 above.

## 2.4 Board Recommendation

The Board (with Robin Levison abstaining) unanimously recommends that Shareholders vote in favour of Resolution 1.

## Resolutions 2 and 3 – Approval of PPK Group McNamara Share and Loan Plan, PPK Group Zhang Share and Loan Plan, the issue of Shares under those Plans and the buy-back of all or any of those Shares under those Plans

### 3.1 Background

Under Resolutions 2 and 3, Shareholder approval is sought to:

- the PPK Group McNamara Share and Loan Plan and PPK Group Zhang Share and Loan Plan respectively for the purposes of various provisions of the Corporations Act relating to employee share schemes (as explained in section 1.5 above);
- the issue of 4,000,000 Shares to the specified entity under the relevant Plan for the purposes of ASX Listing Rule 7.1 (as explained in section 1.6 above); and
- the buy-back of all or any of those Plan Shares during the 12 month period following the date on which the relevant Resolution is passed should that become necessary or desirable under the Plan for the purposes of the relevant provision of the Corporations Act (as explained in section 1.5.1 above).

Relevant background information in relation to the proposals is set out in sections 1.1, 1.3 and 1.4 above and the key terms and conditions of each Plan are summarised in section 1.2 above.

### 3.2 ASX Listing Rule 7.3 information

In accordance with ASX Listing Rule 7.3, the following information is provided for the purposes of Shareholder approval to the issue of the McNamara Plan Shares and the Zhang Plan Shares under Resolutions 2 and 3 respectively:

	Resolution 2	Resolution 3
<i>Number of securities to be issued</i>	4,000,000 Shares.	4,000,000 Shares.
<i>Issue date</i>	As soon as practicable after the date of the Meeting but, in any event, not later than 3 months after the date of the Meeting.	
<i>Issue price</i>	70 cents per Share.	
<i>Name of allottee</i>	McNamara Investment Group Pty Ltd aff The McNamara Investment Trust	Zhang Family Investment Group Pty Ltd aff The Zhang Investment Trust
<i>Terms of securities</i>	Fully paid ordinary shares ranking equally in all respects with all other Shares on issue as at the issue date, including in respect of the Interim Dividend (subject to the restrictions imposed on them under the relevant Plan).	
<i>Use of funds</i>	No funds will be raised by the issue of the Shares (because PPK has agreed to fully fund the acquisition of the Shares by way of a limited recourse loan of \$2,800,000 to the relevant allottee).	

### 3.4 Board recommendations

The Board unanimously recommends that Shareholders vote in favour of Resolutions 2 and 3.

#### **Resolution 4 – Approval of prior issue of Tranche 1 Placement Shares**

##### 4.1 Background

As announced to the ASX on 10 March 2014, PPK completed the issue 3,285,320 Shares at an issue price of 75 cents per Share by way of a placement to various Eligible Investors (**Tranche 1 Placement Shares**) to raise approximately \$2.46 million.

The Tranche 1 Placement Shares comprise the first tranche of the placement of Shares at an issue price of 75 cents per Share (**Placement**) which was announced to the ASX on 19 February 2014. The 2,094,912 new Shares proposed to be issued under the Related Party Resolutions (**Tranche 2 Placement Shares**) comprise the second tranche of the Placement.

As also announced to the ASX on 19 February 2014, PPK has agreed to offer eligible shareholders the opportunity to subscribe for up to \$15,000 worth of new Shares under a Share Purchase Plan at an issue price of 75 cents per Share (**Share Purchase Plan**) to raise up to \$2 million (before costs). The maximum number of Shares which may be issued under the Share Purchase Plan (**SPP Shares**) is capped at 2,666,667 (subject to rounding). It is presently intended that the SPP Shares will be issued on or about 11 April 2014.

The funds raised under the Placement (and the Share Purchase Plan) will be used to provide working capital for the Company's newly acquired COALTRAM mining services business and to retire some short term debt associated with the acquisition of that business.

All new Shares issued or to be issued under the Placement (and the Share Purchase Plan) rank, or will rank, equally in all respects with all other Shares on issue at their respective issue dates, including in respect of the fully franked interim dividend of 1.5 cents per Share in respect of the half year ended 31 December 2013 announced on 27 February 2014.

##### 4.2 ASX Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1 (a summary of which is set out in section 1.6 above). It provides that a prior issue of equity securities made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with approval under that Rule if the issue did not breach ASX Listing Rule 7.1 and the holders of ordinary shares subsequently approve the issue.

The Tranche 1 Placement Shares were issued without Shareholder approval out of PPK's 15% annual placement capacity. Accordingly, the issue of the Tranche 1 Placement Shares did not breach ASX Listing Rule 7.1.

By approving the issue of the Tranche 1 Placement Shares under Resolution 4, they will not reduce the number of equity securities that PPK could issue in the future within its 15% annual placement capacity under ASX Listing Rule 7.1.

##### 4.3 ASX Listing Rule 7.5 information

In accordance with ASX Listing Rule 7.5, the following information is provided for the purposes of Shareholder approval to the prior issue of the Tranche 1 Placement Shares under Resolution 4:

<i>Number of securities issued</i>	3,285,320 Shares
<i>Issue price</i>	75 cents per Share
<i>Name of allottees</i>	Eligible Investors as determined by the Board
<i>Terms of securities</i>	Fully paid ordinary shares ranking equally in all respects with all other Shares on issue as at the issue date (including in respect of the Interim Dividend)

<i>Use of funds</i>	As noted in section 4.1
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#### 4.4 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

### **Resolutions 5 – 9 (inclusive) – Approval of issue of Tranche 2 Placement Shares to Directors (or their respective nominees)**

#### 5.1 Background

As noted in section 4.1, subject to Shareholder approval, it is proposed that the Directors (or their associated entities) participate in the Placement in respect of the number of new Shares set out opposite their names in the table below (**Tranche 2 Placement Shares**):

<b>Director</b>	<b>Number of Tranche 2 Placement Shares</b>
Robin Levison	266,667
Glenn Molloy	650,000
Graeme Webb	1,033,368
Jury Wowk	87,698
Ray Beath	57,179
<b>Total</b>	<b>2,094,912</b>

#### 5.2 Effect on capital structure and voting power of Directors

The following table sets out details of the issued Shares in which each Director has a relevant interest as at the date of this Notice (column 2) and in which he will have a relevant interest after the issue of the Tranche 2 Placement Shares proposed to be issued to him (or his nominee) (column 4). It also sets out the voting power of each Director:

- as at the date of this Notice (column 3);
- immediately after the issue of all the Tranche 2 Placement Shares (and before the issue of any Plan Shares) (column 5); and
- immediately after the issue of all the Tranche 2 Placement Shares and the Plan Shares (column 6).

If all the Tranche 2 Placement Shares are issued, the total number of Shares on issue will increase from 53,924,158 (as at the date of this Notice) to 56,019,070 Shares. If all the Plan Shares are also issued, the total number of Shares on issue will increase further to 71,519,070 Shares.

The details set out below assume that no other Shares are issued or cancelled and no change in each Director's relevant interest in PPK's issued Shares. They are also before the issue of any Shares under the Share Purchase Plan (up to the permitted maximum of 2,666,667 Shares).

<b>Director</b>	<b>No of Shares as at the date of this Notice</b>	<b>Voting power as at the date of this Notice</b>	<b>No of Shares after the issue of Tranche 2 Placement Shares</b>	<b>Voting power after the issue of all Tranche 2 Placement Shares and before the issue of any Plan Shares</b>	<b>Voting power after the issue of all Tranche 2 Placement Shares and all Plan Shares</b>
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Robin Levison	4,000,000	7.42%	4,266,667	7.62%	16.45%
Glenn Molloy	12,905,000	23.93%	13,555,000	24.20%	18.95%
Graeme Webb	8,366,632	15.52%	9,400,000	16.78%	13.14%
Jury Wowk	562,302	1.04%	650,000	1.16%	0.91%
Raymond Beath	242,821	0.45%	300,000	0.54%	0.42%

### 5.3 ASX Listing Rule 10.11

Subject to certain exceptions (none of which are relevant here), ASX Listing Rule 10.11 requires shareholder approval to be obtained where a listed entity issues, or agrees to issue, equity securities (which includes Shares) to a related party, or a person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained.

Each Director is a related party of the Company. Accordingly, Shareholder approval under ASX Listing Rule 10.11 is required to the issue of the relevant number of Tranche 2 Placement Shares under each Related Party Resolution.

None of the Related Party Resolutions is conditional on any one or more of the other Related Party Resolutions being passed.

### 5.4 ASX Listing Rule 10.13 information

In accordance with ASX Listing Rule 10.13, the following information is provided for the purposes of Shareholder approval to the issue of Tranche 2 Placement Shares under each Related Party Resolution:

<i>Maximum number of securities to be issued</i>	2,094,912 (as detailed in the table in section 5.1).
<i>Issue date</i>	As soon as practicable after the date of the Meeting but, in any event, not later than 1 month after the date of the Meeting.
<i>Issue price</i>	75 cents per Share.
<i>Name of allottees</i>	As set out in the table in section 5.1 (or their respective nominees).
<i>Terms of securities</i>	Fully paid ordinary shares ranking equally in all respects with all other Shares on issue as at the issue date (including in respect of the Interim Dividend).
<i>Use of funds</i>	As noted in section 4.1.

Under ASX Listing Rule 7.2, exception 14, if Shareholder approval to the issue of the Tranche 2 Placement Shares is obtained under ASX Listing Rule 10.11, Shareholder approval under ASX Listing Rule 7.1 is not required. Accordingly, by approving the issue of the Tranche 2 Placement Shares, they will not reduce the number of equity securities that PPK could issue in the future within its 15% annual placement capacity under ASX Listing Rule 7.1.

### 5.5 Board recommendation

The Board (with each Director abstaining in relation to the proposed issue of Tranche 2 Placement Shares to himself or an entity associated with him under the relevant Related Party Resolution) unanimously recommends that Shareholders vote in favour of Resolutions 5 – 9 (inclusive).

## GLOSSARY

### Defined terms

In this Notice, except where the context otherwise requires:

**ASX** means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.

**ASX Listing Rules** means the official listing rules of the ASX as from time to time amended or waived in their application to the Company.

**Board** means the board of Directors of the Company.

**closely related party** has the same meaning as in section 9 of the Corporations Act. It includes a member of the KMP's spouse, dependant and certain other close family members, as well as companies controlled by a member of the KMP.

**Company** or **PPK** means PPK Group Limited ABN 65 003 964 181.

**Constitution** means the constitution of the Company.

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

**Director** means a director of the Company.

**Eligible Investors** means persons to whom an offer of securities can be made without disclosure under Part 6D.2 of the Corporations Act because they are sophisticated or professional investors within the meaning of subsections 708(8) and (11) of the Corporations Act respectively **but excluding** the Directors and any of their associates.

**Interim Dividend** means the fully franked interim dividend of 1.5 cents per Share in respect of the half year ended 31 December 2013 announced on 27 February 2014.

**KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of the KMP include the Directors (both executive and non-executive) and certain senior executives.

**Levison Plan Shares** means 7,500,000 Shares issued, or to be issued, under the PPK Group Levison Share and Loan Plan.

**McNamara Plan Shares** means 4,000,000 Shares issued, or to be issued, under the PPK Group McNamara Share and Loan Plan.

**Zhang Plan Shares** means 4,000,000 Shares issued, or to be issued, under the PPK Group Zhang Share and Loan Plan.

**Meeting** means the general meeting the subject of the Notice of General Meeting.

**Notice of General Meeting** or **Notice** means the notice of general meeting which accompanies this Explanatory Statement.

**Placement** means the issue of the Tranche 1 Placement Shares to Eligible Investors on the terms outlined in section 4.1 and the proposed issue of the Tranche 2 Placement Shares to the Directors (or their respective nominees) under the Related Party Resolutions.

**Plan Shares** means the Levison Plan Shares, the McNamara Plan Shares and the Zhang Plan Shares.

**PPK Group Levison Share and Loan Plan** means the Plan the terms of which are confirmed in the written Share and Loan Plan Agreement dated 6 December 2013 between PPK and The Ignition Trust (as summarised in section 1.2).

**PPK Group McNamara Share and Loan Plan** means the Plan the terms of which are confirmed in the written Share and Loan Plan Agreement dated 4 February 2014 between PPK and The McNamara Investment Trust (as summarised in section 1.2).

**PPK Group Zhang Share and Loan Plan** means the Plan the terms of which are confirmed in the written Share and Loan Plan Agreement dated 4 February 2014 between PPK and the Zhang Investment Trust (as summarised in section 1.2).

**Related Party Resolutions** means Resolutions 5 – 9 (inclusive).

**Senior Executives** means each of Robin Levison, Dale McNamara and Zhang Jinping.

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

**Share and Loan Plans** or **Plans** means the PPK Group Levison Share and Loan Plan, the PPK Group McNamara Share and Loan Plan and the PPK Group Zhang Share and Loan Plan.

**Share Plan Resolutions** means Resolutions 1, 2 and 3.

**Share Purchase Plan** means the share purchase plan referred to in section 4.1.

**Shareholder** means the registered holder of a Share.

**The Ignition Trust** means the trust so entitled or Ignition Capital Pty Ltd ACN 101 417 896 in its capacity as trustee thereof (as the case may be)

**The McNamara Investment Trust** means the trust so entitled or McNamara Investment Group Pty Ltd ACN 125 814 422 in its capacity as trustee thereof (as the case may be).

**Tranche 1 Placement Shares** means the 3,285,320 new Shares issued to Eligible Investors under the Placement (in two instalments) on 5 March 2014 and 7 March 2014.

**Tranche 2 Placement Shares** means the 2,094,912 new Shares issued, or to be issued, to the Directors (or their respective nominees) under the Related Party Resolutions.

**Zhang Investment Trust** means the trust so entitled or Zhang Family Investment Group Pty Ltd ACN 134 139 530 in its capacity as trustee thereof (as the case may be).

#### **Interpretation**

In this Notice, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) a reference to \$, A\$, dollars or cents is to Australian currency; and
- (c) a word or phrase defined in the Corporations Act or the ASX Listing Rules has the meaning given to it in that Act or those rules.



#### All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 3.00pm (Sydney time) on Saturday, 26 April 2014.**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** [www.boardroomlimited.com.au/vote/ppkgroupegm2014](http://www.boardroomlimited.com.au/vote/ppkgroupegm2014)

**STEP 2: Enter your holding/investment type:**

**STEP 3: Enter your Reference Number:**

**STEP 4: Enter your Voting Access Code:**

**PLEASE NOTE:** For security reasons it is important you keep the above information confidential.

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

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

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **3.00 pm (Sydney time) on Saturday, 26 April 2014.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** [www.boardroomlimited.com.au/vote/ppkgroupegm2014](http://www.boardroomlimited.com.au/vote/ppkgroupegm2014)

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**PPK Group Limited**

ABN 65 003 964 181

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **PPK Group Limited (Company)** and entitled to attend and vote hereby appoint:

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

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

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 at the General Meeting of the Company to be held at **The Grace Hotel, 77 York Street, Sydney New South Wales on Monday, 28 April 2014 at 3.00 pm (Sydney time)** and at any adjournment or postponement of that meeting, to act generally on my/our behalf and to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit.

**Chairman authorised to exercise undirected proxies on remuneration related resolution:** If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of that Resolution even though it is connected directly or indirectly with the remuneration of a member of key management personnel of PPK Group Limited.

The Chairman of the Meeting will vote all undirected proxies in favour of all Resolutions. As the Chairman has an interest in the outcome of Resolutions 1 and 5, the Deputy Chairman or, in his absence, another Director will act as Chair of the Meeting during the discussion and voting on those Resolutions. If you wish to appoint the Chairman of the Meeting as your proxy with a direction to vote against, or to abstain from voting on any Resolution, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that Resolution.

**STEP 2 VOTING DIRECTIONS**  
 \* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

	For	Against	Abstain*		For	Against	Abstain*
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of PPK Group Levison Share and Loan Plan, the issue of Shares under that Plan and the buy-back of all or any of those Shares under that Plan				Approval of issue of Tranche 2 Placement Shares to Glenn Molloy (or his nominee)			
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of PPK Group McNamara Share and Loan Plan, the issue of Shares under that Plan and the buy-back of all or any of those Shares under that Plan				Approval of issue of Tranche 2 Placement Shares to Graeme Webb (or his nominee)			
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of PPK Group Zhang Share and Loan Plan, the issue of Shares under that Plan and the buy-back of all or any of those Shares under that Plan				Approval of issue of Tranche 2 Placement Shares to Jury Wowk (or his nominee)			
4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of prior issue of Tranche 1 Placement Shares				Approval of issue of Tranche 2 Placement Shares to Raymond Beath (or his nominee)			
5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Approval of issue of Tranche 2 Placement Shares to Robin Levison (or his nominee)							

**STEP 3 SIGNATURE OF SHAREHOLDERS**  
 This form must be signed to be effective

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary