



GROUP LIMITED

ABN 65 003 964 181

Notice of 2018 Annual General Meeting and Explanatory Statement

NOTICE is given that the 2018 Annual General Meeting of PPK Group Limited (**Company**) will be held at:

The Brisbane Club, 241 Adelaide St, Brisbane City QLD 4000
at 11.30am Brisbane Time
on Tuesday 27 November 2018.

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

BUSINESS

Receipt of the Financial Report for the year ended 30 June 2018

Receipt of the Company's Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2018.

Resolution 1 – Remuneration Report

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

“That the Remuneration Report of the Company for the financial year ended 30 June 2018 be adopted.”

Resolution 2 – Re-elect Mr Dale McNamara as a Director of the Company

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

“That Mr Dale McNamara, who retires in accordance with rule 18.6 of the Constitution, and being eligible, is re-elected as a Director of the Company.”

Resolution 3 – Approval for extra 10% Placement Capacity

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

That, for the purposes of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Shares up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.

Resolution 4 – Approval of PPK Long Term Incentive Plan Terms and Conditions and the subsequent issue of securities under that Plan

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

“That for the purposes of Listing Rule 7.2 – Exception 9(b), and for all other purposes, approval is given to the PPK Long Term Incentive Plan terms and conditions and to the subsequent issue of securities under the that plan on the terms and conditions outlined in the attached Explanatory Memorandum.”

Resolution 5 – Grant of Performance Rights to Dale McNamara

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

“That for the purposes of Listing Rule 10.14, and for all other purposes, approval is given to the grant and issue of 1,000,000 Performance Rights pursuant to the PPK Long Term Incentive Plan to Mr. Dale McNamara and the subsequent issue of Shares on the vesting of such Performance Rights on the basis set out in the attached Explanatory Memorandum”

VOTING EXCLUSION STATEMENT

RESOLUTION 1 – Remuneration Report:

The Company will disregard any votes cast on Resolution 1:

- by or on behalf of a member of the key management personnel of the Company (KMP) (as defined in Section 9 of the Corporations Act 2001 (Cth)) details of whose remuneration are included in the Remuneration Report; or
- by or on behalf of a closely related party (as defined in Section 9 of the Corporations Act 2001 (Cth)) of a member of the KMP; or
- as a proxy by a member of the KMP or a KMP's closely related party.

However, a vote may be cast by a KMP or closely related party of the KMP if the proxy appointment is in writing and either:

- 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
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, and the appointment does not specify the way the proxy is to vote on Resolution 1 and expressly authorises the Chairman to exercise the proxy, even though the Resolution is connected directly or indirectly with the remuneration of the KMP for the Company.

RESOLUTION 3 - Approval for extra 10% Placement Capacity:

The Company will disregard any votes cast in favour of Resolution 3 by:

- any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed: and
- any person who is an Associate of those persons.

However, the Company need not disregard a vote if:

- 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
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 4 - Approval of PPK Long Term Incentive Plan Terms and Conditions and the subsequent issue of securities under that Plan:

The Company will disregard any votes cast in favour of Resolution 4 by:

- any Director of the Company (except one who is ineligible to participate in the Plan); and
- any person who is an associate of those persons.

However, the Company need not disregard a vote if:

- 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
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5 – Grant of Performance Rights to Mr. Dale McNamara:

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- any Director of the Company (except one who is ineligible to participate in the Plan); and
- an associate of that person (or those persons).

However, the Company need not disregard a vote if:

- 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
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Company will also disregard any votes cast on Resolution 5 by a member of the KMP or their closely related parties, as proxy for another person, where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, and the appointment expressly authorises the Chairman to exercise the proxy, even though the Resolution 5 is connected directly or indirectly with the remuneration of the KMP for the Company.

Important Notice Resolutions 1-5: The Chairman intends to vote undirected proxies that he is permitted to vote in favour of Resolutions 1-5.

Dated at Sydney, on the 8 of October 2018

By order of the Board
Andrew J. Cooke
Company Secretary



2018 Annual Report:

The 2018 Annual Report is available on the Company's Website: www.ppkgroup.com.au

Proxies

- A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy or not more than two proxies to attend and vote instead of the Shareholder.
- Where two proxies are appointed:
 - (i) a separate Proxy Form should be used to appoint each proxy;
 - (ii) the Proxy Form may specify the proportion, or the number, of votes that the proxy may exercise, and if it does not do so the proxy may exercise half of the votes.
- A Shareholder can appoint any other person to be their proxy. A proxy need not be a Shareholder of the Company. The proxy appointed can be described in the Proxy Form by an office held e.g. "the Chair of the Meeting".
- 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 addition, any directed proxy appointments that are not voted on a poll at the meeting by a Shareholder's appointed proxy will automatically default to the Chair of the Meeting, who is required to exercise the relevant votes as directed on the poll (subject to any applicable voting exclusions).
- In the case of Shareholders who are individuals, the Proxy Form must be signed:
 - (i) if the shares are held by one individual, by that Shareholder;
 - (ii) if the shares are held in joint names, by any one of them.
- In the case of Shareholders who are companies, the Proxy Form must be signed:
 - (i) if it has a sole director who is also sole secretary, by that director (and stating the fact next to, or under the signature on the Proxy Form);
 - (ii) in the case of any other company by either two directors or a director and secretary.
- If the person signing the Proxy Form is doing so under a power of attorney, or is an officer of a company outside those referred to above but authorised to sign the Proxy Form, the power of attorney or other authorisation (or a certified copy of it), as well as the Proxy Form, must be received by the Company by the time and at the place specified below.
- A Proxy Form accompanies this notice. To be effective, your proxy must be received by the Company no later than 48 hours before the time for the holding of the meeting:
 - (i) Lodge your vote Online : www.investorvote.com.au using the Control Number and your SRN/HIN which are provided on the front side of your Proxy Form.
 - (ii) by facsimile : on 1 800 783 447 (within Australia) or +61 3 9473 2555 (from outside of Australia) ; or
 - (iii) by mail :
 - Computershare Investor Services Pty Limited
 - GPO Box 242
 - Melbourne Victoria 3001
 - Australia
 - (iv) Custodians: Intermediary Online subscribers only, cast the shareholder's vote online by visiting www.intermediaryonline.com.

Corporate Representatives

A body corporate that is a member, or that has been appointed as a proxy of a member, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment including the authority under which it is signed.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

In accordance with the Corporations Act, the Directors have determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of members as at 7.00pm (AEDT) on Sunday, 25 November 2018.

CHAIR'S VOTING INTENTIONS

Subject to any applicable voting exclusions, the Chair of the Meeting intends to vote all available undirected proxies in favour of each resolution to be considered at the meeting.

EXPLANATORY STATEMENT

This Explanatory Statement forms part of the Notice of Meeting and has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Meeting.

Financial Report for the year ended 30 June 2018

The Corporations Act requires the financial report (which includes the financial statements and the directors' declaration), the directors' report and the auditor's report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the financial report, the directors' report or the auditor's report.

This item of business provides Shareholders with an opportunity to ask questions concerning or make comments on the Company's financial statements and reports for the year ended 30 June 2018 (**Financial Report**) and the Company's performance generally. A representative of the Auditor will be attending the Meeting.

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

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

All written questions must be received by the Company no later than Monday, 20 November 2018. All questions must be sent to the Company and may not be sent direct to the Auditor. The Company will then forward all questions to the Auditor. The Auditor will answer written questions submitted prior to the Meeting. The Auditor will also answer questions at the meeting from Shareholders relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; or
- the independence of the Auditor in relation to the conduct of the audit.

RESOLUTION 1 – Remuneration Report

The Directors' Report for the year ended 30 June 2018 contains the 2018 Remuneration Report which sets out the policy on remuneration of the directors of the Company and specified executives of the Company.

Members attending the Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Section 250R(2) of the Corporations Act requires that the Remuneration Report be put to Shareholders for adoption. This resolution is for advisory purposes only and will not be binding on the Directors or the Company, however the Directors will take the outcome of the vote into consideration when reviewing the remuneration policy.

The Remuneration Report is contained in the Annual Report, a copy of which is available on the Company's Website: www.ppkgroup.com.au

RESOLUTION 2 – Re-election of Mr Dale McNamara as a Director

Mr. Dale McNamara is an Executive Director of the Company. Mr McNamara retires by rotation in accordance with rule 18.6 of the Constitution and, being eligible, offers himself for re-election as a Director. A short profile of Mr McNamara is set out below:

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 ASX Listed Industrea Ltd, 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.

Dale was appointed as a Director of PPK Group on 29 April 2015. Through his interest in McNamara Super Group Pty Ltd <McNamara Super Fund A/C>, Dale is a substantial Shareholder in PPK.

Directors' recommendation

The Board unanimously (with Dale McNamara abstaining) recommends that Shareholders vote in favour of the re-election of Mr. McNamara as a Director under resolution 2.

RESOLUTION 3 - Approval of Additional 10% Placement Capacity

Background

Listing Rule 7.1A enables eligible entities to issue Shares up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (Additional 10% Placement Capacity). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less; and
- (b) the entity that is not included in the S&P ASX 300 Index.

As at the date of this Notice the Company is an eligible entity for the purposes of Listing Rule 7.1A.

The number of Shares to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

Resolution 3 seeks Shareholders' approval to issue additional Shares under the Additional 10% Placement Capacity. The approval of the Additional 10% Placement Capacity provides greater flexibility for the Board to issue shares in the 12-month period following the AGM.

Listing Rule 7.1A

The effect of Resolution 3 will be to permit the Company to issue the Shares under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Shares issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Shares of the Company. As at the date of this Notice the Company's Shares are quoted.

At the date of this Notice, the Company had 61,996,498 shares on issue (A in the formula below) and therefore, subject to Shareholder approval being obtained under Resolution 3, based on current circumstances 6,199,650 Shares will be permitted to be issued in accordance with Listing Rule 7.1A. The number of Shares that may be issued is calculated in accordance with the following formula:

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

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (b) plus the number of partly paid Shares that became fully paid in the 12 months;
 - (c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
 - (d) less the number of fully paid Shares cancelled in the 12 months.

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

D is 10%

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

Shareholders should note that the calculation of the number of Shares permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Shares.

Shareholders will be kept fully informed of any issue of Shares under the 10% Placement Capacity as the Company will disclose to the market at the time of issue the specific information required by Listing Rule 3.10.5A (such as details of dilution of existing Shareholders) in addition to information required by Listing Rule 7.1A.4, Appendix 3B and any other applicable listing rules. The table below demonstrates various examples as to the number of Shares that may be issued under the Additional 10% Placement Capacity.

Resolution 3 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

Specific information required by Listing Rule 7.3A

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Shares will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Shares over the 15 Trading Days on which trades in the class were recorded immediately before:
- (i) the date on which the price at which the Shares are to be issued is agreed; or
 - (ii) if the Shares are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Shares are issued.
- (b) If Resolution 3 is approved by shareholders and the Company issues Shares under the Additional 10% Placement Capacity, shareholders who do not participate (either because they are not invited to participate or because they elect not to participate) in any such issue, will have their existing interest and voting power in the Company diluted. There is also a risk that:
- (i) the market price for the Company's Shares may be significantly lower on the date of the issue of the Shares than on the date of the AGM;
 - (ii) the Shares may be issued at a price that is at a discount to the market price for the Company's Shares on the issue date; or
 - (iii) the Shares may be issued for non-cash consideration,

which may have an effect on the amount of funds raised by the issue of Shares under the Additional 10% Placement Capacity.

- (c) The table below shows the dilution of existing Shareholders upon the issue of the maximum number of Shares under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Shares.

The table shows:

- (i) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 3 October 2018, being \$0.31, (current market price), where the issue price is halved, and where it is doubled; and
- (iii) that the dilutionary effect will always be 10% if the maximum number of Shares that may be issued under the Additional 10% Placement Capacity are issued.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.155 Issue Price at half the current market price	\$0.31 Issue Price at current market price	\$0.62 Issue Price at double the current market price
Current Variable 'A' 61,996,498 Shares	Shares issued	6,199,650	6,199,650	6,199,650
	Funds raised	\$960,946	\$1,921,892	\$3,843,783
	Dilution	10%	10%	10%
50% increase in Current Variable 'A' 92,994,747 Shares	Shares issued	9,299,475	9,299,475	9,299,475
	Funds raised	\$1,441,419	\$2,882,837	\$5,765,675
	Dilution	10%	10%	10%
100% increase in Current variable 'A' 123,992,996	Shares issued	12,399,300	12,399,300	12,399,300
	Funds raised	\$1,921,892	\$3,843,783	\$7,687,566
	Dilution	10%	10%	10%

Note: The table above assumes:

- (a) No Shares are issued before the date of issue of the Shares. If further Shares are issued and Shareholders do not participate in the issue, their ownership and voting power in the Company will be further diluted.
- (b) The issue of Shares under the Additional 10% Placement Capacity consists only of Shares.
- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the AGM.

The table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Approval of the Additional 10% Placement Capacity will be valid during the period (Additional Placement Period) from the date of the AGM and will expire on the earlier of:

- (i) the date that is 12 months after the date of the AGM; and
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

The Company may seek to issue the Shares for the following purposes:

- (i) If Shares are issued for cash consideration: for ongoing development and manufacture of the Company's products, a potential business or product acquisition, new product development costs, administration costs and general working capital;
- (ii) If Shares are issued for non-cash consideration: for a potential business or product acquisition or in lieu of cash payments for services, equipment or product. If Shares are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will provide a valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Shares.

The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Shares, including consideration of matters including, but not limited to:

- (i) the ability of the Company to raise funds at the time of the proposed issue of Shares and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer;
- (ii) the dilutionary effect of the proposed issue of the Shares on existing shareholders at the time of proposed issued of Shares;
- (iii) the financial situation of the Company; and
- (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice, but will not include related parties (or their associates) of the Company.

The Company has not previously obtained approval under Listing Rule 7.1A or previously issued Shares pursuant to Listing Rule 7.1A.

A voting exclusion statement is included in the Notice of Meeting. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

Directors' Recommendation

The Directors of the Company believe that Resolution 3 in in the best interests of the Company and unanimously recommend that Shareholders vote to in favour of Resolution 3.

RESOLUTION 4 – Approval of PPK Long Term Incentive Plan Terms and Conditions and the subsequent issue of securities under that plan

This item of business deals with an approval, for the purposes of ASX Listing Rule 7.2 – *Exception 9(b)*, to the issue of securities under the Company's Long Term Incentive Plan ("Plan").

The terms of the Company's ("LTIP or Plan") are summarised below.

Commencement

The Plan was approved by the Board on 19 February 2015. The Plan has not been previously approved by Shareholders.

Purpose of the plan

The Plan is designed to operate as the long term incentive component of the remuneration of certain senior managers of the Company, under which the Board may from time to time grant Performance Rights to selected employees which entitle those employees to receive Shares if the Performance Conditions are satisfied.

Eligible Employee

Means an Employee whom the Board determines to be eligible to participate in the Plan being a natural person resident in Australia who is a:

- (a) permanent full-time or permanent part-time employee of an Employing Company; or
- (b) director of an Employing Company,

but does not include any employee or their associates who hold a beneficial interest in more than 10% of the shares in the Company.

Invitation and LTIP Offer

- (a) The Board may, from time to time, invite an Eligible Employee to participate in the Plan and make an LTIP Offer (**Invitation**). The Invitation must be in writing and will be accompanied by any other information and documents required by the Applicable Law.
- (b) The Invitation must specify:
 - (i) the date of the Invitation;
 - (ii) the number of Performance Rights to be granted to the Eligible Employee;
 - (iii) the Performance Conditions that must be satisfied before the Performance Rights vest;
 - (iv) the applicable Performance Period over which the Performance Conditions will be measured;
 - (v) the maximum number of Plan Shares to which the Eligible Employee may become entitled for meeting the Performance Conditions;
 - (vi) the Restrictive Period (if any) that will apply to the Eligible Employee's Plan Shares once the Performance Rights have vested;
 - (vii) the time period in which to accept the Invitation; and
 - (viii) any other specific terms and conditions that the Board, in its absolute discretion, determines to apply to the Invitation, such as:
 - (A) the period or periods during which the Performance Rights may vest; and
 - (B) the dates and times when Performance Rights lapse.
- (c) Following receipt by an Eligible Employee of an Invitation, the Eligible Employee may make an LTIP Offer by delivering to the Company a duly completed Application Form, in the name of the Eligible Employee or their Nominee, within the closing time specified in the Invitation. The Board may decide to accept or reject an LTIP Offer. The LTIP Offer is accepted by the Company by the grant of Performance Rights to the Eligible Employee or their Nominee.
- (d) Once the grant of Performance Rights has been made, the Rights may not be transferred until the vested Rights have been exercised.
- (e) By making the LTIP Offer, the Eligible Employee is deemed to have agreed to be bound by this deed and the constitution of the Company.
- (f) An Eligible Employee is not liable to make any payment on acceptance of an LTIP Offer.

Performance Rights

- (a) At the end of each Performance Period, the Board will, within a reasonable time, test whether the Performance Conditions applicable to a Participant's Performance Rights have been satisfied and, as necessary, determine whether or not they have been met or exceeded such that some or all of the Performance Rights vest.
- (b) Any Performance Rights which have not vested following the testing of the Performance Conditions will lapse.
- (c) Any decision of the Board will be final and binding on all Participants.
- (d) Performance Rights will not be quoted on the ASX or any other recognised stock exchange.
- (e) A Participant must not enter into any arrangement for the purpose of hedging its economic exposure to a Performance Right that has been granted to it (whether vested or unvested).
- (f) Where a Participant's Performance Rights have vested, the Board must notify the Trustee and direct the Trustee to:
 - (i) set aside the relevant number of Plan Shares to meet a future exercise of the Participant's Performance Rights which will be owned by the Trustee until the Participant exercises their Performance Rights; and
 - (ii) advise the Participant that their Performance Rights have vested and provide instructions as to how the Participant is to exercise their Performance Rights, the expiry term to exercise these Performance Rights and a copy of the Notice of Exercise form to be completed;

Cessation of Employment

- (a) Where a Participant ceases to be an employee of an Employing Company before Performance Rights have vested:
 - (i) the Board may in its discretion waive some or all of the Performance Conditions and allow some or all of the Performance Rights to vest; or
 - (ii) for any other reason, the Performance Rights lapse.
- (b) The Board must give written notice to each Participant of the extent to which their Performance Rights vest or lapse, as the case may be.

Event

If an Event (such as a takeover bid is made to the holders of Shares or the winding up of the Company) occurs before a Participant's Performance Rights have vested, the Board may at its discretion waive some or all of the Performance Conditions and allow some or all of the Performance Rights to vest.

Unallocated Shares

- (a) Unless and until Plan Shares are allocated to a Participant or transferred to a Participant, the Trustee will hold those Plan Shares on trust for the benefit of Participants generally from time to time.
- (b) Before the allocation or transfer to a Participant of an Unallocated Share held by the Trustee, the Trustee:
 - (i) must not exercise any voting rights in relation to the Unallocated Share;
 - (ii) may apply any capital receipts, Dividends or other distributions received in respect of the Unallocated Share to purchase further Shares to be held on trust for the purposes of this Trust;
 - (iii) must not participate in any Entitlements Offers in respect of the Unallocated Share;
 - (iv) must hold any Bonus Shares issued in respect of the Unallocated Share on trust for the purposes of this deed;
 - (v) must not grant (or purport to grant) any Encumbrances on or over, or otherwise deal with (or purport to dispose or deal with) the Unallocated Shares; and
 - (vi) must keep an account of all Unallocated Shares acquired by the Trustee that are held as assets of the Trust.

Allocation of Plan Shares

- (a) On receipt of a direction by the Board, the Trustee must set aside for the relevant Participant the number of Plan Shares specified by the Board and on the date specified by the Board.
- (b) Upon the Participant exercising their Rights, the relevant Participant becomes beneficially entitled to such Plan Shares.
- (c) Plan Shares acquired in accordance with this deed and allocated to a specified Participant must be:
 - (i) held by the Trustee on the terms and conditions of this deed and on behalf of the relevant Participant, who is the beneficial owner of the Plan Shares; and
 - (ii) allocated in the books of the Trustee to the relevant Participant.
- (d) The Trustee must retain possession of the holding statements of the Plan Shares.

Transfer of allocated Plan Shares

- (a) On receipt of a Withdrawal Notice from a Participant directing the Trustee to transfer allocated Plan Shares, the Trustee must transfer to the relevant Participant the number of allocated Plan Shares specified in such Withdrawal Notice, on the date specified in such Withdrawal Notice.
- (b) Upon allocated Plan Shares being transferred to a Participant, the Company will register the Participant as the holder of those Shares and the Participant will be absolutely legally and beneficially entitled to them.

Sale of allocated Plan Shares

On receipt of a Withdrawal Notice from a Participant directing the Trustee to sell allocated Plan Shares, the Trustee must sell on ASX such number of allocated Plan Shares specified in the written direction and remit all Net Proceeds from such sale to the relevant Participant as soon as practicable and in any event within 30 business days.

Notification of Share transfer, sale or allocation

The Trustee must ensure that, as soon as reasonably practicable after the Trustee allocates Plan Shares, sells allocated Plan Shares or transfers allocated Plan Shares to a Participant, the Participant is given written notice specifying the:

- (a) number of Plan Shares allocated to, sold on behalf of or transferred to the Participant and, in the case of a sale of Plan Shares, the Net Proceeds therefrom; and
- (b) the date on which the Plan Shares were so allocated, sold or transferred.

Restrictive Period

- (a) During any Restrictive Period, the Trustee and the Participants must not assign, transfer, sell, grant an encumbrance over or otherwise deal with a Plan Share.
- (b) The Company and the Trustee may enter into such arrangements as they consider necessary to enforce the restrictions and Participants are deemed to agree to such arrangements.
- (c) A Participant may grant an encumbrance over Plan Shares during the Restrictive Period only with the prior written approval of the Board, such approval to be in the Board's absolute discretion.

After ceasing to be an Employee

- (a) If a Participant ceases to be an Employee at any time (including after the Restrictive Period), other than by reason of retirement, redundancy, death or permanent disablement of a Participant, the Participant must give the Trustee a Withdrawal Notice requesting that all of their allocated Plan Shares be sold or transferred, in which case the Plan Trustee must sell or transfer those Plan Shares as the Participant directs in the Withdrawal Notice.
- (b) If the Participant does not give the Trustee a Withdrawal Notice within 30 days after ceasing to be an Employee, the Plan Trustee will sell those Plan Shares on behalf of the Participant and remit all Net Proceeds from such sale to the relevant Participant as soon as practicable and in any event within 30 business days.

Forfeiture

A Participant (and any person claiming through that Participant) will forfeit all Performance Rights and any right or interest in their allocated Plan Shares if the Participant has, in the Board's opinion, been dismissed with cause or has committed any act of fraud, theft or gross misconduct in relation to the affairs of an Employing Company (whether or not charged with an offence).

Dividends

- (a) a Participant is entitled to receive all cash dividends paid in respect of their allocated Plan Shares; and
- (b) the Trustee must pay all Cash Dividends received in respect of Plan Shares to the relevant Participant without deductions.

Voting rights

The Trustee must give each Participant for whom it holds allocated Plan Shares a copy of each notice of general meeting of the Company which the Trustee receives unless a Participant notifies the Trustee in writing that they do not wish to receive such notices.

- (a) a Participant may exercise any voting rights attached to their allocated Plan Shares by directing the Trustee in writing, not less than 72 hours prior to the meeting, to vote on their behalf; and
- (b) the Trustee must only exercise voting rights attached to Plan Shares in accordance with a Participant's directions.

Bonus shares

A Participant is entitled to any Bonus Shares which accrue to their allocated Plan Shares.

Rights issues

The Trustee must notify a Participant in writing of any Share Rights which accrue to their allocated Plan Shares.

- (a) Within 7 days of receiving notice the Participant may provide the Trustee with written instructions to either:
 - (i) sell some or all of the Share rights to the extent permitted by the applicable law; or
 - (ii) acquire some or all of the securities in the Company to which the Share rights relate.
- (b) If the Participant gives written instructions, the Participant must, at the time of giving the written instructions, provide to the Trustee payment of an amount equal to the cost of accepting the Share rights entitlement plus, if the Trustee so requires, such additional amount as the Trustee estimates and notifies to the Participant to be the costs and expenses relating to transferring the securities to the Participant.
- (c) If the Participant does not give written instructions, the Trustee is entitled to sell the Share rights.

Restriction size of Plan

The Board must not issue an Invitation, grant a Performance Right or issue a Plan Share, if the sum of:

- (a) the number of Shares which would be issued were each outstanding offer with respect to Shares, units of Shares, Performance Rights and options to acquire unissued Shares, under an employee share scheme to be accepted or exercised; and
- (b) the number of Shares issued during the previous three (3) years under this Plan or any other employee share scheme extended to Eligible Employees,

but excluding any offer made, or option acquired or Shares issued by way of or as a result of an Excluded Offer, would exceed five per cent (5%) of the total number of Shares on issue at that time.

Administration of the Plan

- (a) The Board will administer the Plan.
- (b) The Board may make regulations and policies for operating and administering the Plan.
- (c) Subject to the applicable law, any power or discretion which is conferred on the Board may be exercised in the interests, or for the benefit, of the Participants, and the Board is not, in exercising such power or discretion, under any fiduciary or other obligation to any other person.
- (e) Any decision of the Board as to the interpretation, effect or application of this deed will be final. Any dispute or difference of any nature relating to the Plan will be referred to the Board and its decision will be final and binding.
- (f) The Board may delegate all or any of its functions and powers under this deed to any person or persons for any period and on any conditions that the Board decides upon, including a plan administrator.

Directors' Recommendation

The Directors of the Company believe that Resolution 4 in in the best interests of the Company and unanimously recommend that Shareholders vote to in favour of Resolution 4.

RESOLUTION 5 – Grant of Performance Rights to Dale McNamara

Listing Rule 10.14 provides that the Company must not permit any Directors to acquire securities under an employee incentive scheme without the approval of Shareholders.

Accordingly Resolution 5 seeks the approval of Shareholder pursuant to Listing Rule 10.14 to grant Performance Rights to Mr. Dale McNamara, Executive Director of the Company in accordance with the terms of the Plan, and to the issue of Shares on the vesting of the Rights.

Approval of the terms and conditions of the Plan is to be considered at this AGM and details of those terms and conditions are summarised above (refer resolution 4 above).

The Plan is designed to operate as the long term incentive component of the remuneration of certain senior managers of the Company.

Information required by Listing Rule 10.15:

i. Director

Mr. Dale McNamara is Executive Director of the Company.

ii. Maximum number of securities that may be acquired

The maximum number of Performance Rights to be granted to Mr. McNamara is 1,000,000. Each Performance Right shall convert into 1 Plan Share upon vesting.

The Performance Rights to be granted to Mr. McNamara shall vest on the Vesting Dates set out below subject to trading in the Company's Shares on the ASX achieving a 5 day VWAP of not less than the Target Share Price on or before the Target Share Price Date:

Vesting Date	1 January 2020	1 July 2020	1 January 2021	1 July 2021
Target Share Price and Target Share Price Date	\$0.30 by 1 January 2019	\$0.40 by 1 January 2020	\$0.50 by 1 January 2021	\$0.60 by 1 January 2021
Number of Performance Rights to Vest	250,000	250,000	250,000	250,000

iii. The price for each Performance Right to be acquired under the Plan

In accordance with the terms of the Plan the Performance Rights are to be granted to Mr. McNamara for nil consideration.

iv. The names of all persons referred to in Listing Rule 10.14 who received Performance Rights since the last approval

The Plan has not been previously approved by Shareholders. No Performance Rights have been granted under the Plan as at the date of this Notice of Meeting.

v. The names of all persons referred to in Listing Rule 10.14 entitled to participate in the Plan

The Directors entitled to participate in the Plan as at the date of this Notice of Meeting are Mr. Robin Levison, Mr. Anthony McDonald and Mr. Dale McNamara.

Mr. Glenn Molloy and Mr. Graeme Webb are not entitled to participate in the Plan as they each hold a beneficial interest in more than 10% of the Shares in the Company.

vi. The terms of any loan in relation to the grant of Performance Rights

No loans have or will be granted to Mr. McNamara in relation to the issue of Performance Rights to him or the subsequent issue of Plan Shares to him upon vesting.

vii. The date by which the Company will issue the Performance Rights

It is proposed that the Performance Rights will be issued to Mr. McNamara within one of the month of the AGM and in any event not later than 12 months after the date of the AGM.

Shareholder approval – Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Section 211 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given to the related party as an officer of the Company and to give the remuneration would be reasonable given:

- (a) the circumstances of the Company; and
- (b) the related party's circumstances (including the responsibilities involved in the office or employment).

The Company considers the proposed issue of Performance Rights to Mr. McNamara is reasonable remuneration and, as such, fall with the exception set out in Section 211 of the Corporations Act.

In reaching this view, the Board has considered the responsibilities of Mr. McNamara as Executive Director, the Company's reliance on a limited number of personnel who have a direct impact on the Company's ability to achieve revenue, the need for the Company to effectively incentivise its Executive Directors while aligning the incentive with increasing shareholder value and the desirability of preserving the cash resources of the Company. The Board considers that the issue of Performance Rights to Mr. McNamara which will convert into Shares upon the certain share price targets being achieved is an effective tool which is well aligned with the interest of Shareholders and preserves the cash reserves of the Company whilst also providing valuable consideration for Mr. McNamara.

Directors' Recommendation

The Board unanimously (with Mr. McNamara abstaining) recommends that Shareholders vote in favour of Resolution 5.

Glossary


Annual General Meeting or AGM	means the Company's annual general meeting the subject of this Notice of
Annual Report	means the Company's 2018 annual report.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 or the securities market which it
Board	means the board of directors of the Company.
Business Day	has the meaning given in Chapter 19 of the Listing Rules.
Company	means PPK Group Limited ABN 65 003 964 181.
Constitution	means the Constitution of the Company, as amended.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Explanatory Statement	means the explanatory statement attached to the Notice of Meeting.
Financial Report	means the Company's financial statements and reports for the year ended 30
KMP	means key management personnel (as defined under section 9 of the
Listing Rules	means the official listing rules of ASX.
Notice of Meeting	means the notice of meeting and includes the Explanatory Statement.
Plan	means the PPK Long Term Incentive Plan
Proxy Form	means the proxy form accompanying this Notice of Meeting.
Remuneration Report	means the section of the Directors' report for the year ended 30 June 2018 that
Shares	means fully paid ordinary shares issued in the capital of the Company.
Shareholder	means a person who is the registered holder of Shares.
VWAP	means volume weighted average price.



GROUP LIMITED
ABN 65 003 964 181

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

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

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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: 999999

SRN/HIN: I9999999999 PIN: 99999

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

 **For your vote to be effective it must be received by 11.30am (Brisbane Time) on Sunday 25 November 2018**

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

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

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

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



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

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.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of PPK Group 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 PPK Group Limited to be held at The Brisbane Club, 241 Adelaide St, Brisbane City QLD 4000 on Tuesday, 27 November 2018 at 11.30am (Brisbane Time) 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 Items 1, 4 & 5 (except where I/we have indicated a different voting intention below) even though Items 1, 4 & 5 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 Items 1, 4 & 5 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
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-elect Mr Dale McNamara as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval for extra 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of PPK Long Term Incentive Plan Terms and Conditions and the subsequent issue of securities under that Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Grant of Performance Rights to Dale McNamara	<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 / /

PPK

999999A

Computershare +