

22 October 2015

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The Manager  
Company Announcements Office  
ASX Limited  
Level 4, 20 Bridge Street  
Sydney, NSW 2000

**Notice of Annual General Meeting to be held on 23 November 2015**

Please find attached the Notice of Annual General Meeting and Explanatory Memorandum for the meeting to be held on 23 November 2015 at The Radisson Blu Plaza Hotel, Marble Rooms 2 and 3, Lower Ground Floor, 27 O'Connell Street, Sydney, New South Wales.

Yours faithfully

TZ LIMITED



Kenneth Ting  
Director

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**TZ LIMITED  
ACN 073 979 272**

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
EXPLANATORY MEMORANDUM**

*For a meeting to be held on 23 November 2015 at 10.00 am  
at The Radisson Blu Plaza Hotel, Marble Rooms 2 and 3, Lower Ground Floor,  
27 O'Connell Street, Sydney, New South Wales*

**THIS IS AN IMPORTANT DOCUMENT AND SHOULD  
BE READ IN ITS ENTIRETY**

**If you do not understand any part of this document  
please contact a professional adviser immediately**

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**TZ LIMITED**  
**ACN 073 979 272**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that an Annual General Meeting of members of TZ Limited (“**Company**”) will be held at The Radisson Blu Plaza Hotel, Marble Rooms 2 and 3, Lower Ground Floor, 27 O’Connell Street, Sydney, New South Wales at 10.00 am (Sydney time) on 23 November 2015.

The business to be considered at the Annual General Meeting is set out below. Information on the proposals to which the business relates is set out in the Explanatory Memorandum which accompanies this Notice. This Notice should be read in conjunction with the accompanying Explanatory Memorandum.

**ORDINARY BUSINESS**

**Financial statements and reports**

To receive and consider the financial report, directors’ report and auditor’s report for the financial year ended 30 June 2015.

**Short explanation:** This item of business is for discussion at the Annual General Meeting and is not a resolution.

**Resolution 1 – Adoption of the Remuneration Report**

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

*"That the remuneration report for the financial year ended 30 June 2015 be adopted."*

**Short explanation:** The remuneration report is set out in the Company’s annual report for the financial year ended 30 June 2015. Section 250R(2) of the Corporations Act provides that at a listed company’s annual general meeting, a resolution that the remuneration report be adopted must be put to the vote. However, shareholders should be aware that the vote on the resolution is advisory only and does not bind the Directors or the Company.

**Voting Exclusion:** In accordance with the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the remuneration report; or
- (b) a Closely Related Party of such member,

however, a person described above may cast a vote on Resolution 1 if:

- the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; and
- the vote is not cast on behalf of a person described in paragraphs (a) or (b).

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### Resolution 2 – Re-election of Paul Casey as Director

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

*"That Paul Casey, who retires in accordance with regulation 14.5 of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company."*

### Resolution 3 – Approval of prior issue of Shares – December 2014 placement

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

*"That for the purposes of Listing Rule 7.4 of the ASX Listing Rules and for all other purposes, the shareholders of the Company approve the issue of 8,000,000 fully paid ordinary shares in the Company at a price of 12.5 cents per share during the period 9 to 12 December 2014 to raise a total of \$1,000,000, on the basis set out in the Explanatory Memorandum which accompanies the notice of meeting convening the meeting at which this resolution is proposed."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person who participated in the issue of shares referred to in this resolution and any of their associates. However, the Company need not disregard a vote on the resolution if:

- it is cast by a person as a 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 prior issue of Shares – March 2015 placement

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

*"That for the purposes of Listing Rule 7.4 of the ASX Listing Rules and for all other purposes, the shareholders of the Company approve the issue of 57,886,493 fully paid ordinary shares in the Company at a price of 11 cents per share on 18 March 2015 to raise a total of \$6,367,514.23, on the basis set out in the Explanatory Memorandum which accompanies the notice of meeting convening the meeting at which this resolution is proposed."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person who participated in the issue of shares referred to in this resolution and any of their associates. However, the Company need not disregard a vote on the resolution if:

- it is cast by a person as a 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 – Approval of 10% Placement Facility

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

*"That, pursuant to and in accordance with Listing Rule 7.1A of the ASX Listing Rules and for all other purposes, the shareholders of the Company approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum which accompanies the notice of meeting convening the meeting at which this resolution is proposed."*

### **Voting Exclusion**

The Company will disregard any votes cast on this resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed.

However, the Company will not disregard a vote if:

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

### **ADDITIONAL INFORMATION**

This notice of meeting is accompanied by an Explanatory Memorandum which provides an explanation of the business of the meeting, including the proposed resolutions.

### **Voting entitlement**

The board of directors of TZ Limited has determined in accordance with regulation 7.11.37 of the Corporations Regulations 2001 that for the purpose of voting at the Annual General Meeting, shares will be taken to be held by those who hold them at 7.00 pm (Sydney time) on Saturday, 21 November 2015. This means that if you are not the registered holder of a relevant share at the time, you will not be entitled to vote in respect of that share.

### **Voting by proxy**

Each shareholder who is entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on behalf of that shareholder. The proxy need not be a shareholder. Please note that a proxyholder cannot vote on a show of hands but can speak at the meeting and can vote on a poll.

A shareholder who is entitled to cast two or more votes may appoint one or two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If a shareholder appoints two proxies and the appointment does not specify the proportion or

number of shareholder's votes, each proxy may exercise half the votes (disregarding fractions). Neither proxy may vote on a show of hands.

In the event that a shareholder appoints a proxy and specifies the way the proxy is to vote on a particular resolution:

- where the proxy is not the Chairman:
  - (a) the proxy need not vote on a poll but if the proxy does so then the proxy must vote the way that the shareholder specifies; and
  - (b) if a poll is demanded and the proxy does not attend or vote, then the Chairman is taken to have been appointed as the proxy; and
- where the Chairman is the proxy (including where the Chairman is taken to have been appointed the proxy as set out above) the proxy must vote on a poll and must vote the way that the shareholder specifies.

**Important note regarding appointing a proxy:**

**Certain categories of persons (including Directors and the Chairman of the Meeting) are prohibited from voting on resolutions relating to the remuneration of Key Management Personnel, including as proxy in some circumstances. If you are appointing a proxy, to ensure that your vote counts, please read the following and the instructions on the Proxy Form carefully.**

If you appoint a member of the Key Management Personnel (which includes Directors and the Chairman of the Meeting) or any of their Closely Related Parties as your proxy, in general, for your vote to count on **Resolution 1**, you must direct your proxy how to vote on **Resolution 1**.

If you appoint the Chairman of the Meeting as your proxy and you do not direct him how to vote on **Resolution 1**, he cannot cast your vote unless you have ticked the box in Step 1 of the Proxy Form. If you have not (i) directed the Chairman how to vote; or (ii) ticked the authorisation in Step 1 of the Proxy Form, he will not be able to cast your vote on **Resolution 1**.

If you appoint as your proxy any other Director of the Company, any other of its Key Management Personnel, or any of their Closely Related Parties and you do not direct that person how to vote on **Resolution 1**, that person will not be entitled to vote, and will not vote, your proxy on **Resolution 1**.

**Online proxy appointment**

You may appoint and direct your proxy online, by using your smartphone or by visiting [www.investorvote.com.au](http://www.investorvote.com.au).

To use this option, you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and your allocated Control Number as shown on your proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the

instructions on the [www.investorvote.com.au](http://www.investorvote.com.au) website. To use your smartphone voting service, scan the QR code which appears on your proxy form and follow the instructions provided. To scan the code you need to have already downloaded a free QR code reader app to your smartphone. When scanned, the QR code will take you directly to the mobile voting site. A proxy cannot be appointed electronically if they are appointed under a power of attorney or similar authority. The online proxy facility may not be suitable for shareholders who wish to appoint two proxies with different voting directions. Please read the instructions for online proxy submissions carefully before you lodge your proxy.

Custodians and other intermediaries may appoint and direct their proxy online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com) (subscribers only).

### **Proxy Appointment by post or fax**

A proxy can also be appointed by using the proxy form enclosed with this notice of meeting. Information on how to complete the proxy form is included on the form.

For the appointment of a proxy using a proxy form, the following documents must be lodged:

- (a) the completed proxy form; and
- (b) if the proxy form is signed by the appointer's attorney – the authority under which the proxy form was signed or a certified copy of the authority.

### **Lodgement of proxy appointments**

For the appointment of a proxy to be effective for the meeting, the Company must receive an online proxy appointment through the website noted above or a duly completed proxy form (and if signed by an attorney, the attorney's authority or a certified copy), in either case by **10.00 am on Saturday, 21 November 2015**.

Proxy forms may be posted or faxed to the Company's share registry at:

#### **Computershare Investor Services Pty Limited**

GPO Box 242

Melbourne VIC 3001

Australia

Facsimile: 1800 783 447 (within Australia)

+61 3 9473 2555 (outside Australia)

If posting, please allow sufficient time for your form to be received by 10.00 am on 21 November 2015.

### **Corporate representatives**

A body corporate may appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at meetings of shareholders. The appointment may be a standing one. Unless otherwise specified in the appointment, the representative may exercise, on the body corporate's behalf, all of the powers that the body corporate could exercise at a meeting or in voting on a resolution.

By order of the board of directors  
of TZ Limited

A handwritten signature in black ink, appearing to read 'Ken', with a large, stylized flourish above the first letter.

KENNETH TING  
COMPANY SECRETARY  
8 October 2015

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**TZ Limited**  
**ACN 073 979 272**  
**Annual General Meeting**  
**Explanatory Memorandum**

**Important information**

This Explanatory Memorandum has been prepared for the information of the shareholders of TZ Limited (the "**Company**") in connection with the business to be conducted at the Annual General Meeting of the Company to be held at 10.00 am (Sydney time) on 23 November 2015, at The Radisson Blu Plaza Hotel, Marble Rooms 2 and 3, Lower Ground Floor, 27 O'Connell Street, Sydney, New South Wales.

The purpose of this Explanatory Memorandum is to provide information that the Directors believe to be material to shareholders in deciding whether or not to pass the resolutions set out in the Notice. Amongst other things, this Explanatory Memorandum provides members with the information to be provided under the Corporations Act and the Listing Rules.

**You should read this document carefully.**

This Explanatory Memorandum and the accompanying Notice are important. You should read each document in its entirety before deciding how to vote on the resolutions at the Meeting. If you are in doubt as to what you should do, you should consult your financial, legal or other professional adviser.

**No investment advice**

This Explanatory Memorandum does not constitute financial product advice and it does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in the Company. This Explanatory Memorandum has been prepared without taking account of any person's particular investment objectives, financial situation or needs.

**Role of ASX**

Copies of this Explanatory Memorandum and the Notice have been lodged with ASX for the purposes of Listing Rule 15.1.4. Neither ASX nor any of its officers take any responsibility for the contents of this Explanatory Memorandum and the Notice.

**Glossary**

Unless otherwise defined in this document, capitalised terms have the meaning set out in the Glossary at the end of this Explanatory Memorandum.

**Financial Statements and Reports**

The Corporations Act requires the financial report (which includes the Financial Statements and Directors' Declaration), the Directors' Report and Auditor's Report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or the Company's Constitution for shareholders to approve the Financial Report, the Directors'

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Report or the Auditor's Report. Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports.

Whilst no resolution is required in relation to this item, the auditor of the Company or their representative will be available to receive questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

#### **Resolution 1 - Remuneration report**

The annual report for the financial year ended 30 June 2015 contains a remuneration report which sets out the remuneration policies applicable to the Company and reports the remuneration arrangements that were in place for the Company's Directors and senior executives for the financial year ended 30 June 2015.

A reasonable opportunity will be provided for discussion of the remuneration report at the meeting before shareholders are asked to vote on Resolution 1, to adopt the remuneration report.

The vote on the resolution is advisory only and does not bind the Directors or the Company. However, your Directors will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Under the provisions of the Corporations Act known generally as the "two strikes rule", shareholders should note that if 25% or more of the votes that are cast are voted against the adoption of the remuneration report at two consecutive Annual General Meetings, shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than any managing director who may continue to hold office indefinitely without re-election under the ASX Listing Rules) must stand for re-election. Shareholders should be aware that at the Company's 2014 annual general meeting, less than 25% of the votes that were cast voted against the adoption of the 2014 remuneration report and accordingly no spill resolution can result at this Annual General Meeting.

Noting that each Director has a personal interest in his own remuneration from the Company, the Board unanimously recommends that you vote in favour of Resolution 1.

**The Chairman intends to vote any proxies held by him in favour of Resolution 1 (unless the appointer directs him otherwise).**

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## Resolution 2 – Re-election of Paul Casey as Director

In accordance with the Company's constitution, Mr Paul Casey will retire by rotation from office at the Meeting, and being eligible, offers himself for re-election as a Director.

Mr Casey brings over 30 years' experience in international travel and tourism and early stage investing. Paul was President and Chief Executive Officer ("CEO") of Hawaiian Airlines, a New York Stock Exchange ("NYSE") listed company, from 1997 until 2002. Prior to that he led the Hawaii Visitors and Convention Bureau ("HVCB") as President and CEO and he held a succession of senior management positions with Continental Airlines and Thomas Cook. Paul has run a travel software start-up in Bangkok, was the CEO of an investment firm focussed on rolling up travel-related businesses in China and was involved in restructuring a number of travel and tourism projects. He is also an investor and adviser to several Hawaii early stage companies and since 2011 was on the board of PDT until sold by the Company in 2013.

The continuing Directors unanimously support the re-election of Mr Paul Casey as a Director of the Company.

The Chairman intends to vote any undirected proxies held by him in favour of Resolution 2.

## Resolution 3 – Approval of prior issue of Shares – December 2014 placement

### Background

The Company is seeking the approval of members for the purposes of ASX Listing Rule 7.4, in respect of the issue of 8,000,000 fully paid ordinary shares that were issued under its share placement in December 2014.

During the period 9 to 12 December 2014, the Company completed a capital raising by way of private placement, through the issue of 8,000,000 ordinary shares at 12.5 cents per share, raising \$1,000,000 (the "**Placement**").

### Effect of approval

In general terms, Listing Rule 7.1 of the ASX Listing Rules imposes a 15% cap on the number of equity securities (including ordinary shares) that can be issued by the Company, without the approval of shareholders, in any 12 month period ("**15% limit**"). However, the Company is permitted to issue shares in excess of the 15% limit if those shares are issued in reliance on an exception to Listing Rule 7.1 or the issue is approved by shareholders. Listing Rule 7.4 enables shareholders to subsequently approve the issue of such shares for the purposes of Listing Rule 7.1.

The effect of the approval by shareholders under Resolution 3 would be that the 8,000,000 Shares issued under the Placement by the Company will not count towards the 15% limit.

The Company's capital base is critical to its ability to manage its business. It is important for the Board to have maximum flexibility in accessing all forms of capital.

The requirement to obtain shareholder approval for an issue (and the need to convene a special meeting to do so), before the issue, could limit the Company's ability to take advantage of opportunities that may arise to raise equity capital.

No decision has been made by the Board to undertake any further issue of equity securities in the event that approval is received from shareholders in respect of Resolution 3. The Board will only decide to issue further equity securities if it considers it is in the best interests of the Company to do so. This may depend, amongst other things, on the Company's capital position and conditions in capital markets.

### **Information required under ASX Listing Rule 7.5**

Each of the 8,000,000 Shares were issued at an issue price of 12.5 cents per Share.

The funds raised from the issue of the 8,000,000 Shares were used to meet the costs of the issue (\$20,000, exclusive of GST) and the balance of \$1,980,000 was used as follows:

1. To lodge bonds and bank guarantees with customers of the Company in its PAD and IXP businesses.
2. To hire new employees in the Company's tender team to help in responding to new tender requests.
3. To pay the costs of marketing the Company's Day Locker offering to accountable mail customers in the United States of America.

The 8,000,000 Shares were issued on the same terms as, and rank equally with, all other ordinary shares in the capital of the Company then on issue.

The 8,000,000 Shares were allotted to various sophisticated and professional investors based on applications received under the Placement, each approved by the Company.

### **Board Recommendation**

The Directors believe that it is in the best interests of the Company that the Directors maintain their ability to issue up to 15% of the issued capital of the Company over the next 12 months.

The Directors recommend that members vote in favour of Resolution 3.

## **Resolution 4 – Approval of prior issue of Shares – March 2015 placement**

### **Background**

The Company is seeking the approval of members for the purposes of ASX Listing Rule 7.4, in respect of the issue of 57,886,493 fully paid ordinary shares that were issued under its share placement in March 2015.

On 18 March 2015 the Company completed a capital raising by way of private placement, through the issue of 57,886,493 ordinary shares at 11 cents per share, raising \$6,367,514.23 (before costs) (the "**Placement**").

## Effect of approval

In general terms, Listing Rule 7.1 of the ASX Listing Rules imposes a 15% cap on the number of equity securities (including ordinary shares) that can be issued by the Company, without the approval of shareholders, in any 12 month period ("**15% limit**"). However, the Company is permitted to issue shares in excess of the 15% limit if those shares are issued in reliance on an exception to Listing Rule 7.1 or the issue is approved by shareholders. Listing Rule 7.4 enables shareholders to subsequently approve the issue of such shares for the purposes of Listing Rule 7.1.

Of the 57,886,493 Shares issued under the Placement, 5,929,233 Shares were issued under Listing Rule 7.1A and the remaining 51,957,260 Shares were issued under Listing Rule 7.1. However, Listing Rule 7.4 does allow issues of shares made with approval under Listing Rule 7.1A to also be ratified under Listing Rule 7.4.

Accordingly, the effect of the approval by shareholders under Resolution 4 would be that the whole of the 57,886,493 Shares issued under the Placement by the Company will not count towards the 15% limit.

The Company's capital base is critical to its ability to manage its business. It is important for the Board to have maximum flexibility in accessing all forms of capital.

The requirement to obtain shareholder approval for an issue (and the need to convene a special meeting to do so), before the issue, could limit the Company's ability to take advantage of opportunities that may arise to raise equity capital.

No decision has been made by the Board to undertake any further issue of equity securities in the event that approval is received from shareholders in respect of Resolution 4. The Board will only decide to issue further equity securities if it considers it is in the best interests of the Company to do so. This may depend, amongst other things, on the Company's capital position and conditions in capital markets.

## Information required under ASX Listing Rule 7.5

Each of the 57,886,493 Shares were issued at an issue price of 11 cents per Share.

The funds raised from the issue of the 57,886,493 Shares have been used to meet the costs of the Placement (approximately \$245,337, exclusive of GST) and to pursue further contract wins and business opportunities for the Company (approximately \$434,000 to the date of the Notice). The remaining balance of \$5,688,177 will be used to pay the costs of pursuing further contract wins and business opportunities for the Company.

The 57,886,493 Shares were issued on the same terms as, and rank equally with, all other ordinary shares in the capital of the Company then on issue.

The 57,886,493 Shares were allotted to various sophisticated and professional investors based on applications received under the Placement, each approved by the Company, following consultation with Morgans Corporate Limited, who acted as Lead Manager for the Placement.

## Board Recommendation

The Directors believe that it is in the best interests of the Company that the Directors maintain their ability to issue up to 15% of the issued capital of the Company over the next 12 months.

The Directors recommend that members vote in favour of Resolution 4.

### Resolution 5 – Approval of 10% Placement Facility

#### 1. General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 2(c) below).

#### 2. Description of Listing Rule 7.1A

##### (a) Shareholder approval

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

##### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, namely Shares and Unlisted Options.

##### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities 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 or 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 Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 465,601,566 Shares and therefore has a capacity to issue, subject to Shareholder approval being sought under Resolutions 3, 4 and 5, 46,560,156 Equity Securities under Listing Rule 7.1A. At the date of this Notice, the Company has no capacity to issue any further Equity Securities under Listing Rule 7.1, although this capacity would increase to 69,840,234 Equity Securities if Resolutions 3 and 4 are passed.

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

(e) Minimum Issue Price

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

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

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (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),

or such longer period if allowed by ASX ("**10% Placement Period**").

**3. Listing Rule 7.1A**

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires 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).

**4. Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities in any existing quoted class of the Company's Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities in that class over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Unlisted Options, only if the Unlisted Options are exercised). There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and



- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

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

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares (which is assumed to be 7.5 cents, being the closing Share price on 28 September 2015) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (a) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		3.75 cents 50% decrease in Issue Price	7.5 cents Issue Price	15 cents 100% increase in Issue Price
<b>Current Variable A</b> 465,601,566 Shares	10% Voting Dilution	46,560,156 Shares	46,560,156 Shares	46,560,156 Shares
	Funds raised	\$1,746,005	\$3,492,011	\$6,984,023
<b>50% increase in current Variable A</b> 698,402,349 Shares	10% Voting Dilution	69,840,234 Shares	69,840,234 Shares	69,840,234 Shares
	Funds raised	\$2,619,008	\$5,238,017	\$10,476,035
<b>100% increase in current Variable A</b> 931,203,132 Shares	10% Voting Dilution	93,120,313 Shares	93,120,313 Shares	93,120,313 Shares
	Funds raised	\$3,492,011	\$6,984,023	\$13,968,046

**The table has been prepared on the following assumptions:**

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (ii) No Unlisted Options are exercised into Shares before the date of the issue of the Equity Securities.
  - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
  - (vii) The issue price is 7.5 cents, being the closing price of the Shares on ASX on 28 September 2015.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) to raise additional cash likely to be needed from time to time in order to obtain and fulfil new contracts of supply to the Company's customers. The fulfilment of each contract requires expenditure by the Company on associated costs including manufacturing costs, in addition to normal operating expenses;
  - (ii) to raise cash for other purposes such as the acquisition of new assets or investments (including expenses associated with such an acquisition), the continued development and enhancement of the Company's technology and/or general working capital; or
  - (iii) as non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

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

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of

the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (iv) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (v) the effect of the issue of the Equity Securities on the control of the Company;
- (vi) the financial situation and solvency of the Company; and
- (vii) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

The allottees under the 10% Placement Facility may be limited to sophisticated and professional investors, to avoid the additional costs associated with regulatory compliance for an issue to retail investors.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (e) The Company has obtained Shareholder approval under Listing Rule 7.1A previously, including at its 2014 annual general meeting held on 18 November 2014.

Since 22 November 2014 (that is, in the 12 months preceding the date of the Meeting) a total of 80,727,273 Equity Securities have been issued by the Company. This represents 19.9% of the total number of Equity Securities on issue on 22 November 2014 (that is, at the commencement of the 12 months preceding the date of the Meeting), which was 405,124,293 Equity Securities (384,874,293 Shares and 20,250,000 Options).

Details of the 80,727,273 Equity Securities issued by the Company since 22 November 2014 are set out immediately below.

- (i) 8,000,000 Shares were issued between 9 and 12 December 2014 under a placement. The subscribers were professional and sophisticated investors determined by the Company. The Shares ranked equally with existing Shares from the time of allotment. The issue price of the Shares was 12.5 cents per Share. This represented a discount of approximately 10.7% to the market price at the close of trading on the day before the placement was announced on 3 December 2014. The placement raised \$1,000,000 before costs for additional working capital, of which approximately \$20,000 (exclusive of GST) was spent on costs of the placement and the balance of \$1,980,000 was used as follows:
  - (A) To lodge bonds and bank guarantees with customers of the Company in its PAD and IXP businesses.

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- (B) To hire new employees in the Company's tender team to help in responding to new tender requests.
- (C) To pay the costs of marketing the Company's Day Locker offering to accountable mail customers in the United States of America.
- (ii) 14,840,780 Shares were issued on 5 March 2015 under a share purchase plan. The offer under the share purchase plan was made to all registered ordinary shareholders of the Company as at 7.00pm on 3 February 2015 with a registered address in Australia or New Zealand. The Shares ranked equally with existing Shares from the time of allotment. The issue price of the Shares was 11 cents per Share, which represented a 8.33% discount to the closing market price on the date of issue of the Shares (5 March 2015). The share purchase plan raised \$1,632,485.80 before costs for additional working capital, of which approximately \$35,000 (exclusive of GST) was spent on the costs of the share purchase plan and the balance of \$1,597,485.80 was spent on the Company's operating expenses, including customer contract fulfilment costs.
- (iii) 57,886,493 Shares were issued on 18 March 2015 under a placement. The subscribers were professional and sophisticated investors determined by the Company in consultation with the lead manager of the placement, Morgans Corporate Limited. The Shares ranked equally with existing Shares from the time of allotment. The issue price of the Shares was 11 cents per Share. This price was the market price at the close of trading on the day before the placement was announced on 12 March 2015, that is no discount was applied to this market price. The placement raised \$6,367,514.23 before costs for additional working capital, of which approximately \$245,337 (exclusive of GST) has been spent on costs of the placement and approximately \$434,000 has been spent on operating expenses incurred in connection with pursuing new customer contracts and business opportunities for the Company. The remaining balance of \$5,688,177 is intended to be spent on paying the costs of pursuing further contract wins and business opportunities for the Company.
- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## 5. Board Recommendation

The Directors consider that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further shareholder approval), should it be required. At the date of the Notice, the Company has no plans to use the 10% Placement Facility should it be approved. Accordingly, the Directors unanimously recommend that shareholders vote in favour of Resolution 5.

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## GLOSSARY

In this Explanatory Memorandum:

**10% Placement Facility** has the meaning given in section 1 of the Explanatory Memorandum dealing with Resolution 5.

**10% Placement Period** has the meaning given in section 2(f) of the Explanatory Memorandum dealing with Resolution 5.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

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

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 to be a Closely Related Party.

**Company** or **TZL** means TZ Limited ACN 073 979 272.

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

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

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Explanatory Memorandum** means the Explanatory Memorandum accompanying the Notice.

**Key Management Personnel** has the meaning given to that term in the Corporations Act and generally includes those persons having authority or responsibility for planning, directing or controlling the actions of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

**Meeting** or **Annual General Meeting** means the annual general meeting convened by the Notice.

**Notice** means the notice of meeting accompanying this Explanatory Memorandum.

**Option** means an option to acquire a Share.

**Related Body Corporate** has the meaning given in section 9 of the Corporations Act.

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**Resolution** means a resolution set out in the Notice.

**Share** or **Shares** means an ordinary fully paid share or shares in the capital of the Company.

**Shareholder** means a holder of Shares.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**Unlisted Options** means the 20,250,000 Options on issue as at the date of this Notice which are not quoted on the ASX.

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## 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

000001 000 TZL  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://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 10.00 am (Sydney time) on Saturday, 21 November 2015**

### How to Vote on Items of Business

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

#### Appointment of Proxy

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

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

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

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

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

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

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

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

### Attending the Meeting

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

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

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

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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 TZ 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 TZ Limited to be held at The Radisson Blu Plaza Hotel, Marble Rooms 2 and 3, Lower Ground Floor, 27 O'Connell Street, Sydney, New South Wales on Monday, 23 November 2015 at 10.00 am (Sydney 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 Item 1 (except where I/we have indicated a different voting intention below) even though Item 1 is 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 Item 1 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Paul Casey as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of prior issue of Shares – December 2014 placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of prior issue of Shares – March 2015 placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of 10% Placement Facility	<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 / /

T Z L

2 0 2 7 0 7 A

Computershare +



**All general correspondence to:**  
Computershare Investor Services Pty Limited  
GPO Box 2975 Melbourne  
Victoria 3001 Australia  
Enquiries (within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000  
Facsimile +61 3 9473 2500  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)  
[www.computershare.com.au](http://www.computershare.com.au)

┌ 000002 000 TZLRM  
MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in TZ Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

**Kenneth Ting**  
Company Secretary