



ACN 166 705 595

**NOTICE OF
ANNUAL GENERAL MEETING
EXPLANATORY STATEMENT
AND PROXY FORM**

Date

Thursday, 24th November 2016

Time

12.00pm

Venue

120 Chinderah Bay Drive, Chinderah, NSW 2487

Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

www.aeeris.com.au

For personal use only

NOTICE OF GENERAL MEETING

Notice is given that the 2016 Annual General Meeting of Shareholders of Aeeris Ltd will be held at **12 noon on Thursday, 24th November 2016** at **120 Chinderah Bay Drive, Chinderah, NSW 2487** for the purpose of transacting the following business:

AGENDA

1. Annual Report

To consider and receive the Financial Report and the Reports of the Directors and Auditor for the year ended 30 June 2016.

2. Remuneration Report

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

“That, the Remuneration Report for the year ended 30 June 2016 is adopted.”

Voting Exclusion: The Company will, in accordance with the requirements of the Corporations Act, disregard any votes cast on Item 2 by or on behalf of a member of the Key Management Personnel (KMP's) named in Aeeris Ltd's Remuneration Report or that KMP's closely related parties, unless the vote is cast by a person as Proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

3. Election of Directors

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

“That Mr. Ben Loiterton, who retires by rotation in accordance with the Company's Constitution and, being eligible offers himself for re-election, is appointed a Director of the Company.”

4. Approval for Additional Share Placement Capacity

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

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve giving the Company an additional ten percent (10%) capacity to issue equity securities in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Item 4 by any person who may participate in the issue of equity securities under this resolution and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary Shares, if the resolution is passed and any associates of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

A Proxy Form is attached.

To be valid, properly completed forms must be received by the Company no later than 12 noon on 22nd November 2016 to the address detailed on the Proxy Form.

By Order of the Board

Elissa Hansen
Company Secretary
17th October 2016

Determination of Entitlement to Attend and Vote

The Company has determined that, for the purpose of the meeting, shares will be taken to be held by the registered holders at 7.00pm AEDT on 22nd November 2016 whom will be entitled to attend and vote at the AGM as a Shareholder. If more than one joint holder is present at the AGM and tends a vote, only the vote of the joint holders name whose name appears first on the register of shareholders will be counted.

How to Vote

You may vote by attending the AGM in person, by proxy or by authorised representative. If you intend to vote by proxy, forms must be received not later than 12.00pm on 22nd November 2016

To vote in person attend the meeting on the date and at the place set out above. Members who are a body corporate are able to appoint a representative to attend and vote at the Meeting. A "Certificate of Appointment of Corporate Representative" should be produced prior to the meeting. A form of the certificate may be obtained from the Company's Share Registry. Details are on the accompanying Proxy Form.

A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on their behalf. Where a Member is entitled to cast two or more votes, they may appoint two proxies and may specify the portion of votes each proxy is entitled to exercise or each proxy may exercise half of the votes. A proxy need not be a member of the Company. Instructions on how to complete the proxy are set out on the form.

The following Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of Shareholders of Aeris Ltd to be held at **12 noon on Thursday, 24th November 2016 at 120 Chinderah Bay Drive, Chinderah, NSW 2487**

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether to vote for or against the Resolutions in the Notice of Meeting.

1. Annual Report

Shareholders have been notified that the Aeris Ltd's Annual Report for the year ended 30 June 2016 can be found on the Company's website (www.aeris.com.au) under 'Investors'. A printed copy of the Annual Report has been sent to those Shareholders who have requested it. During discussion of this Item, there will be an opportunity for Shareholders to ask questions about, or comment on, the Report and the Company.

2. Remuneration Report

2.1 General

The Remuneration Report is contained in the Directors' Report section of the Annual Report. The Remuneration Report sets out the remuneration details for each director and specified executives of the Company (if any).

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting. Under section 250R(2) of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to the vote. This item is taken for advisory purposes only and any vote taken at the meeting will not bind the Directors or the Company.

2.2 Voting Consequences

Under the Corporations Act, companies are required to put to shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on the remuneration report are voted against the adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes are cast in favour of a Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting. At that meeting, all directors who were in office at the time of the directors' report, other than the managing director, will cease to hold office immediately before the Spill Meeting. Those persons who are elected or re-elected at the Spill Meeting will be the directors of the company. Note those directors who ceased to hold office immediately prior to the Spill Meeting may stand for re-election.

2.3 Previous Voting Results

This is the Company's first Annual General Meeting. Accordingly, a Spill Resolution is not relevant to this Annual General Meeting.

3. Election of Mr. Ben Loiterton as a Director

The Listing Rules require that an entity which has directors must hold an election of directors each year.

Mr. Ben Loiterton, who was appointed to the Board on 18 July 2014 and re-elected at the shareholder meeting held 9 October 2014, retires and, being eligible, wishes to stand for re-election as Director of the Company.

Ben has more than 20 years' experience in investment banks, investment management, and entrepreneurial activities. His specialist expertise includes advising ASX listed and private companies with equity capital raising, initial public offerings, mergers and acquisitions, private equity, venture capital and general strategic advice.

Ben has direct experience across an array of sectors including media, technology and digital industries, clean tech, financial and industrial services, and commercial real estate. Ben is a Principle at Andover Group, a Sydney based independent merchant and investment banking firm.

The Directors (excluding Mr. Loiterton) unanimously recommend that the Shareholders vote in favour of the Resolution.

4. Approval of Additional Share Placement Capacity

4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its Annual General Meeting to allow it to issue Equity Securities up to 10% of its issued capital (**Additional Placement Capacity**). For the purposes of ASX Listing Rule 7.1A an 'eligible entity' is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. Aeris Ltd is an 'eligible entity'. The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1 and, as such, if the Additional Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 25% of the Company's issued share capital without prior approval from shareholders.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity, should the need arise. The Company previously sought and obtained shareholder approval under Listing Rule 7.1A. at the 2015 AGM. Approval was sought to allow the Company flexibility to issue additional capital should a suitable opportunity arise. It did not however, utilise the additional capacity.

As a **special resolution** at least 75% of votes cast by Shareholders eligible to vote at the meeting must be in favour of the resolution for it to be passed.

4.2 ASX Listing Rule 7.3A Requirements

Pursuant to ASX Listing Rule 7.3A. the issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in the table below). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Table 1 following shows the dilution of existing Shareholders calculate in accordance with the formula outlined in ASX Listing Rule 7.3A.2 on the basis of the current market price of Shares and the current number of ordinary securities quoted on ASX 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:

- (i) 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
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% against the current market price.

Table 1

Variable "A" Number of Shares on Issue	Dilution			
	Issue Price (per Share)	0.04 50% decrease in Issue Price	0.08 Issue Price	0.12 50% Increase in Issue Price
26,323,730 (Current number of Shares on Issue)	10% Voting Dilution	2,632,373 Shares	2,632,373 Shares	2,632,373 Shares
	Funds Raised	\$105,295	\$210,590	\$315,885
39,485,595 (50% increase in Shares on Issue)	10% Voting Dilution	3,948,560 Shares	3,948,560 Shares	3,948,560 Shares
	Funds Raised	\$157,942	\$315,885	\$473,827
52,647,460 (100% increase in Shares on Issue)	10% Voting Dilution	5,264,746 Shares	5,264,746 Shares	5,264,746 Shares
	Funds Raised	\$210,590	\$421,180	\$631,770

The above table is based on the following assumptions:

- The number of shares on issue (variable "A") is calculated as 26,323,730, being all fully paid ordinary shares quoted on ASX.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under Listing Rule 7.1.
- The issue of equity securities under the Additional Placement Capacity includes only Shares.
- The issue price of \$0.08 was the closing price of shares on ASX on 14 October 2016.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- the date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2.

To be clear, any approval of the Additional Placement Capacity at this Annual General Meeting will cease to be valid in the event that ordinary shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

The Company may issue equity securities under the Additional Placement Capacity for the following purposes:

- 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 ASX Listing Rule 7.1A.3); or
- cash consideration: to raise funds for the exploration and development of the Company's existing assets, the acquisition of new assets or investments (including assets associated with such acquisition), to repay debt or to fund working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities under the Additional Placement Capacity.

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The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue. The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the purpose of the issue;
- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from the Company's advisors.

As the Company has no current plans to undertake a new capital raising, the allottees under the Additional Placement Capacity have not yet been determined but if such an exercise was undertaken, allottees may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

The Company obtained shareholder approval under LR 7.1A at the previous AGM however it did not utilise its placement capacity under this rule. During the period the Company issued a total of 127,500 Shares representing 0.23% of the total number of Shares on issue at the commencement of the 12 month period. 7,500 fully paid ordinary shares in the Company were issued to 17 of the Company's employees for no consideration as a reward to the employees for their dedication and hard work and also to incentivise them for future performance.

A voting exclusion statement has been included in this Notice. However, as at the date of this Notice, the Company has not approached any particular existing Shareholders to participate in the issue of equity securities under the Additional Placement Capacity. No existing Shareholders' votes will therefore be excluded under the voting exclusion in the Notice.

When the Company issues equity securities pursuant to the Additional Placement Capacity, it will give to ASX:

- a list of the allottees of the equity securities and the number of equity securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- the information required by Listing Rule 3.10.5A for release to the market.

DEFINITIONS

Throughout this Explanatory Statement the following various words and phrases are capitalised and the definitions of these capitalised words and phrases are set out below:

"\$" or "A\$" means Australian dollars.

"**Annual General Meeting**" means the meeting convened by the Notice of Meeting;

"**ASX**" means the Australian Securities Exchange, or ASX Limited ACN 008 624 691.

"**ASX Listing Rules**" means the Official Listing Rules of ASX.

"**Board**" means the board of Directors of the Company;

"**Chairman**" means chairman of the annual general meeting;

"**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 dealing with the entity;
- (e) A company the member controls; or
- (f) A person prescribed by the Corporation Regulations 2001 (Cth).

"**Company**" means Aeris Ltd ACN 166 705 595;

"**Constitution**" means the Company's constitution;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Directors**" mean the current Directors of the Company;

"**Explanatory Statement**" means this Explanatory Statement;

"**Key Management Personnel**" has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

"**Management**" or "**Board**" means the management of the Company;

"**Meeting**" or "**Annual General Meeting**" means the general meeting convened by this Notice;

"**Notice**" or "**Notice of Meeting**" means the notice convening the annual general meeting of the Company to be held on 24th November 2016 which accompanies this Explanatory Memorandum;

"**Proxy Form**" means the proxy form that is enclosed with and forms part of this Notice;

"**Resolution**" means a resolution in the form proposed in the Notice of Meeting;

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

"**Shareholder**" means a registered holder of one (or more) Share in the Company;

"**Special Resolution**" means a resolution that requires at least 75% of votes cast by Shareholders eligible to vote at the meeting to be in favour of the resolution for it to be passed.



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 12:00pm AEDT on Tuesday 22 November 2016.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

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

Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

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

STEP 3 SIGN THE FORM

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

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

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

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

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

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **12:00pm AEDT on Tuesday 22 November 2016.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

- 📠 **By Fax** +61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

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

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

PROXY FORM

STEP 1 APPOINT A PROXY

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

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

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **120 Chinderah Bay Drive, Chinderah, NSW 2487 on Thursday, 24th November 2016 at 12:00pm AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Resolution 2, please place a mark in the box.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of Resolution 2 and that votes cast by the Chair of the meeting for this resolution other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 2 and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

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

		For	Against	Abstain*
Resolution 2	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To re-elect Mr. Ben Loiterton as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	To Approve Additional Share Placement Capacity (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2016