



Zicom Group Limited

ACN 009 816 871

Notice of Annual General Meeting

NOTICE is given that the Annual General Meeting of **Zicom Group Limited** ACN 009 816 871 (**Company**) will be held at **Boardroom of Link Market Services, Level 21, 10 Eagle Street, Brisbane, Queensland 4000, Australia** on **Wednesday, 13 November 2019 at 10.00am (Brisbane time)**.

Ordinary business

Item 1: Financial Statements and Reports

To receive and consider the Financial Statements, Directors' Report and the Independent Auditor's Report of the Company and its controlled entities (hereafter known as the Group) for the financial year ended 30 June 2019.

Item 2: Re-election of Directors

Resolution 1 – Re-election of Mr Giok Lak Sim as a Director

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

"That Mr Giok Lak Sim, who retires by rotation in accordance with Clause 13.5 of the Company's Constitution being eligible, is re-elected as a Director of the Company."

Resolution 2 – Re-election of Mr Yian Poh Lim as a Director

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

"That Mr Yian Poh Lim, who retires in accordance with ASX Listing Rule 14.4 and being eligible, is re-elected as a Director of the Company."

Item 3: Remuneration Report

Resolution 3 - Adoption of Remuneration Report

To consider and, if thought fit, pass the following in accordance with Section 250R(2) of the *Corporations Act 2001* as an **ordinary resolution**:

"That the Remuneration Report included in the Directors' Report for the financial year ended 30 June 2019 be and is hereby adopted."

Notes: (1) The vote on this resolution is advisory only and does not bind the Company or the Directors.

(2) If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all the Company's Directors (other than the Managing Director) must stand for re-election.

Voting exclusion statement for Resolution 3

Pursuant to Section 250R(4) of the Corporations Act 2001, the Company is required to disregard any votes cast on Resolution 3 by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member. However, the Company will not disregard a vote if:

- *the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; or*
- *the voter is the chair of the meeting and, provided that the Chairman is not voting as proxyholder for a member of the Key Management Personnel or their Closely Related Parties, the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Group.*

Item 4: Election of Directors

Resolution 4 – Election of Mr Stewart Douglas as an Independent Director

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

“That Mr Stewart Douglas be elected as a Director of the Company with effect from the close of Meeting.”

Resolution 5 – Election of Ms Jenny Lim as an Executive Director

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

“That Ms Jenny Lim be elected as a Director of the Company with effect from the close of Meeting.”

Special business

Item 5: Amendment of Company's Constitution – Increase Maximum Number of Directors

Resolution 6: Increase maximum number of directors

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

“That, with effect from the close of Meeting and in accordance with Clause 13.2 of the Company's Constitution, Clause 13.1 of the Company's Constitution to be amended as set out in the Explanatory Memorandum to increase the maximum number of directors from seven (7) to nine (9).”

Item 6: Directors' Fees for Non-Executive Directors

Resolution 7 – Increase in maximum aggregate amount of directors' fees payable to Non-Executive Directors

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

“That for the purpose of ASX Listing Rule 10.17 and Clause 13.16 of the Company's Constitution and for all other purposes, the maximum aggregate amount of directors' fees payable to Non-Executive Directors for their ordinary services as directors be increased by A\$50,000 from A\$150,000 per annum to A\$200,000 per annum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour on this resolution by any Director and any of their associates.

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.*

A vote must not be cast on Resolution 7 by a Key Management Personnel (excluding the Chairman), or a Closely Related Party of a Key Management Personnel, acting as proxy, if they hold an Undirected Proxy Form.

Item 7: Election of Additional Director

Resolution 8 – Election of Mr Renny Yeo as an Independent Director

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

“That subject to Resolution 6 being passed, Mr Renny Yeo be elected as a Director of the Company with effect from the close of Meeting.”

Item 8: Grant of Options under Zicom Employee Share and Option Plan

Resolution 9: Approval of grant of options to Mr Kok Yew Sim

To consider and if thought fit to pass, with or without amendment, the following as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 10.14, and for all other purposes, shareholder approval is given for:

- a) The grant to Mr Kok Yew Sim of 400,000 options to subscribe for unissued shares in the Company, on the terms and conditions as outlined in the Explanatory Memorandum accompanying this Notice of Meeting; and
- b) The allotment and issue of 400,000 fully paid ordinary shares to Mr Kok Yew Sim on exercise of options in accordance with the terms and conditions of the grant.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour on this resolution by any Director and any of their associates.

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.*

A vote must not be cast on Resolution 9 by a Key Management Personnel (excluding the Chairman), or a Closely Related Party of a Key Management Personnel, acting as proxy, if they hold an Undirected Proxy Form.

Resolution 10: Approval of grant of options to Ms Jenny Lim

To consider and if thought fit to pass, with or without amendment, the following as an **ordinary resolution**:

“That subject to Resolution 5 being passed, for the purpose of ASX Listing Rule 10.14, and for all other purposes, shareholder approval is given for:

- a) The grant to Ms Jenny Lim of 250,000 options to subscribe for unissued shares in the Company, on the terms and conditions as outlined in the Explanatory Memorandum accompanying this Notice of Meeting; and
- b) The allotment and issue of 250,000 fully paid ordinary shares to Ms Jenny Lim on exercise of options in accordance with the terms and conditions of the grant.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour on this resolution by any Director and any of their associates.

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.*

A vote must not be cast on Resolution 10 by a Key Management Personnel (excluding the Chairman), or a Closely Related Party of a Key Management Personnel, acting as proxy, if they hold an Undirected Proxy Form.

Resolution 11: Approval of grant of options to Mr Kok Hwee Sim

To consider and if thought fit to pass, with or without amendment, the following as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 10.14, and for all other purposes, shareholder approval is given for:

- a) The grant to Mr Kok Hwee Sim of 250,000 options to subscribe for unissued shares in the Company, on the terms and conditions as outlined in the Explanatory Memorandum accompanying this Notice of Meeting; and
- b) The allotment and issue of 250,000 fully paid ordinary shares to Mr Kok Hwee Sim on exercise of options in accordance with the terms and conditions of the grant.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour on this resolution by any Director and any of their associates.

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.*

A vote must not be cast on Resolution 11 by a Key Management Personnel (excluding the Chairman), or a Closely Related Party of a Key Management Personnel, acting as proxy, if they hold an Undirected Proxy Form.

Resolution 12: Approval of grant of options to Mr Yian Poh Lim

To consider and if thought fit to pass, with or without amendment, the following as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 10.14, and for all other purposes, shareholder approval is given for:

- a) The grant to Mr Yian Poh Lim of 250,000 options to subscribe for unissued shares in the Company, on the terms and conditions as outlined in the Explanatory Memorandum accompanying this Notice of Meeting; and
- b) The allotment and issue of 250,000 fully paid ordinary shares to Mr Yian Poh Lim on exercise of options in accordance with the terms and conditions of the grant.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour on this resolution by any Director and any of their associates.

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.*

A vote must not be cast on Resolution 12 by a Key Management Personnel (excluding the Chairman), or a Closely Related Party of a Key Management Personnel, acting as proxy, if they hold an Undirected Proxy Form.

Resolution 13: Approval of grant of options to Mr Shaw Pao Sze

To consider and if thought fit to pass, with or without amendment, the following as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 10.14, and for all other purposes, shareholder approval is given for:

- a) The grant to Mr Shaw Pao Sze of 100,000 options to subscribe for unissued shares in the Company, on the terms and conditions as outlined in the Explanatory Memorandum accompanying this Notice of Meeting; and
- b) The allotment and issue of 100,000 fully paid ordinary shares to Mr Shaw Pao Sze on exercise of options in accordance with the terms and conditions of the grant.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour on this resolution by any Director and any of their associates.

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.*

A vote must not be cast on Resolution 13 by a Key Management Personnel (excluding the Chairman), or a Closely Related Party of a Key Management Personnel, acting as proxy, if they hold an Undirected Proxy Form.

Resolution 14: Approval of grant of options to Mr Ian R Millard

To consider and if thought fit to pass, with or without amendment, the following as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 10.14, and for all other purposes, shareholder approval is given for:

- a) The grant to Mr Ian R Millard of 100,000 options to subscribe for unissued shares in the Company, on the terms and conditions as outlined in the Explanatory Memorandum accompanying this Notice of Meeting; and
- b) The allotment and issue of 100,000 fully paid ordinary shares to Mr Ian R Millard on exercise of options in accordance with the terms and conditions of the grant.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour on this resolution by any Director and any of their associates.

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.*

A vote must not be cast on Resolution 14 by a Key Management Personnel (excluding the Chairman), or a Closely Related Party of a Key Management Personnel, acting as proxy, if they hold an Undirected Proxy Form.

By order of the Board



Company Secretary
Date: 14 October 2019

Notes

Appointment of proxy

A proxy form is enclosed for your use if required. Please note the following in relation to the appointment of a proxy:

- A member who is entitled to attend and vote at this meeting may appoint any person as his or her proxy to attend and vote for the member at the meeting.
- A proxy need not be a member of the Company.
- If a member is entitled to cast two or more votes at the meeting, the member may appoint two proxies to attend the same meeting. If two proxies are appointed and the appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the member's votes, in which case any fraction of votes will be disregarded.
- The appointment of the proxy may specify the proportion or number of votes that the proxy may exercise.
- If a proxy is given by a corporation, a form of proxy must be executed in writing under the common seal of the corporation or otherwise in accordance with Section 127 of the *Corporations Act 2001* or signed by an attorney.
- If a proxy is given by a natural person, a form of proxy must be executed under the hand of that person or that person's attorney.
- For a proxy appointment to be effective, the Company must receive the following documents (in the manner below) no later than 48 hours before the meeting, that is by 10.00am (Brisbane time) on 11 November 2019:
 - the proxy's appointment;
 - if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed or a certified copy of the authority.

By posting, delivery or facsimile to:

The share registry at:

Locked Bag A14, Sydney South NSW 1235 Australia
or
Level 12, 680 George Street, Sydney NSW 2000 Australia
or
Facsimile + 61 2 9287 0309

The Company's registered office at:

38 Goodman Place, Murarrie, QLD 4172 Australia
or
Facsimile +61 7 3390 6898

Persons entitled to vote

Under regulation 7.11.37 of the *Corporations Regulations 2001*, the Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the Company's register of members at 7.00pm (Sydney time) on 11 November 2019.

Corporate representatives

A member, that is a body corporate, may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at the meeting. The appointment may be a standing one.

Necessary information

Information relevant to each resolution is set out in the attached Explanatory Memorandum which form part of this notice to members.

Remuneration Resolutions

- 1 A member of the Group's Key Management Personnel or their Closely Related Party must not, whether in person or by proxy, vote in their own right on the adoption of the Remuneration Report in Resolution 3.
- 2 A person appointed as proxy may vote or abstain from voting as he or she thinks fit except in the following circumstances:
 - 2.1 The proxy holds a Directed Proxy Form;
 - 2.2 Where the proxy is voting in relation to a Remuneration Resolution and the proxy is either a Key Management Personnel of the Group or a Closely Related Party and holds an Undirected Proxy Form; and
 - 2.3 The proxy is required by law or the Company's Constitution to vote in a certain manner or abstain from voting.
- 3 Clause 2.2 does not apply if the Chairman of the Meeting is appointed as proxy and his appointment expressly authorises the Chairman to exercise the proxy even if the resolution is a Remuneration Resolution.
- 4 The Chairman intends to vote all Undirected Proxy Forms in favour of all resolutions including the Remuneration Resolutions.
- 5 The following definitions apply in this document:

Closely Related Party means the closely related parties of Key Management Personnel as defined in the *Corporations Act 2001*, and includes certain members of their family, dependants and companies they control.

Directed Proxy Form means a proxy form which specifies how the proxy is to vote.

Key Management Personnel of the Group are the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly. The Remuneration Report identifies the Group's Key Management Personnel for the financial year ended 30 June 2019.

Remuneration Resolution means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Undirected Proxy Form means a proxy form which does not specify how the proxy is to vote.

Zicom Group Limited

ACN 009 816 871

Explanatory Memorandum to Notice of Annual General Meeting

This explanatory memorandum has been prepared to assist members with their consideration of the resolutions to be put to the Annual General Meeting to be held on 13 November 2019. These explanatory notes should be read with, and form part of, the accompanying Notice of Annual General Meeting.

Ordinary Business

Item 1: Financial statements and Reports

Section 317(1) of the *Corporations Act 2001* requires a public company to lay before its annual general meeting the consolidated Financial Report, the Directors' Report and the Auditor's Report for the Company and its controlled entities for the last financial year that ended before the annual general meeting. Shareholders are invited to consider these reports and seek explanation, if required, from the Directors and the Auditor when this item is being considered.

No resolution is required to be moved in respect of this item.

Item 2: Re-election of Directors

Background

ASX Listing Rule 14.4 and Clause 13.5 of the Company's Constitution require the Company to hold an election of Directors each year.

ASX Listing Rule 14.4 stipulates that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer. In accordance with Listing Rule 14.4, both Mr Ian R Millard and Mr Yian Poh Lim, who were last re-elected in the 2016 Annual General Meeting shall retire from office.

Mr Ian R Millard

Mr Ian Millard was appointed to the Board on 23 November 2006 and, given his length of service and pursuant to the Board's renewal policy, will not be seeking re-election. The Board records with appreciation Mr Millard's valuable contributions to the Board especially in the areas of corporate, finance and governance and as Chairman of the Audit Committee.

Mr Yian Poh Lim

Mr Yian Poh Lim is the Chairman of the Board's Nomination & Remuneration Committee and a member of the Board's Audit Committee. He brings with him more than 20 years of experience in the banking and finance industry, having held senior positions in major international banks including Citibank, BNP Paribas and Arab Banking Corporation. Mr Lim possesses an extensive network of contacts both in Singapore and the region. In 1993, he left as General Manager of Arab Banking Corporation to set up Yian Poh Associates, a financial consultancy and investment firm. He is the Lead Independent Director of TTJ Holdings Limited and the Chairman and Independent Director of CASA Holdings Limited, both listed on Singapore Exchange. He has been an Honorary Commercial Advisor to The Administrative Committee of Jiaxing Economic Development Zone, China since 2000 and an Expert Consultant to Suzhou Vocational University. Mr YP Lim obtained his Bachelor of Science degree from Nanyang University, Singapore in 1969 and his Master of Science degree from the University of Hull, England in 1972.

Mr Yian Poh Lim offers himself for re-election and, being eligible, seeks re-election as a Director of the Company.

If re-elected to the Board, Mr Lim will be reappointed to chair the Nomination & Remuneration Committee.

The Directors (with Mr YP Lim abstaining) recommend that you vote in favour of this resolution.

Clause 13.5 of the Company's Constitution requires one-third of the directors (excluding the managing director) to retire at each annual general meeting. If their number is not three or a multiple of three, then the number nearest but not exceeding one-third shall retire from office by rotation. Any director who retires in accordance with Clause 13.5 is eligible for re-election at the annual general meeting. There are five Directors who are subject to the rotation provisions, namely Messrs Lim, Millard, KH Sim, GL Sim and Sze. One of these Directors must retire and the longest serving Directors is Mr GL Sim.

Mr Giok Lak Sim

Mr Giok Lak Sim was appointed to the Board on 5 April 1995 and has been Zicom Group Limited's Group Managing Director and Chairman since 2006. He is a major shareholder through his interest in his family company, SNS Holdings Pte Ltd. On 1 January 2019, Mr GL Sim stepped down as the Group Managing Director and remains as Executive Chairman of Zicom Group Limited and all its subsidiaries.

Mr GL Sim has significant broad-based experience, possesses strong business acumen and deep industry knowledge. He is experienced in public accounting, corporate development, strategic management as well as international trade.

Mr GL Sim offers himself for re-election and, being eligible, seeks re-election as a Director of the Company.

The Directors (with Mr GL Sim abstaining) recommend that you vote in favour of this resolution.

Item 3: Remuneration Report

Section 250R(2) of the *Corporations Act 2001* requires that a resolution be put to the shareholders that the remuneration report be adopted at the annual general meeting ("AGM") of a listed company. A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting. The vote on this resolution is advisory only and does not bind the Directors of the Company. The Remuneration Report which sets out the remuneration arrangements for the Directors and senior management of the Group is part of the Directors' Report contained in the 2019 Annual Report of the Company for the financial year ended 30 June 2019.

The Corporations Act stipulates that if 25% or more of the votes cast are against the adoption of the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all the company's directors other than the managing director stand for re-election.

At the Company's 2018 AGM, less than 25% of the votes cast were against the adoption of the Remuneration Report. Accordingly, the Spill Resolution is not relevant for this AGM.

Voting Exclusion

Please note that a voting exclusion applies to Resolution 3 as set out in the Notice of Meeting. In particular, Key Management Personnel whose remuneration details are included in the Remuneration Report may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of the Key Management Personnel. The Chair intends to vote all available proxies in favour of this Resolution.

Item 4: Election of Directors

In place of Mr Ian Millard who retires from the Board with effect from the conclusion of this Meeting, the Board nominates Mr Stewart Douglas for election to the Board as an Independent Director. Mr Stewart Douglas has tabled his consent to act as a Director and offers himself for election at this Meeting.

Mr Stewart Douglas

Bachelor of Business from Queensland University of Technology
Member of Chartered Accountants Australia and New Zealand
Member of Australian Institute of Company Directors

Mr Douglas is an Audit Partner/Director of Bentleys Queensland, an Australian national firm of public accountants. He has over 20 years audit and professional experience. He spent few years in London and Singapore acquiring international experience before returning to Brisbane in 2007. Whilst in London, he broadened his business experiences through roles in investment banking and commerce before reapplying his skills to audit practice. These experiences add valuable insight for his clients.

Mr Douglas who is a Registered Company Auditor has expert technical knowledge across all facets of audit and assurance which has assisted clients of various sizes across a broad range of sectors. His experience blends technical expertise with a commercial perspective to accounting issues, allowing him to provide practical business advice. Mr Douglas also brings along extensive internal audit experience and has been responsible for a large number of internal audits including internal control reviews, payroll reviews and governance reviews.

If elected to the Board, Mr Douglas will be appointed to chair the Audit Committee.

The Directors unanimously recommend that you vote in favour of this resolution.

Ms Jenny Lim, FCCA

Fellow of the Association of Chartered Certified Accountants, UK
Diploma in Accountancy, Ngee Ann Polytechnic, Singapore

Ms Jenny Lim has been the Group's financial controller since she joined in 2005. She was appointed as joint Company Secretary of Zicom Group Limited on 6 June 2008. Ms Lim who has over 20 years of experience is responsible for the Group's financial and accounting matters, tax and regulatory compliance functions. She played a key role in accounting for the Group's various corporate initiatives such as acquisition of businesses and the demerger of medical technology cluster. Prior to joining the Group, Ms Lim was with Ernst & Young Singapore for 10 years where she spent 7 years in auditing and 3 years in taxation. Ms Lim, being eligible, offers herself for election at this Meeting.

Ms Lim's election shows Board's commitment to embrace gender diversity.

The Directors unanimously recommend that you vote in favour of this resolution.

Special Business**Item 5: Amendment of Company's Constitution – Increase Maximum Number of Directors****Background**

The Company's Constitution currently provides that the Board comprises a minimum of 3 directors and a maximum of 7 directors. In accordance with Clause 13.2 of the Company's Constitution, the Board proposed to amend Clause 13.1 of the Company's Constitution to increase the maximum number of Directors to 9.

At present, Clause 13.1 is as follows:

13.1 The minimum number of directors is 3. The maximum number is 7.

If the proposed amendment is approved by Shareholders, Clause 13.1 will become:

13.1 The minimum number of directors is 3. The maximum number is 9.

The Board considers that the proposed increase is reasonable and will assist the Board to ensure:

- Orderly succession planning and effective transition arrangement which is fundamental;
- Board's composition that embraces diversity and comprising a good mix of longer serving members who have deep understanding of the Company's business and newer members who bring fresh ideas and perspectives; and
- Enabling it to comply with recommended corporate governance practices.

The Directors unanimously recommend that you vote in favour of this resolution.

Item 6: Directors' Fees for Non-Executive Directors**Background**

ASX Listing Rule 10.17 and Clause 13.16 of the Company's Constitution stipulate that the total aggregate amount of directors' fees payable to all of its non-executive directors shall not be increased without the prior approval of shareholders.

For the purpose of ASX Listing Rule 10.17, directors' fees means all fees payable by the entity or any of its child entities to a non-executive director for acting as a director of the entity or any child entity and includes committee fees, superannuation contributions and fees which a non-executive director sacrifices for other benefits, but does not include reimbursement of genuine out-of-pocket expenses, genuine "special exertion" fees or securities issued to non-executive director with approval of shareholders in accordance with ASX Listing Rules.

At present, the maximum aggregate amount of directors' fees which can be paid to the Company's Non-Executive Directors is capped at A\$150,000 per annum, a level since financial year 2010. Resolution 7 seeks shareholders approval to increase this amount by A\$50,000 to A\$200,000 per year for the following reasons:

- As part of the Board renewal process, the Company is seeking out candidates with contemporary skills that are aligned with the technological age so as to bring fresh ideas and perspectives to the Board to better serve the needs of the Company and its members. The increase will provide the Board with the flexibility to appoint additional directors with the requisite skills and experience appropriate for the Company's business and growth; and
- The increase will ensure that the Company maintains the ability to pay non-executive directors' remuneration at levels that commensurate with market rates and increasing demands and as necessary, to attract and retain directors of highest calibre.

No securities have been issued to any Non-Executive Directors of the Company under ASX Listing Rule 10.11 or 10.14 at any time within the preceding 3 years.

Additional information regarding the remuneration paid to each Non-Executive Director for the financial year ended 30 June 2019 and the principles used to determine the nature and amount of remuneration is set out in the Remuneration Report.

The Directors (with Non-Executive Directors abstaining) recommend that you vote in favour of this resolution.

Item 7: Election of Additional Director

Background

Subject to the passing of Resolution 6 (Amendment of Company's Constitution - Increase maximum number of directors), the Board recommends that Mr Renny Yeo be elected as an Independent Director.

Mr Yeo, being eligible, offers himself for election. Mr Yeo's qualification and experience is set out below:

Renny Yeo Ah Kiang, PBM, BBM

Master in Management (MBA) with High Distinction

Higher National Diploma (HND) in Electrical and Electronic Engineering (UK)

Mr Yeo has a distinguished career. He brings with him close to 40 years of working experience in the field of shipbuilding/repair, electrical engineering and cable industries. He sits on several government boards and committees. He is a board member of Enterprise Singapore, a government agency that focuses on developing and internationalising Singapore enterprises. He is also the Emeritus President of Singapore Manufacturing Federation and Chairman of Singapore Accreditation Council. Mr Yeo also sits on board as non-executive directors of several companies in Singapore, Malaysia and the Netherlands, of which 3 are listed on Singapore Exchange viz: Sin Heng Heavy Machinery Limited, Tai Sin Electric Limited and OEL (Holdings) Limited. Mr Yeo was conferred the Public Service Star (BBM) in 2018 and Public Service Medal (PBM) in 2000 by the President of the Republic of Singapore and was awarded the Spring Singapore Distinguished Partner Award in 2011.

If elected, Mr Yeo will be appointed to be a member of the Nomination and Remuneration Committee.

The Directors unanimously recommend that you vote in favour of this resolution.

Item 8: Grant of Options under Zicom Employee Share and Option Plan

Background

The Company is seeking shareholder approval for the grant of a total 1,350,000 options to Mr Kok Yew Sim, Ms Jenny Lim, Mr Kok Hwee Sim, Mr Yian Poh Lim, Mr Shaw Pao Sze and Mr Ian R Millard under Listing Rule 10.14.

Employee Share and Option Plan

The options are proposed to be granted on the terms and conditions of the Zicom Employee Share and Option Plan. A copy of the Plan Rules can be found on the Company's ASX announcements platform lodged on 14 October 2019.

Remuneration policy

The Company's remuneration policy is set out in detail in the 2019 Annual Report. In summary, the objective of the policy is to ensure that Directors' and executives' remuneration is competitive and appropriate for the results delivered. Remuneration to Executive and Non-Executive Directors reflect the demands which are made on them, and the responsibilities of these Directors and their contributions towards the performance of the Company. The Board considers that there should be an appropriate mix of remuneration comprising cash and securities for all Directors to link the remuneration of the Directors to the financial performance of the Company.

The Directors consider this remuneration policy to be sensible and balanced which aligns the interests of shareholders and all directors.

Shareholder approval is sought for the grant of options to Directors including Mr Ian R Millard who will be retiring at the close of this Meeting as a recognition of past services rendered.

Corporation Act and Listing Rules requirements

Section 208 of the *Corporations Act 2001* provides that the Company must not give a financial benefit to a related party except under certain circumstances including, where the benefit is "reasonable remuneration" or circumstances in which the shareholders approve the giving of the financial benefit.

The Directors consider that the proposed grant of Options is reasonable remuneration for each proposed grantee and in accordance with the Company's remuneration policy.

ASX Listing Rule 10.14 provides that a listed company must not permit a Director to acquire any equity securities (which include options over unissued shares) under an employee incentive scheme without the approval of shareholders.

Accordingly, shareholders approval is sought under ASX Listing Rule 10.14 for the proposed grant of Options to Executive and Non-Executive Directors, other than the Executive Chairman.

Opportunity costs

(i) Dilution of capital

If all options granted to the related parties were exercised, the capital structure of the Company will be as follows:

	Existing Capital Structure	After Grant of Options
Ordinary shares	217,140,780	218,490,780

Until exercised, the grant of the Options will not impact on the number of ordinary shares on issue in the Company. But if all Options of the related parties were exercised, an additional 1,350,000 Shares would be issued representing approximately 0.62% of all Shares.

(ii) Foregone capital inflow

The rights of Option holders to subscribe, and the obligation of the Company to issue, Shares at an exercise (issue) price of A\$0.081 each may result in capital foregone by the Company to the extent that the market price of the Company's securities exceeds the issue price of the Shares under the Options on the day of allotment of the Shares by the Company.

Value of benefit

The Options will not be admitted to quotation on ASX and accordingly have no readily identifiable market value.

As a result, the Directors used the Hull-White trinomial lattice model to value the Options. For the purpose of this Notice, the value of Options using the Hull-White trinomial lattice model approximates A\$0.02 each (A\$23,236 in total). Lattice models are based on the same underlying option pricing theory as the Black-Scholes model. This model is a function of the relationship between a number of variables principally being the share price, the option exercise price, the time to expiry, the risk free interest rate and the volatility of the Company's underlying share price.

The application of the model therefore requires a number of inputs, some of which must be assumed. The material assumptions used in the model were:

- Exercise price of each Options is A\$0.081
- Maximum Option life is 5 years
- Risk free rate is 1.00%
- A volatility factor of 24.07%.

Remuneration

The Directors' remuneration for the financial year ended 30 June 2019 is detailed in the Company's Annual Report and is summarised below:

Name	Cash Salary & Fees S\$	Bonus S\$	Other Short-term Employee Benefits S\$	Superannuation S\$	Total S\$
Mr Kok Yew Sim	151,200	144,209	44,400	12,240	352,049
Mr Kok Hwee Sim	87,642	-	5,000	5,100	97,742
Mr Yian Poh Lim	35,096	-	-	-	35,096
Mr Shaw Pao Sze	28,272	-	-	-	28,272
Mr Ian R Millard	33,147	-	-	-	33,147

Interests in shares and options

The Directors' relevant interest in shares and options in the Company as at the date of this notice are as follows:

	Shares	Options
Mr Kok Yew Sim	1,350,253	300,000
Mr Kok Hwee Sim	1,538,180	300,000
Mr Yian Poh Lim	1,038,000	-
Mr Shaw Pao Sze	-	-
Mr Ian R Millard	592,250	-

Use of funds

No funds will be raised from the issue of the Options as they will be issued to the Directors for no consideration.

All funds received from the exercise of the Options will be applied towards the working capital and cash requirements of the Company at the time of the exercise of the Options.

Proposed date of issue of the options

If the proposed resolutions are passed, the Company will issue the Options to the Directors as soon as practicable and in any event not later than 3 years after the resolution is passed. The Options will vest in accordance with the below terms.

Option terms and conditions of grant

1. Each Option entitles the holder, on exercise and payment of the exercise price in accordance with these terms, to one fully paid ordinary share in the capital of the Company.
2. The Options shall expire 5 years from date of grant ("Expiry Date").
3. One-third each of Options granted to Executive Directors will vest at the end of 12, 24 and 36 months from date of grant ("Vesting Dates"). All Options granted to Non-Executive Directors will vest immediately.
4. Each Option is exercisable at a price of A\$0.081 ("Exercise Price") at any time after the applicable Vesting Dates and prior to the Expiry Date.
5. The Options will not be admitted to quotation on ASX and are not transferable.
6. In the event that a related party ceases to be a Director or otherwise employed by the Company, all of that related party's unexercised Options, whether vested or unvested, will be forfeited for no consideration.

7. All Shares to be allotted pursuant to the exercise of Options will be allotted within 10 business days of exercise of the Options and will rank equally in all respects with the Company's then existing fully paid ordinary shares. Subject to the securities of the Company being listed on ASX and to any restrictions imposed on the Options or Shares issued upon exercise of the Options under the ASX Listing Rules, the Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options on or before the third ASX trading day after the date of allotment of the Shares.
8. A certificate will be issued for the Options. Exercise of the Options is effected by completing the notice of exercise of the Options on the reverse side of the option certificate and surrendering the certificate to the Company together with the required Exercise Price. If there is more than one Option on a certificate and prior to the Expiry Date those Options are exercised in part, the Company will issue another certificate for the balance of the Options held and not yet exercised.
9. There are no participating rights or entitlement inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
10. If the Company makes an issue of ordinary shares *pro rata* to existing shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of the Option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{O - E[P - (S + D)]}{N + 1}$$

where

O = the old exercise price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = the average market price per underlying Shares (weighted by reference to volume) during the 5 trading days ending on the day before the ex-rights date or ex-entitlements date.

S = the subscription price of a Share under the *pro rata* issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the *pro rata* issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

11. In the event of any reconstruction (including a consolidation sub-division, reduction or return) of the issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in the manner required by the ASX Listing Rules. In such event the Company has the power to vary the number of Options or the exercise price of the Options or the number of Shares to be issued upon exercise of the Options or any all of these as the Directors reasonably consider necessary solely in order to comply with the ASX Listing Rules. This compliance with the ASX Listing Rules will be applied whether the securities of the Company are listed or not on ASX.
12. In the event of any merger or acquisition of the Company, the Company has the power to cancel all Options that have not been exercised.
13. Words and expressions in these terms and conditions of grant which are used in the ASX Listing Rules have the same meanings given to them in the ASX Listing Rules.

Taxation

As far as the Company is aware, there are no adverse taxation consequences to the Company arising from the proposed grant of the Options.

Other information required by Listing Rule 10.15A

The following information is provided for the purposes of Listing Rule 10.15A:

Maximum number of options that may be acquired by Mr Kok Yew Sim	400,000 options
Maximum number of options that may be acquired by Ms Jenny Lim	250,000 options
Maximum number of options that may be acquired by Mr Kok Hwee Sim	250,000 options
Maximum number of options that may be acquired by Mr Yian Poh Lim	250,000 options
Maximum number of options that may be acquired by Mr Shaw Pao Sze	100,000 options
Maximum number of options that may be acquired by Mr Ian R Millard	100,000 options
Price for each option to be acquired under the Plan	Nil
Names of persons referred to in Rule 10.14 who received securities under the scheme since the last approval, number of securities received and acquisition price for each security	Mr Kok Yew Sim – 680,000 options Mr Kok Hwee Sim – 680,000 options Mr Yian Poh Lim – 100,000 options Mr Shaw Pao Sze – 30,000 options Mr Ian R Millard – 100,000 options Mr Frank Leong – 100,000 options Note – all options previously issued had an acquisition price of \$Nil.
Names of all persons referred to in Listing Rule 10.14 entitled to participate in the scheme	Mr Kok Yew Sim (Group Chief Executive Officer) Ms Jenny Lim (Executive Director if elected at this Meeting/Group Financial Controller) Mr Kok Hwee Sim (Non-Executive Director) Mr Yian Poh Lim (Independent Director) Mr Shaw Pao Sze (Independent Director) Mr Ian R Millard (Independent Director)
Terms of loan in relation to the grant of options	Not applicable
Required Statements	Details of any securities issued under the employee incentive plan will be published in each annual report relating to a period in which securities have been issued and approval for the issue of securities obtained under listing rule 10.14. Any additional persons who become entitled to participate in the employee incentive scheme after the resolution is approved and who are not named in this notice of meeting will not participate until approval is obtained under listing rule 10.14.
Date by which options will be granted	Not later than 3 years after the resolution is passed.

A voting exclusion applies in relation to Resolutions 9 to 14 (see notes in the accompanying Notice of Meeting).

The Directors make no recommendation as to how the shareholders should vote on Resolutions 9 to 14.



Zicom Group Limited

ABN 62 009 816 871

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Zicom Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (Brisbane time) on Monday, 11 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

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

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (Brisbane time) on Wednesday, 13 November 2019 at Boardroom of Link Market Services, Level 21, 10 Eagle Street, Brisbane, Queensland 4000, Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 3, 7, 9, 10, 11, 12, 13 & 14: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3, 7, 9, 10, 11, 12, 13 & 14, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Re-election of Mr Giok Lak Sim as a Director	☐	☐	☐	9 Approval of grant of options to Mr Kok Yew Sim	☐	☐	☐
2 Re-election of Mr Yian Poh Lim as a Director	☐	☐	☐	10 Approval of grant of options to Ms Jenny Lim	☐	☐	☐
3 Adoption of Remuneration Report	☐	☐	☐	11 Approval of grant of options to Mr Kok Hwee Sim	☐	☐	☐
4 Election of Mr Stewart Douglas as an Independent Director	☐	☐	☐	12 Approval of grant of options to Mr Yian Poh Lim	☐	☐	☐
5 Election of Ms Jenny Lim as an Executive Director	☐	☐	☐	13 Approval of grant of options to Mr Shaw Pao Sze	☐	☐	☐
6 Increase maximum number of directors	☐	☐	☐	14 Approval of grant of options to Mr Ian R Millard	☐	☐	☐
7 Increase in maximum aggregate amount of directors' fees payable to Non-Executive Directors	☐	☐	☐				
8 Election of Mr Renny Yeo as an Independent Director	☐	☐	☐				



* 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 votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

ZGL PRX1901D