

Scantech Limited
ACN: 007 954 627

Notice of General Meeting and Explanatory Memorandum

Date of Meeting
28 February 2019

Time of Meeting
10:00 am (Adelaide time)

Place of Meeting
SCANTECH LIMITED
143 Mooringe Avenue
Camden Park SA 5038

SCANTECH LIMITED

ACN 007 954 627

NOTICE OF GENERAL MEETING

Notice is **HEREBY GIVEN** that a General Meeting of Scantech Limited (**'the Company'**) will be held at the offices of the Company located at 143 Mooringe Avenue, Camden Park, South Australia on Thursday 28 February 2019 commencing at 10:00 am (Adelaide time).

An Explanatory Memorandum in relation to the items of business to be dealt with at the General Meeting accompanies this Notice of Meeting.

BUSINESS

- 1. Resolution 1 – To approve the selective buy-back at \$0.65 per share of 595,473 of the Company's Shares and cancellation of those shares**

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

"That, for the purposes of section 257D of the Corporations Act and for all other purposes, approval is given for the Company to undertake the selective buy-back at a price of \$0.65 per share of 595,473 of the Company's Shares in accordance with the terms set out in the Explanatory Memorandum and the cancellation of those shares."

Voting Information

- 1. Shareholders may vote at the General Meeting by:**

- Attending in person or appointing a proxy (for individuals and joint holders)
- Appointing a proxy or corporate representative (for companies)

- 2. Voting Entitlements**

In accordance with Regulation 7.11.37 and 7.11.38 of the Corporations Regulations 2001(Cth) the Board has determined that the Shareholding of each Shareholder for the purpose of ascertaining voting entitlements for the General Meeting will be as it appears on the Share register at 10:00 am (Adelaide time) on Tuesday, 26 February 2019.

- 3. Registration**

All Shareholders must be registered prior to the meeting. Please present the Proxy Form accompanying this Notice at the registration desk at the meeting to assist with registration.

4. Proxies

Pursuant to Section 249X of the Corporations Act, if you are entitled to attend and vote at the General Meeting, you may appoint a proxy to vote on your behalf. A proxy does not need to be a Shareholder and can be either an individual or a body corporate. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise (see Appointing a Second Proxy on the back of the Proxy Form).

A form of proxy is enclosed. **To be effective, the Proxy Form accompanying this Notice must be properly completed (and the power of attorney, if any, under which it is signed) must be received at the address below by no later than 10:00 am (Adelaide time) on Tuesday, 26 February 2019.** Details about how to lodge the proxy are on the Proxy Form.

Completed proxy forms should be sent to the Company's share registrar, Link Market Services Limited as follows:

By mail: Link Market Services Limited
Locked bag A14,
Sydney South, NSW 1235

OR

By fax: +61 2 9287 0309

OR

Online at www.linkmarketservices.com.au

If a Shareholder wishes to direct the proxy/proxies how to vote on any item, a mark should be placed in the appropriate box and the total shareholding will be voted in that manner. A single proxy exercises all voting rights. If the Shareholder desires, the voting direction can be split by inserting the number of Shares to be voted next to the appropriate box. The vote will be invalid if a mark (other than a number of Shares) is made in more than one box for a particular item or if the total shareholding shown in the "FOR", "AGAINST" and "ABSTAIN" boxes is more than the total shareholding on the register.

5. Corporate Representatives

A company that has appointed a corporate representative to vote on its behalf at the meeting must either forward evidence of the appointment to the Company's share registry, Link Market Services Limited, or present that evidence at the registration desk on the day of the meeting. A Certificate of Appointment of Corporate Representative can be obtained by contacting Link Market Services Limited, whose contact details are set out on the Proxy Form. A company's appointed representative should also present a copy of the Proxy Form accompanying this Notice at the registration desk on the day of the meeting.

6. Signing a Proxy

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney, duly authorised in writing. In the case of joint holders, the Proxy Form may be signed by any one holder. If the Shareholder is a corporation, the Proxy Form must be signed in accordance with the corporation's constitution and (if applicable) the Corporations Act or by its duly authorised attorney or representative.

7. Voting Exclusion Statement

The Corporations Act provides that a vote on this resolution must not be cast (in any capacity) and the Company will disregard any votes by or on behalf of any shareholders who have accepted the share buy-back offer.

8. Further Information

If you require further information, you should contact Link Market Services Limited. The contact details are on the Proxy Form.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'V. Steer', is written over a horizontal line.

V Steer
Company Secretary

DATED: 31 January 2019

Explanatory Memorandum

This Explanatory Memorandum provides Shareholders with information regarding the business to be conducted at the General Meeting of the Company.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making a decision in relation to Resolution 1.

1. Resolution 1 – To approve the selective buy-back at \$0.65 per share of 595,473 of the Company's Shares and cancellation of those shares

1.1 Background

On 20 December 2018, the Company announced that it would conduct the selective buy-back at \$0.65 per share opening on the 2 January 2019.

The Company delisted from the Australian Stock Exchange on 19 October 2015. The last sale price prior to delisting was \$0.60 per share.

The Company has established a Low Volume Market however there have been few transactions conducted on the low Volume Market and no transactions of significance.

The annual report for the Company for the period ended 30 June 2018 is available on the Company's website www.scantech.com.au under the "Shareholders" Tab, Reports and Publications. The key matters disclosed in the year end 30 June 2018 accounts are as follows:

- Revenue \$15,706,100 and profit after income tax \$1,077,717;

The Company had cash or equivalents at 30 June 2018 of \$2,878,160 and total current assets of \$11,509,475.

The total current liabilities as at 30 June 2018 were \$6,155,720.

There has been no adverse change in the current assets and current liabilities since 30 June 2018.

The Directors are satisfied that the likely acceptance of the Buy-Back offer will not materially prejudice the ability of the Company to pay its creditors.

The offer to Buy-Back shares is subject to the approval of shareholders at a special general meeting on Thursday 28 February 2019 and all regulatory approvals.

The shareholders related to the Directors do not intend to accept the Buy-Back offer.

1.2 Reason for Resolution 1

The proposed buy-back of shares is a selective buy-back. All shareholders were invited to participate but only some shareholders have accepted the offer to buy back shares.

The Corporations Act permits a company to conduct a selective buy-back of shares, provided that:

- (a) the buy-back is approved by shareholders at a general meeting of the Company by a special resolution with those shareholders who are receiving consideration as part of the reduction being excluded from voting at the general meeting; and
- (b) the buy-back does not materially prejudice the company's ability to pay its creditors and provided also that the company complies with the procedures specified in the Corporations Act.

In addition, under section 257D(2) of the Corporations Act, in the notice that accompanies the resolution to approve the Selective Buy-Back, the Company must disclose all information that is material to the decision on how to vote on the resolution.

Under section 257D(3), before the notice of meeting is sent to shareholders, the Company must lodge with ASIC a copy of:

- (c) the notice of meeting; and
- (d) any document relating to the buy-back that will accompany the notice of meeting sent to Shareholders.

Accordingly, before this Notice of Meeting was sent to Shareholders, the Company has lodged with ASIC a copy:

- (a) the Notice of Meeting; and
- (b) this Explanatory Memorandum.

1.3 Details of the Selective Share Buy-Back

By notice dated 20 December 2018, the Company invited shareholders who wished to participate in the buy-back to complete and return to the Company by 31 January 2019 a contract note setting out the number of shares which they agreed that the Company could buy-back at the price of \$0.65 per share.

The Company has received contract notes from shareholders who wish to accept the share buy-back totalling 595,473.

The Company will lodge the resolution with ASIC within 14 days as required under Corporations Act section 256C (3).

The Company is required under Corporations Act Section 256C(3) to wait for 14 days after lodgement of the resolution to ASIC before the reduction of shares.

Subject to approval by shareholders at the general meeting on the 28 February 2019 and all regulatory compliance by the 14 March 2019 payment will be made to participating shareholders by 5 April 2019.

None of the directors are participating in the share buy-back.

1.4 **Timetable**

Notice of Meeting dispatched to Shareholders	24 December 2018
General Meeting held	28 February 2019
Resolution of the general meeting 28 February 2018 lodged with ASIC no later than	14 March 2019
Payment to participating shareholders no later than	5 April 2019
Cancellation of shares no later than	5 April 2019

1.5 **Reasons for the selective share Buy-Back**

The Directors consider that the selective buy-back allows the shareholders a mechanism to sell their shares as there has been no transactions on the Low Volume Market and they are satisfied that it will not materially prejudice the Company's ability to pay its creditors.

The main purpose of the Selective Buy-Back is to provide Shareholders with an opportunity to realise their investment in the Company.

Given the low liquidity of the Company's Shares, the Directors consider it appropriate for the Company to increase the liquidity of the Company's Shares via the Selective Buy-Back to assist Shareholders who wish to exit their investment.

1.6 **Effect of the Selective Buy-Back on the Company**

Cost of Selective Buy-Back

The Company is seeking approval to buy back 595,473 Shares through the Selective Buy-Back and will fund this from surplus cash.

The cost of this selective buy back will be \$387,057.45.

Effect of Buy-Back on Payment of Creditors

The opinion of the directors is that the proposed buy-back will not materially prejudice the ability of the Company to pay its creditors.

As at 29 January 2019, the Company had cash or equivalents of \$4,360,131.20

All creditors of the Company are within agreed trading terms.

The effect of the payment of the amount due to shareholders participating in the buy-back has been included in cash flow forecasts and does not result in any material adverse effect on cash flow.

Shares on issue

As at 29 January 2019, the Company had 13,622,371 Shares on issue. Assuming the selective share buy-back is approved and the total shares offered for sale are bought back, the Company would have 13,026,898 Shares on issue.

Control of the Company

The Company's Chief Executive Officer Mr David Lindeberg (or parties related to him) currently holds 4,066,928 Shares, giving him a voting power of 29.85% of the Shares on issue as at 29 January 2019.

Mr Lindeberg has indicated that he does not intend to participate in the Selective Buy-Back. Accordingly, if the total number of Shares are bought back under the Selective Buy-Back, Mr Lindeberg's voting power would increase from 29.85% to 31.22%.

Having regard to the potential for the Selective Buy-back to increase Mr Lindeberg's voting power if he does not participate in the Selective Buy-Back, he will not make a recommendation in his capacity as a director.

1.7 Taxation Consequences for Shareholders of the Selective Buy-Back

For Shareholders selling into the Selective Buy-Back, the sale should be treated for taxation purposes as an ordinary sale of shares.

Each Shareholder must obtain their own advice from their professional or other financial advisor as to the impact on each Shareholder of the Selective Buy-Back.

1.8 Directors' Interests and Recommendations

Set out below is a table which indicates the Shares in which the Directors have an interest as at the date of this Notice of Meeting

Director	Shares	Other securities
Mr David Lindeberg	4,066,928	0
Mr Peter Pedler	828,885	0
Mr Laurance Brett	1,156,602	0

For the reasons set out above, the Directors (other than Mr Lindeberg) recommend that Shareholders vote in favour of Resolution 1.

Given that the Selective Buy-Back is likely to increase Mr Lindeberg's percentage shareholding, in the circumstances Mr Lindeberg does not consider it appropriate to make a recommendation to Shareholders in connection with Resolution 1.

The Chairman intends to vote all available proxies in favour of Resolution 1.

1.9 No other material information

Other than as set out in this Explanatory Memorandum, and other than information previously disclosed to Shareholders, there is no other information that is known to the Directors which may reasonably be expected to be material to the making of a decision by Shareholders on whether or not to vote in favour of Resolution 1.

Glossary

Selective Buy-Back means the selective buy-back of the Company's Shares which is the subject of Resolution 1.

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Securities Exchange.

ASX Listing Rules means the listing rules of the ASX.

Board means the board of Directors.

Company means Scantech Limited (ACN 007 954 627).

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Notice or **Notice of Meeting** means this notice of meeting.

Share means an ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Scantech 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



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Scantech 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 General Meeting of the Company to be held at **10:00am (Adelaide time) on Thursday, 28 February 2019 at Scantech Limited, 143 Mooringe Avenue, Camden Park SA 5038 (the Meeting)** and at any postponement or adjournment of the Meeting.

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 ☒

Resolution

For Against Abstain*

- 1 To approve the selective buy-back at \$0.65 per share of 595,473 of the Company's Shares and cancellation of those shares



* 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)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

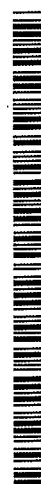
Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

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).

SCTU PRX1901A



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.

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:

- (a) 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
- (b) 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.

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 below by **10:00am (Adelaide time) on Tuesday, 26 February 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 using the reply paid envelope or:



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) as shown on the front of the Proxy Form).



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

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