



Notice of annual general meeting and explanatory statement

Entellec Limited

ACN 009 221 783

Date: Monday 15 December 2014

Time: 9.30 am (AEDT)

Place: Grant Thornton
Wills Room, The Rialto
Level 30, 525 Collins Street
Melbourne, Victoria, Australia



NOTICE OF 2014 ANNUAL GENERAL MEETING

NOTICE is given that the 2014 Annual General Meeting of Entellect Limited will be held at the offices of Grant Thornton, Wills Room, The Rialto, Level 30, 525 Collins Street, Melbourne, Victoria 3000 on Monday 15 December 2014 at 9.30 am (AEDT).

BUSINESS

Shareholders are invited to consider the following items of business at the Annual General Meeting:

Ordinary business

1. Financial and related reports

	Financial and related reports
Description	To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2014.

2. Adoption of Remuneration Report (Non-binding resolution)

Resolution 1	Adoption of Remuneration Report (Non-binding resolution)
Description	Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2014 Annual Report and is available from the Company's website (www.entellect.com.au). In accordance with section 250R of the Corporations Act, the vote on this resolution will be advisory only and will not bind the directors or the Company.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution: <i>"That the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2014 be adopted."</i>
Voting Exclusion	The Company will disregard any votes cast on this resolution (in any capacity, whether as proxy or as shareholders) by any of the following persons: (a) Key Management Personnel; and (b) Closely Related Parties of Key Management Personnel. However, the Company need not disregard a vote if it is: (c) cast by a person as a proxy appointed in accordance with the directions of the proxy form that specifies how the proxy is to vote on Resolution 1; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above; or (d) cast by the chair of the Meeting as proxy appointed in accordance with the directions of the proxy form for a person who is entitled to vote, and such appointment on the proxy form expressly authorises the chair to exercise the proxy even if the resolution is connected directly with the remuneration report; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above.

3. Re-election of Directors

Resolution 2	Re-election of Mr Andrew Plympton as Director
Description	Mr Andrew Plympton retires as a director of the Company in accordance with clauses 15.3(a) and 15.3(b) of the Company's constitution and, being eligible, offers himself for re-election under clause 15.3(c) of the constitution.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution: <i>"That Mr Andrew Plympton, having retired from his office as a Director in accordance with clauses 15.3(a) and 15.3(b) of the Company's constitution and, being eligible under clause 15.3(c) of the constitution, having offered himself for re-election, be re-elected as a Director of the Company."</i>
Resolution 3	Election of Dr Nigel Finch as Director
Description	Dr Nigel Finch, having been appointed as a Director on 5 May 2014 under clause 15.1(c) of the Company's constitution, retires as a director of the Company, and being eligible, offers himself for election as a Director of the Company.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution: <i>"That Dr Nigel Finch, having been appointed as a Director on 5 May 2014 under clause 15.1(c) of the Company's constitution, and being eligible under clause 15.1(c) of the constitution, and having offered himself for election, be elected as a Director of the Company."</i>

Special Business

4. Approval of 10% Placement Capacity

Resolution 4	Approval of 10% placement capacity
Description	Entellect seeks approval of shareholders to be able to issue Equity Securities of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its ability to issue securities under Listing Rule 7.1.
Resolution (Special)	To consider and, if thought fit, pass the following resolution as a special resolution: <i>"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to an additional 10%, calculated at the time of issue in accordance with ASX Listing Rule 7.1A.2, of its issued Equity Securities by way of placements over a 12 month period, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."</i>
Voting Exclusion	The Company will disregard any votes cast on this resolution 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 of a holder of ordinary securities, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by: (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or; (b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.

5. Approval of issue Of Performance Rights to Director pursuant to LTIP

Resolution 5	Approval of the issue of Performance Rights to Dr Nigel Finch pursuant to LTIP
Description	Resolution 5 seeks shareholder approval for the issue of 20 million Performance Rights, each to acquire 1 ordinary fully paid share in the Company, to Dr Nigel Finch, Non-Executive Director of Entellect, or his nominee(s).
Resolution (Ordinary)	<p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“That, for the purposes of Listing Rule 10.14 and for all other purposes, shareholder approval is given for the Company to grant 20 million Performance Rights, each to acquire 1 ordinary fully paid share in the Company, to Dr Nigel Finch, Non-Executive Director of the Company, or his nominee(s) pursuant to the Company’s Long Term Incentive Plan, and on the terms set out in the Explanatory Memorandum accompanying this Notice:”</i></p>
Voting Exclusion	<p>The Company will disregard any votes cast on this resolution by Dr Nigel Finch, or any of his associates, or any Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of those Directors.</p> <p>However, the Company need not disregard a vote if it is:</p> <ul style="list-style-type: none"> (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions of the proxy form; or (b) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides, where the proxy appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of KMP.

Dated 13 November 2014

By order of the Board of Entellect Limited



Sophie Karzis
Company Secretary

QUESTIONS FROM SHAREHOLDERS

In order to provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, Grant Thornton, in relation to the conduct of the external audit for the year ended 30 June 2014, or the content of its audit report. Please send your questions to:

The Company Secretary, **Entellect Limited**
Level 1, 61 Spring Street, Melbourne VIC 3000
T. 03 9286 7500
F. 03 9662 1472
E. sk@ccounsel.com.au

Written questions must be received by no later than **7.00pm (AEDT) on Saturday 13 December 2014**. Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will also be provided to shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including the Remuneration Report. During the course of the Annual General Meeting, the Chairman will seek to address as many shareholder questions as reasonably practicable and, where appropriate, will give a representative of the Auditor the opportunity to answer written questions addressed to it. However, there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to shareholders.

VOTING INFORMATION

Voting by proxy

- (a) A shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the shareholder is entitled to cast 2 or more votes at the meeting, 2 proxies, to attend and vote instead of the shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the meeting.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.
- (e) A proxy form accompanies this notice. If a shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power or authority by **9.30 am (AEDT) on Saturday 13**

December 2014 at the share registry, being the office of Automic Registry Services:

- by post at:
Share Registry – Automic Registry Services
PO Box 223
West Perth, WA 6872
Australia
- by personal delivery at:
Share Registry – Automic Registry Services
Level 1
7 Ventnor Avenue
West Perth, WA 6872
Australia
- by facsimile: +61 8 9321 2337; or
- by voting on-line at:
<https://automic.7g.com.au/loginlisted.aspx>

Voting and other entitlements at the AGM

A determination has been made by the Board under regulation 7.11.37 of the *Corporations Regulations 2001* that shares in the Company which are on issue at **9.30am (AEDT) on Saturday 13 December 2014** will be taken to be held by the persons who held them at that time for the purposes of the Annual General Meeting (including determining voting entitlements at the meeting).

Proxy voting by the Chair

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolution 1 and 5. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolution 1 and 5. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Company's Chairman, Mr Andrew Plympton, will chair the Meeting and intends to vote all available undirected proxies in favour of each item of business.

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolution 1 and 5, he or she will not vote your proxy on that item of business.

EXPLANATORY MEMORANDUM TO NOTICE OF 2014 ANNUAL GENERAL MEETING

1. Financial and Related Reports

	Financial And Related Reports
Explanation	<p>Shareholders are asked to receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2014.</p> <p>The 2014 Annual Report, which contains the Directors' Report, the Financial Report and the Remuneration Report, is available from the Company's website (www.entellect.com.au).</p>

2. Adoption of Remuneration Report (Non-Binding Vote)

Resolution 1	Adoption of Remuneration Report (Non-Binding Vote)
Explanation	<p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2014 Annual Report and is available from the Company's website (www.entellect.com.au).</p> <p>The Remuneration Report:</p> <ul style="list-style-type: none"> • describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance; • sets out the remuneration arrangements in place for each director and for certain members of the senior management team; and • explains the differences between the basis for remunerating non-executive directors and senior executives, including the Chief Executive Officer. <p>The vote on this item is advisory only and does not bind the Directors. The Board will take into account the discussion on this item and the outcome of the vote when considering the future remuneration policies and practices of the Company.</p>
Voting Exclusion	A voting exclusion statement applies to this item of business, as set out in the Notice.
Board Recommendation	The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this item of business.

3. Re-Election of Directors

Resolution 2	Re-election of Mr Andrew Plympton as Director
Explanation	<p>Clause 15.3(a)(ii) of the Company's constitution requires a minimum of one Director to retire at each Annual General Meeting of the Company. Under Clause 15.3(b) of the constitution, the Director to retire under clause 15.3(a)(ii) is the person who has held office as Director for the longest period of time since his last election to office, or in the event that two or more directors have held office for the same period of time, the Director determined by lot.</p> <p>Mr Andrew Plympton, who has held office as Director for the longest period of time since his last election to office in 2012, retires as a Director at the 2014 AGM in accordance with clauses 15.3(a) and 15.3(b) of the Company's constitution. Mr Plympton, being eligible under clause 15.3(c) of the constitution, offers himself for re-election as Director.</p> <p>Please refer to the 2014 Annual Report for information about Mr Andrew Plympton.</p>
Board Recommendation	The Board, with Mr Andrew Plympton abstaining, recommends that shareholders vote in favour of Mr Andrew Plympton's re-election.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this item of business.
Resolution 3	Election of Dr Nigel Finch as Director
Explanation	Under clause 15.1(c) of the Company's constitution, the Directors may at any time appoint any person to be a Director. Dr Nigel Finch was appointed as a Director by the Board under clause 15.1(c), and being eligible for election at the 2014 Annual General Meeting, offers himself for election as Director at the meeting. Please refer to the 2014 Annual Report for information about Dr Nigel Finch.
Board Recommendation	The Board, with Dr Nigel Finch abstaining, recommends that shareholders vote in favour of Dr Nigel Finch's election.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this item of business.

4. Approval of 10% Placement Capacity

Resolution 4	Approval of 10% placement capacity
General	<p>Under Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. ASX Listing Rule 7.1A permits eligible small and mid-cap ASX-listed entities, subject to shareholder approval, to issue Equity Securities of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its ability to issue securities under Listing Rule 7.1 (10% Placement Capacity).</p> <p>The Company seeks shareholder approval under ASX Listing Rule 7.1A for the 10% Placement Capacity. The effect of this resolution will be to allow the Directors, subject to the conditions set out below, to issue Equity Securities under the 10% Placement Capacity without using the Company's 15% placement capacity under Listing Rule 7.1.</p>

	Resolution 4 is a special resolution . Accordingly, at least 75% of votes cast by shareholders present and eligible to vote (in person or by proxy) at the meeting must be in favour of this resolution for it to be passed.
Eligibility	<p>ASX-listed entities which have a market capitalisation of \$300 million or less, and which are not included in the S&P/ASX 300 Index will be considered eligible to seek shareholder approval under Listing Rule 7.1A.</p> <p>As at the date of this Notice, the Company, which has a market capitalisation of less than \$300 million, is not included in the S&P/ASX 300 Index. Accordingly, the Company is considered eligible to seek shareholder approval under Listing Rule 7.1A.</p>
Formula	<p>The exact number of additional Equity Securities that the Company may issue under the 10% Placement Capacity will be determined by a formula set out Listing Rule 7.1A.2 as follows:</p> <p style="text-align: center;">$(A \times D) - E$</p> <p>Where:</p> <p>A is the number of shares on issue 12 months before the date of issue or agreement:</p> <ul style="list-style-type: none"> ▪ plus the number of fully paid shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2; ▪ plus the number of partly paid shares that became fully paid in the previous 12 months (there are presently no partly paid shares on issue in the Company); ▪ plus the number of shares issued in the previous 12 months with approval of shareholders under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval; and ▪ less the number of shares cancelled in the previous 12 months. <p><i>'A' has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity</i></p> <p>D is 10%.</p> <p>E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.</p>
Conditions of issue under the 10% Placement Capacity	<p>There are a number of conditions applicable to the issue of Equity Securities under Listing Rule 7.1A, including a limitation on the discount to prevailing market price at which they may be issued, and additional disclosure requirements. A summary of these conditions are as follows:</p> <p>(a) Equity Securities issued under the 10% Placement Capacity can only be in a class of securities already quoted. At the date of this Notice, the Company only has one class of securities which are quoted, being ordinary shares.</p> <p>(b) The issue price of each Equity Security issued under the 10% Placement Capacity must be no less than 75% of the volume weighted average market price (VWAP) for Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before either:</p> <ol style="list-style-type: none"> i. the date on which the price at which the Equity Securities are to be issued is agreed; or ii. if the Equity Securities are not issued within 5 trading days of the date in paragraph (i), the date on which the securities are issued.

<p>Period of validity of shareholder approval</p>	<p>In the event that the Company obtains shareholder approval of Resolution 4, such approval will cease to be valid upon the earlier of:</p> <p>(a) 12 months after the date of this Annual General Meeting, being 3 December 2015; or</p> <p>(b) if applicable, the date on which the Company's shareholders approve a change to the nature or scale of the Company's activities under Listing Rule 11.1.2, or the disposal of the Company's main undertaking under Listing Rule 11.2.</p> <p>(Placement Period)</p>
<p>INFORMATION TO BE PROVIDED TO SHAREHOLDERS UNDER ASX LISTING RULE 7.3A</p>	
<p>Minimum issue price</p>	<p>The issue price of each Equity Security issued under the 10% Placement Capacity must be no less than 75% of the VWAP for Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before either:</p> <ol style="list-style-type: none"> i. the date on which the price at which the Equity Securities are to be issued is agreed; or ii. if the Equity Securities are not issued within 5 trading days of the date in paragraph (i), the date on which the securities are issued.
<p>Risk of dilution to shareholders</p>	<p>If Resolution 4 is approved by shareholders, any issue of Equity Securities under the 10% Placement Capacity may present a risk of economic and voting dilution of existing shareholders, including the risk that:</p> <ul style="list-style-type: none"> ▪ the market price of the Company's Equity Securities may be significantly lower on the relevant issue date than on the date of this Annual General Meeting; and ▪ the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date. <p>The table below shows the potential dilution of existing shareholders under various scenarios on the basis of:</p> <ul style="list-style-type: none"> ▪ an issue price of \$0.001 per share which was the closing price of the Company's shares on the ASX on 11 November 2014; and <p>the variable 'A' being calculated as the number of fully paid ordinary shares on issue on the date of this Notice, being 2,771,322,932.</p> <p>The table also shows:</p> <ol style="list-style-type: none"> (a) two examples where variable 'A' has increased by 50% and 100%. The number of shares on issue in the Company may increase as a result of the issue of shares that do not require approval of shareholders (for example, pro-rata entitlement issues or scrip issues under takeover offers) or future placements of shares under Listing Rule 7.1 of up to 15% of issued capital that are approved at future general meetings of shareholders; and (b) two examples of where the issue price of shares has decreased by 50% and increased by 100%.

VARIABLE 'A'		Dilution		
		50% decrease in issue price \$0.0005	Issue price \$0.001	100% increase in issue price \$0.002
Current Variable 'A' 2,771,322,932 shares	10% voting dilution	277,132,293 shares	277,132,293 shares	277,132,293 shares
	Funds raised	\$138,566.15	\$277,132.29	\$554,264.59
50% increase in current Variable 'A' 4,156,984,398 shares	10% voting dilution	415,698,440 shares	415,698,440 shares	415,698,440 shares
	Funds raised	\$207,849.22	\$415,698.44	\$831,396.88
100% increase in current Variable 'A' 5,542,645,864 shares	10% voting dilution	554,264,586 shares	554,264,586 shares	554,264,586 shares
	Funds raised	\$277,132.29	\$554,264.59	\$1,108,529.17

The table has been prepared on the following assumptions:

- (a) the Company issues the maximum number of shares available under the 10% Placement Capacity;
- (b) no options to acquire shares on issue in the Company are exercised and no convertible notes on issue are converted;
- (c) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue;
- (d) the table does not show an example of dilution that may be caused to a particular shareholder as a result of placements under the 10% Placement Capacity based on that shareholder's holding at the date of the Annual General Meeting.
- (e) the table shows only the effect of issues of Equity Securities under the 10% Placement Capacity in accordance with Listing Rule 7.1A and not under the 15% placement capacity under Listing Rule 7.1.
- (f) the issue of Equity Securities under the 10% Placement Capacity consists only of shares.
- (g) the issue price is \$0.001, being the closing price of the Company's shares on the ASX on 11 November 2014.

Period of validity

The Company will only issue and allot the Equity Securities during the Placement Period. The approval under the Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

Reason for issue of shares under 10% Placement Capacity

The Company may seek to issue the Equity Securities for the following purposes:

- (a) non-cash consideration for the acquisition of the new assets, businesses or investments, in which event the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (b) cash consideration, the proceeds of which will be applied to fund the Company's existing and future activities, including research and development and commercialisation of the Company's product offerings, including the

	<p>KNeoWORLD Application; appraisal of corporate opportunities, investment in new businesses (if any), the costs incurred in undertaking placement(s) of shares under Listing Rule 7.1.A and for general working capital.</p> <p>The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A 4 and 3.10.5A upon issue of any Equity Securities.</p>										
<p>Allocation policy</p>	<p>The Company may not issue any or all the Equity Securities for which approval is given and may issue the Equity Securities progressively as the Company places the Equity Securities with investors.</p> <p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors such as:</p> <ol style="list-style-type: none"> 1. fund raising options (and their viability) available to the Company at the relevant time; 2. the effect of the issue of the Equity Securities on the control of the Company; 3. the financial situation of the Company and the urgency of the requirement for funds; and 4. advice from the Company's corporate, financial, legal and broking advisers. <p>The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice. It is intended that the allottees will be suitable professional and sophisticated investors, and other investors not requiring a disclosure document under section 708 of the Corporations Act, that are known to the Company and/or introduced by third parties.</p> <p>The allottees may include existing substantial shareholders and/or new shareholders, but the allottees will not be related parties of the Company.</p> <p>In the event that the shares under the 10% Placement Capacity are issued as consideration for the acquisition of businesses, assets or investments, it is likely that the allottees will be the vendors of such businesses, assets or investments.</p>										
<p>Previous approval</p>	<p>The Company previously obtained approval under ASX Listing Rule 7.1A on 12 December 2013. In accordance with ASX Listing Rule 7.3A.6, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1A, the following information is provided to shareholders:</p> <p>As at 16 December 2013, being the date that is 12 months prior to the 2014 Annual General Meeting, the Company had the following Equity Securities on issue:</p> <table border="1" data-bbox="448 1621 1406 1783"> <thead> <tr> <th>Class of Equity Securities</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Ordinary shares</td> <td>1,926,122,932</td> </tr> <tr> <td>Options expiring 28 Feb 15, exercisable at \$0.001</td> <td>575,000,000</td> </tr> <tr> <td>Convertible notes</td> <td>42</td> </tr> <tr> <td>TOTAL</td> <td>2,501,122,974</td> </tr> </tbody> </table> <p>The table below shows the number and type of Equity Securities issued by the Company in the 12 months prior to the 2014 Annual General Meeting, and the percentage they represent of the total number of Equity Securities on issue at 16 December 2013 (being 2,501,122,974).</p>	Class of Equity Securities	Number	Ordinary shares	1,926,122,932	Options expiring 28 Feb 15, exercisable at \$0.001	575,000,000	Convertible notes	42	TOTAL	2,501,122,974
Class of Equity Securities	Number										
Ordinary shares	1,926,122,932										
Options expiring 28 Feb 15, exercisable at \$0.001	575,000,000										
Convertible notes	42										
TOTAL	2,501,122,974										

Item	Date of issue	Class of Equity Securities	No. issued	% represented of total number of Equity Securities
1	18/12/2013	Ordinary shares	75,000,000	3.00%
2	23/12/2013	Ordinary shares	25,000,000	1.00%
3	10/01/2014	Ordinary shares	125,000,000	5.00%
4	11/02/2014	Ordinary shares	105,000,000	4.20%
5	3/03/2014	Ordinary shares	100,000,000	4.00%
6	3/04/2014	Ordinary shares	232,000,000	9.28%
7	4/04/2014	Ordinary shares	50,000,000	2.00%
8	20/05/2014	Ordinary shares	25,000,000	1.00%
9	31/07/2014	Ordinary shares	10,000,000	0.40%
10	31/07/2014	Ordinary shares	23,200,000	0.93%
11	31/07/2014	Ordinary shares	25,000,000	1.00%
12	31/07/2014	Ordinary shares	50,000,000	2.00%
13	30/07/2014	Options exercisable on or before 3 Oct 2015 for \$0.002 each	140,100,000	5.60%
14	23/12/2013	Performance rights	89,000,000	3.56%
	TOTAL		1,074,300,000	42.95%

Terms of Equity Securities issued: All ordinary shares issued by the Company in the 12 months prior to the 2014 Annual General Meeting have the same terms and rank equally in all respects with existing shares in the Company. The options issued are exercisable at \$0.002 on or before 3 October 2015. The performance rights were issued under the Company's Long Term Incentive Plan, and each performance right entitles each holder to acquire one ordinary share, subject to the satisfaction of a number of performance hurdles.

Specific information in relation to each issue is as follows:

Item	Reason for issue	Recipient	Use / intended use of funds	Issue price per share	Discount/premium to market price	Total cash consideration (\$)
1	Exercise of options	Various option holders	Used to fund R&D and marketing of KNeoWORLD product and for working capital purposes	\$0.001	N/A	\$75,000
2	Exercise of options	Various option holders	As above	\$0.001	N/A	\$25,000
3	Exercise of options and conversion of convertible notes	Various option holders and convertible note holders	As above	\$0.001	N/A	\$25,000
4	Exercise of options and issue of shares in lieu of professional fees	Various option holders and professional services provider Chess Capital Partners Pty Ltd	As above	\$0.001	N/A	\$100,000
5	Exercise of options	Various option holders	As above	\$0.001	N/A	\$100,000
6	Capital raising placement (April Placement)	Various sophisticated and professional investors who subscribed for shares under the April Placement	As above	\$0.002	100% premium	\$464,000
7	Exercise of options and conversion of convertible	Various option holders and convertible note holders	As above	\$0.001	N/A	\$25,000

	notes						
8	Conversion of convertible note	Convertible note holders	N/A, none raised. The subscription price of the convertible note was \$25,000)	N/A	N/A	N/A	N/A
9	Issued in lieu of fees for capital raising services provided	Adviser to the Company, Dynarest Pty Ltd	N/A, none raised.	N/A	N/A	N/A	N/A
10	Capital raising placement (July Placement)	Various sophisticated and professional investors who subscribed for shares under the July Placement	Used to fund working capital requirements	\$0.002	100% premium	\$46,400	
11	To retire the debt owed by the Company	Lenders of loans to the Company, Stillmore Holidays Pty Ltd and Consolidated Investments Pty Ltd	N/A, none raised. The loans were to the aggregate value of \$50,000	N/A	N/A	N/A	N/A
12	Issued to Non-Executive Directors in lieu of Directors' fees	Directors Andrew Plympton and Jeffrey Bennett	N/A, none raised.	N/A	N/A	N/A	N/A
13	Issued as free attaching options to shares issued under the April Placement and July Placement and to the lenders of convertible loans (see Items 6, 10 and 11)	Recipients under Items 6, 10 and 11	N/A, none raised.	N/A	N/A	N/A	N/A
14	Issued under ESN's Long Term Incentive Plan	Management and Directors	N/A	N/A	N/A	N/A	N/A
<p>The Company has raised a total of \$860,400 through the issue of ordinary shares in the 12 months prior to the 2014 Annual General Meeting. The Company has spent this amount on the research, development and marketing of its KNeoWORLD product, and on its working capital requirements including its corporate and administrative overheads.</p>							
Ranking of shares	Any shares issued under the 10% Placement Capacity will rank equally with all other existing shares on issue in the Company.						
GENERAL INFORMATION							
Voting Exclusion	A voting exclusion statement applies to this resolution, as set out in the Notice.						
Board Recommendation	The Directors unanimously recommend that shareholders vote in favour of this resolution.						
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.						

5. Approval of issue Of Performance Rights to Director Pursuant to LTIP

<p>Resolution 5</p>	<p>Approval of the issue of Performance Rights to Dr Nigel Finch pursuant to the LTIP</p>
<p>Description</p>	<p>Resolution 5 seeks shareholder approval for the issue of 20 million Performance Rights, each to acquire 1 ordinary fully paid share in the Company, to Dr Nigel Finch, Non-Executive Director of Entellect, or his nominee(s) (Performance Rights).</p> <p>Dr Finch was appointed as a Director on 5 May 2014. The other Directors of Entellect, namely Messrs Kellett, Bennett and Plympton, were issued performance rights under the Company's Long Term Incentive Plan after the Company's 2013 Annual General Meeting, further to shareholder approval obtained at that meeting. In order to align the incentives provided to all Directors, the Company now wishes to seek shareholder approval to issue Dr Finch with performance rights of the same quantum and terms and conditions as those performance right issued to the Non-Executive Directors pursuant to the Company's 2013 AGM.</p>
<p>Shareholder Approval</p>	<p>Shareholder approval of the issue of the Performance Rights is sought for the purposes of the ASX Listing Rules.</p> <p>ASX Listing Rules</p> <p>In general, Listing Rule 10.14 provides that a company must not permit a director, an associate of a director, or a person whose relationship with the Company is, in ASX's opinion, such that approval should be obtained, to acquire securities under an employee incentive scheme without shareholder approval.</p> <p>In accordance with the Listing Rules, shareholders are being asked under Resolution 5 to approve the grant of the Performance Rights under the LTIP and to the extent those Performance Rights vest, the underlying ordinary shares (Performance Shares).</p> <p>Corporations Act 2001 (Cth)</p> <p>Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties of a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies or shareholder approval is obtained. For the purposes of Chapter 2E, Dr Nigel Finch is a related party of the Company, by virtue of section 228(2) of the Corporations Act.</p> <p>A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. The giving of a financial benefit to a related party of a public company is ordinarily prohibited by Chapter 2E of the Corporations Act. One exception to the general rule is where the benefit constitutes "reasonable remuneration" in respect of the duties and responsibilities of the related party in the management of the public company.</p> <p>The remuneration that the Non-Executive Directors (including Dr Finch) receive for performing their duties as a Director is below the average remuneration levels for directors of companies with similar size to the Company's; the grant of the Performance Rights is a cash free, effective and efficient way to provide Dr Finch with an appropriate and market level of Directors' remuneration. On this basis, in the view of the Board, the issue of the Performance Rights does constitute "reasonable remuneration" in respect of Dr Finch, and, as the provision of such benefits is expressly permitted by section 211(1) of the Corporations Act, the Board does not consider the Company is required to seek shareholder approval in order to give Dr Finch the financial benefit that is inherent in the issue to them of the</p>

	<p>Directors Shares.</p> <p>Accordingly, Resolution 5 does not seek approval for the purposes of Chapter 2E of the Corporations Act.</p>
<p>Terms of Performance Rights</p>	<p>The Performance Rights will have the following terms and vesting conditions:</p> <ul style="list-style-type: none"> ▪ The Performance Rights are subject to the following vesting conditions (Performance Hurdles): <ul style="list-style-type: none"> ○ Entellect's achievement of \$5 million gross revenue during any given 12 consecutive months (Revenue Hurdle); and ○ The holder continues as a Director until the date that the Revenue Hurdle is achieved. ▪ The Performance Rights will lapse if the Performance Hurdles are not achieved by 31 December 2016 (Performance Hurdle Expiry Date). ▪ Subject to the satisfaction of the Performance Hurdles in relation to each Director, Dr Finch will receive one share in the Company for each vested Performance Right. Any Performance Right which does not vest according to the vesting requirements by the Performance Hurdle Expiry Date will lapse. ▪ No cash consideration is payable for the issue of the Performance Rights, or on the issue of the underlying Performance Shares upon the vesting of the Performance Rights. ▪ Subject to the Listing Rules, the Board has discretion in circumstances of death, disability or bona fide redundancy to vary the service condition and reduce the number of Performance Rights for a lesser period of service, in accordance with the LTIP. ▪ The Performance Rights issued will not be listed on ASX and will not be transferable, except as permitted under the LTIP.
<p>Disclosures made for the purposes of Listing Rule 10.15</p>	<p>To enable shareholder approval to be effectively obtained under Listing Rule 10.14, the following information is provided in respect of the Performance Rights, Plympton:</p> <ol style="list-style-type: none"> (a) The number of Performance Rights to be granted to Dr Finch if Resolution 5 are approved is 20 million, each exercisable for one ordinary share in Entellect. The maximum number of shares that may be issued upon exercise of the Performance Rights is 20 million. Upon exercise of the Performance Rights, the underlying Performance Shares will rank equally with all other ordinary shares of the Company on issue. (b) The price payable on the issue of each Performance Right is nil. (c) The price payable on the exercise of each Performance Right is nil. Once the Performance Hurdles are met, the Performance Rights vest and Dr Finch may call for the underlying Performance Shares to be issued to him. (d) At this point in time, the following securities have been issued under the LTIP (all performance rights described below have the same terms and conditions as the Performance Rights the subject of Resolution 5): <ul style="list-style-type: none"> ▪ 49 million performance rights, each to acquire 1 ordinary fully paid share in the Company, to Mr James Kellett, the Company's CEO, or his nominee(s); ▪ 20 million performance rights, each to acquire 1 ordinary fully paid share in the Company, to Mr Andrew Plympton, Non-Executive Chairman of Entellect, or his nominee(s); and

	<ul style="list-style-type: none"> ▪ 20 million performance rights, each to acquire 1 ordinary fully paid share in the Company, to Mr Jeffrey Bennett, Non-Executive Director of Entellect, or his nominee(s). <p>No performance rights issued under the LTIP have vested and accordingly no performance shares have been issued under the LTIP.</p> <p>(e) The names of the persons referred to in Listing Rule 10.14 entitled to participate in the LTIP are all Directors and those parties determined by the Board as eligible to participate in the LTIP, including senior management.</p> <p>(f) A voting exclusion statement applies to Resolution 5 and is included in the Notice.</p> <p>(g) There is no loan proposed in relation to the proposed award of the Performance Rights to Dr Finch.</p> <p>(h) Subject to approval, it is proposed that the Performance Rights be granted to Dr Finch within 1 month of the 2014 AGM, but in any event no later than 12 months after the date of the Meeting.</p>
Board Recommendation	The Directors, with Dr Finch abstaining, unanimously recommend that shareholders vote in favour of this item.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this item of business.

DEFINITIONS

Corporations Act	Means the Corporations Act 2001 (Cth)
Company or Entellect	Means Entellect Limited ACN 009 221 783
Closely Related Party (of a member of KMP of an entity)	Has the definition given to it by section 9 of the <i>Corporations Act</i> , and means: <ul style="list-style-type: none"> a) a spouse or child of the member; or b) a child of the member's spouse; or c) a dependant of the member or of the member's spouse; or d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or e) a company the member controls; or f) a person prescribed by the regulations for the purposes of this definition (nothing at this stage).
Equity Security	Means: <ul style="list-style-type: none"> a) a share; b) a right to a share or option; c) an option over an issued or unissued security; d) a convertible security; e) any security that ASX decides to classify as an equity security.
Key Management Personnel or KMP	Means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
Long Term Incentive Plan	Means the long term incentive plan approved and adopted by Entellect's shareholders at the Company's 2013 Annual General Meeting.

-ENDS-

Entellect Limited
 ACN 009 221 783

Security Holder Appointment of Proxy – Annual General Meeting

I/We being a Shareholder entitled to attend and vote at the Meeting, hereby appoint

(Name of Proxy)

OR

The Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 9.30am (AEDT) on 15 December 2014 at the offices of Grant Thornton, Wills Room, The Rialto, Level 30, 525 Collins Street, Melbourne, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 5 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

VOTING ON BUSINESS OF THE MEETING

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1 Adoption of Remuneration Report (Non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 Approval of 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Andrew Plympton as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of the issue of Performance Rights to Dr Nigel Finch pursuant to LTIP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Dr Nigel Finch as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll if one is called.

SIGNATURE OF SHAREHOLDER(S):

Individual or Shareholder 1

Sole Director / Company Secretary

Shareholder 2

Director

Shareholder 3

Director / Company Secretary

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

APPOINTING A PROXY

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. The appointed proxy may be an individual or body corporate.

If a Body Corporate is appointed to act as your proxy then a representative of that Body Corporate must be appointed to act as its representative. When attending the meeting, the representative must bring a formal notice of appointment as per section 250D of the Corporations Act. Such notice must be signed as required by section 127 of the Corporations Act or the Body Corporate's Constitution.

If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll.

The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

Note: If you wish to appoint a second proxy, you may copy this form but you must return both forms together.

VOTING ON BUSINESS OF MEETING

A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the number of votes that the proxy may exercise by writing the number of Shares next to the box marked for the relevant item of business.

Where a box is not marked the proxy may vote as they choose subject to the relevant laws.

Where more than one box is marked on an item the vote will be invalid on that item.

SIGNING INSTRUCTIONS

- **Individual:** Where the holding is in one name, the Shareholder must sign.
- **Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.
- **Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
- **Companies:** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

ATTENDING THE MEETING

Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

LODGEMENT OF VOTES

To be effective, a validly appointed proxy must be received by the Company **not less than 48 hours** prior to commencement of the Meeting.

Proxy appointments can be lodged by:

Online – via our share registry @ <https://automic.7g.com.au/loginlisted.aspx>

1. Security Code – using the dropdown box select "Entellect Limited"
2. SRN/HIN – enter your personal holder number
3. Enter your postcode if your holding has a registered address in Australia or your Country if it is registered overseas
4. Click the "Login" button
5. Click on the "Voting" tab to commence registering your voting intention

Post

Entellect Limited
C/- Automic Registry Services
PO Box 223
WEST PERTH WA 6872

Hand Delivery

Automic Registry Services
Level 1, 7 Ventnor Avenue
WEST PERTH WA 6005

Facsimile - to the Registry on facsimile number +61 8 9321 2337

Proxy Forms received later than this time will be invalid