

# Notice of Annual General Meeting

## Friday, 25 November 2016 at 10.00am AEDT

Notice is given that the Annual General Meeting (**AGM**) of Bluechiip Limited (**Bluechiip** or **Company**) will be held at the offices of Phillips Ormonde Fitzpatrick, Level 16, 333 Collins Street, Melbourne on Friday 25 November 2016 at 10.00am AEDT.

The Explanatory Statement which accompanies and forms part of this Notice of Meeting more fully describes the matters to be considered at the Annual General Meeting.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in Section 11 of the Explanatory Statement.

## **Ordinary Business**

### **1. Financial Statements and Reports for the year ended 30 June 2016**

To receive and consider the Company's Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2016.

**Note:** No resolution will be required to be passed on this matter.

### **2. Resolution 1 – Remuneration Report**

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

*"That the Remuneration Report forming part of the Directors' Report for the financial year ended 30 June 2016 be adopted."*

**Note:** The vote will be determined as an **ordinary resolution** but is advisory only and does not bind the Company or its Directors.

### **3. Resolution 2 – Re-election of Director (Mr Iain Kirkwood)**

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

*"That Mr Iain Kirkwood, a director retiring in accordance with clause 57 of the Constitution, and being eligible, is re-elected as a Director of the Company."*

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## **Special Business**

### **4. Resolution 3 – Appointment of Auditor**

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

*"That, subject to the consent of the Australian Securities & Investments Commission to the current auditor resigning, Deloitte Touche Tohmatsu being qualified to act as auditor of the Company and having consented to act, be appointed as the Company's auditor effective from the date of the meeting and the Directors be authorised to agree the remuneration."*

### **5. Resolution 4 – Ratification of Previous Issues of Securities**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company ratifies and approves the allotment and issue of 23,875,987 Shares and 4,000,000 Performance Rights that have occurred in the 12 months prior to 25 November 2016, as detailed in the Explanatory Statement accompanying the Notice convening this meeting."*

### **6. Resolution 5 – Approval of Bluechiip Performance Rights Plan**

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

*"That the Bluechiip Performance Rights Plan, as described in the Explanatory Statement accompanying the Notice convening this meeting, be approved for the issue of securities under that plan for the purpose of ASX Listing rule 7.2, exception 9."*

### **7. Resolution 6 – Approval of issue of Performance Rights to the Managing Director**

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

*"That, in accordance with ASX Listing Rule 10.14 and for all other purposes, the Company approves the allotment and issue of 3,000,000 performance rights to Mr. Andrew McLellan, under the Bluechiip Performance Rights Plan as described in the terms and conditions contained in the Explanatory Statement accompanying the Notice convening this meeting."*

### **8. Resolution 7 – Approval of issue of Shares to the Managing Director**

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,562,500 Shares, to Mr. Andrew McLellan, in lieu of payment of part of the Managing Directors' accrued bonus entitlement, on the terms and conditions set out in the Explanatory Statement accompanying the Notice convening this meeting."*

### **9. Resolution 8 – Participation in placement of rights issue shortfall by Edward St. Consulting Pty Ltd and Mr. Michael Ohanessian**

To consider, and, if thought fit, to pass the following resolutions as separate **ordinary resolutions**:

- (a) *"That, pursuant to and in accordance with ASX Listing Rule 10.11, and for all other purposes, the Company authorises and approves the issue to Edward St. Consulting Pty Ltd of 750,000 Shares for a subscription price of \$0.022 each, as described in the Explanatory Statement accompanying the Notice convening this meeting."*
- (b) *"That, pursuant to and in accordance with ASX Listing Rule 10.11, and for all other purposes, the Company authorises and approves the issue to Mr. Michael Ohanessian of 3,787,877 Shares for a subscription price of \$0.022 each, as described in the Explanatory Statement accompanying the Notice convening this meeting."*

### **10. Resolution 9 – Approval of proposed Additional 10% Placement Facility**

To consider, and, if thought fit, to pass with or without amendment, as a **special resolution**:

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of Shares up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions contained in the Explanatory Statement accompanying the Notice convening this meeting."*

## VOTING RESTRICTIONS

RESOLUTION	PERSONS EXCLUDED FROM VOTING
<b>Resolution 1 – Adoption of the Remuneration Report</b>	<p>A member of the Key Management Personnel (“KMP”) named in the Remuneration Report or that KMP’s Closely Related Party. However, a vote may be cast by such person if:</p> <ul style="list-style-type: none"> <li>(a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on Resolution 1 as described above; or</li> <li>(b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the KMP.</li> </ul>
<b>Resolution 4 – Ratification of previous issues of Shares (ASX Listing Rule 7.4)</b>	<p>Any person who participated in the issue of Shares described in section 5 of the Explanatory Statement and any associates of such persons.</p>
<b>Resolution 5 – Approval of Bluechiip Performance Rights Plan</b>	<p>The following persons may not vote, and the Company will disregard any votes cast by the following persons:</p> <ul style="list-style-type: none"> <li>(a) any Director who is eligible to participate in the Bluechiip Performance Rights Plan;</li> <li>(b) any associate of such a Director.</li> </ul> <p>In addition, the Company will disregard votes cast by a member of the KMP (and any of their Closely Related Parties). However, a vote may be cast by such a person if:</p> <ul style="list-style-type: none"> <li>(a) the person is acting as proxy and the proxy form specifies how the proxy is to vote; or</li> <li>(b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the KMP.</li> </ul>
<b>Resolution 6 – Approval of Performance Rights to the Managing Director (ASX Listing Rule 10.14)</b>	<p>The Company will disregard any votes cast on Resolution 6 by Mr McLellan and any of his associates.</p> <p>In addition, the Company will disregard votes cast by a member of the KMP (and any of their Closely Related Parties). However, a vote may be cast by such a person if:</p> <ul style="list-style-type: none"> <li>(a) the person is acting as proxy and the proxy form specifies how the proxy is to vote; or</li> <li>(b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the KMP.</li> </ul>
<b>Resolution 7 – Approval of Shares to the Managing Director (ASX Listing Rule 10.11)</b>	<p>The Company will disregard any votes cast on Resolution 7 by Mr McLellan and any of his associates.</p> <p>In addition, the Company will disregard votes cast by a member of the KMP (and any of their Closely Related Parties). However, a vote may be cast by such a person if:</p> <ul style="list-style-type: none"> <li>(a) the person is acting as proxy and the proxy form specifies how the proxy is to vote; or</li> <li>(b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the KMP.</li> </ul>

## RESOLUTION

## PERSONS EXCLUDED FROM VOTING

**Resolutions 8(a) and 8(b) Approval of participation in placement of rights issue shortfall by Edward St. Consulting Pty Ltd and Mr. Michael Ohanessian (ASX Listing Rule 10.11).**

(b) Any person who may participate, or has agreed to participate, in the proposed issue, and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of Shares) if Resolution 8(a) or 8(b) is passed, and any associates of such persons

**Resolution 9 – Approval of proposed Additional 10% Placement Facility**

A person who may participate in the Additional 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 9 is passed and, in each case, their respective associates.

However, the entity need not disregard a vote on Resolutions 4, 5, 6, 7, 8(a), 8(b) and 9 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.

By order of the Board



Lee Mitchell  
Company Secretary

Date: 23 October 2016

## NOTES REGARDING PROXIES AND VOTING

### Voting entitlement

The Board has determined in accordance with regulation 7.11.37 of the Corporations Regulations that for the purpose of voting at the AGM, the Shares held by each Shareholder will be as they appear on the Company's share register at **7.00pm (AEDT) on Wednesday, 23 November 2016**. This means that if you are not the registered holder of a Share at that time you will not be entitled to vote in respect of that Share.

### Voting by proxy

**IMPORTANT:** The Board recommends that shareholders vote in favour of each item of business. **The Chairman intends to vote all available undirected proxies in favour of each item of business.**

Each Shareholder who is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on behalf of that Shareholder. The proxy may be an individual or a body corporate. A proxy need not be a Shareholder.

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. If a Shareholder appoints two proxies and the appointment does not specify the proportion, or number, of the Shareholder's votes each proxy may exercise, each proxy may exercise half the votes (disregarding fractions). If a Shareholder appoints two proxies, neither proxy may vote on a show of hands.

A proxy appointment form is enclosed with this Notice of AGM. For the appointment of a proxy to be valid, the following documents must be received either at Bluechiip's registered office or at the Company's share registry, Boardroom Pty Limited, **at least 48 hours prior to the AGM** or any adjournment of the AGM:

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

The documents must be received by the Company at the address set out below by no later than 10.00am (AEDT) on 23 November 2016. Proxy forms received after that time will not be valid for the scheduled AGM.

Online: [www.votingonline.com.au/bluechiipagm2016](http://www.votingonline.com.au/bluechiipagm2016)

By facsimile: +61 2 9290 9655

By mail: Boardroom Pty Limited, GPO Box 3993, SYDNEY NSW 2001

By delivery: Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, SYDNEY, NSW, 2000

Your proxy appointment form is enclosed.

### Voting Prohibition by Proxy Holders

#### **Resolution 1 – Remuneration Report**

In accordance with section 250R(4) of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

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

However, a person described above may cast a vote on Resolution 1 as proxy if the vote is not cast on behalf of that person and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on Resolution 1; and
  - (ii) expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of the Key Management Personnel.

#### **Resolutions 5, 6 and 7**

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 5, 6 and 7 if the person is a member of the Key Management Personnel or a Closely Related Party of such member and the appointment does not specify the way the proxy is to vote on those Resolutions.

However, a person described above may cast a vote on the abovementioned Resolutions if the person is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even if the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**The Chairman will chair the AGM and intends to vote all available undirected proxies in favour of all of the Resolutions.**

### Bodies corporate

A Shareholder which is a body corporate and entitled to attend and vote at the AGM, or a proxy which is a body corporate and is appointed by a Shareholder entitled to attend and vote at the AGM, may appoint an individual to act as its representative at the AGM.

If a representative of a corporate Shareholder or a corporate proxy is to attend the AGM, a certificate of appointment of the representative must be produced prior to admission to the AGM. A form of certificate of appointment can be obtained from the Company's share registry, Boardroom Pty Limited.

## EXPLANATORY STATEMENT

### Purpose of Information

The purpose of this Explanatory Statement (which accompanies, and forms part of, the Notice), is to provide Shareholders with an explanation of the business of the AGM and of the Resolutions to be proposed and considered at the AGM at 10.00am on Friday, 25 November 2016 and to assist shareholders in deciding how they may wish to vote on the Resolutions.

A Proxy Form is enclosed with this Explanatory Statement.

### Summary of Business of the AGM

To receive and consider the Financial Statements and Reports for the financial year ended 30 June 2016.

To consider and vote on the following Resolutions:

- Resolution 1: To adopt the Remuneration Report for the financial year ended 30 June 2016;
- Resolution 2: To re-elect Mr Iain Kirkwood as a Director of the Company;
- Resolution 3: Appointment of Auditor;
- Resolution 4: To ratify previous issues of Securities;
- Resolution 5: To approve the Bluechiip Performance Rights Plan;
- Resolution 6: To approve the issue of Performance Rights to the Managing Director;
- Resolution 7: To approve the issue of Shares to the Managing Director;
- Resolutions 8(a) and 8(b): To approve the participation by Edward St. Consulting Pty Ltd and Michael Ohanessian in the Company's placement of Shortfall Shares under the Company's 2016 Rights Issue; and
- Resolution 9: To approve the proposed Additional 10% Placement Facility.

### Ordinary Business

#### 1. Financial Statements and Reports

Pursuant to the *Corporations Act*, the directors of a listed company that is required to hold an annual general meeting must table the financial statements and reports of the company (including the directors' report, remuneration report and auditor's report) for the previous financial year before the members at that annual general meeting.

Shareholders have been provided with all relevant information concerning the Company's financial statements, the Directors' Report, Remuneration Report and Auditor's Report in the Annual Financial Report of the Company for the year ended 30 June 2016.

The Company will not provide a hard copy of the Annual Report unless specifically requested to do so. The Annual Report can also be viewed, printed and downloaded from the Company's website [www.bluechiip.com](http://www.bluechiip.com). A copy of the financial statements, the Directors' Report, the Remuneration Report and the Auditor's Report will also be tabled at the meeting.

Shareholders should note that the sole purpose of tabling the financial statements and the relevant reports of the Company at the AGM is to provide shareholders with the opportunity to ask questions or discuss matters arising from the financial statements and/or reports at the meeting. It is not the

purpose of the meeting that the financial statements or the reports be accepted, rejected or modified in any way. Further, as it is not required by the Corporations Act, no resolution to adopt, receive or consider the Company's financial statements or the reports will be put to the shareholders at the meeting.

Shareholders will be given a reasonable opportunity at the AGM to ask questions and make comments on the financial statements and the reports. The Company's auditor will also be available to receive questions and comments from shareholders about the preparation and content of the financial statements and the Auditor's Report and the conduct of the audit generally.

In addition to taking questions at the AGM, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

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

may be submitted no later than 5 business days before the AGM to the Company Secretary at the Company's registered office.

#### 2. Resolution 1 – Remuneration Report

##### 2.1 General

The *Corporations Act* requires that at a listed company's Annual General Meeting, a resolution that the Remuneration Report be adopted must be put to the Shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company. If at least 25% of the votes cast on the resolution are voted against adoption of the Remuneration Report at the AGM, and then again at the Company's next (the 2017) AGM, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company (**Spill Resolution**).

If more than 50% of shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2017 Annual General Meeting. All of the Directors who were in office when the Company's 2017 Directors' Report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, then Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that it may result in the re-election of the Board.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the Financial Report of the Company for the period ended 30 June 2016.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the AGM.



## 2.2 Proxy Restrictions

As required by the *Corporations Act*, the Company will disregard any votes cast on Resolution 1 (adoption of the Remuneration Report) by:

- (a) a member of the key management personnel of the Company or the Company's Group named in the Remuneration Report (**KMP**); or
- (b) a closely related party of a KMP.

KMP are defined as being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of KMP include Directors and certain senior executives.

However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the chair of the meeting and the appointment of the chair as proxy:
  - (i) does not specify the way the proxy is to vote on Resolution 1; and
  - (ii) expressly authorises the chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of the KMP.

If the Chair, or another member of KMP or their closely related parties (such as the member's immediate family member) is appointed as your proxy to vote on Resolution 1, you are encouraged to direct your proxy how they are to vote by completing any one of the "for", "against" or "abstain" boxes for Resolution 1 at step 2 of the accompanying proxy form.

### ***The Chairman intends to exercise all available undirected proxies in favour of Resolution 1.***

*If the Chairman of the AGM is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you will be considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.*

Please also read the information in the Notes to the Notice of AGM under the heading "Voting Prohibition by Proxy Holders" which deals with the Chairman's voting of proxies on Resolution 1.

## 3. Resolution 2 – Re-election of Mr Iain Kirkwood

Clause 58 of the Constitution requires that one third of all Directors, or if their number is not a multiple of three, then the number nearest to, but not more than one-third, must retire at each annual general meeting. The Directors to retire by rotation at an annual general meeting are those that have been longest in office since their last election.

Clause 58 of the Constitution states that a Director who retires under clause 58 is eligible for re-election. In accordance with the Constitution, Mr Kirkwood will retire by rotation and being eligible, offers himself for re-election.

Details of the qualifications and experience of Mr. Kirkwood are contained in the Financial Report.

The Board believe that Mr Kirkwood has performed the duties and responsibilities of Chairman and non-executive director diligently and professionally, in the best interests

of all Shareholders. Accordingly, the Directors (with Mr Kirkwood abstaining given his personal interest in the matter) unanimously recommend that Shareholders vote in favour of Resolution 2.

### **The Chairman of the meeting intends to vote all undirected proxies in favour of Resolution 2.**

## 4. Resolution 3 – Appointment of Auditor

### 4.1 Background

Ernst & Young has been the auditor of the Company since it listed on the ASX in 2010. The Board has generally been satisfied with the services of Ernst & Young as Company auditor and thanks Ernst & Young for their services provided as auditor of the Company. However, given the period of time that Ernst & Young has acted as the Company's auditor and the size of the Company, the Audit Committee has reviewed the role of auditor and considers that in accordance with good governance practice, it is appropriate that the Company's auditor changes.

As a consequence, the Company has requested Ernst & Young apply to ASIC under subsection 329(5) Corporations Act for consent to resign as auditor of the Company with effect from the end of the Annual General Meeting. If ASIC notifies Ernst & Young that ASIC consents to Ernst & Young's resignation, Ernst & Young will give its notice of resignation to the Company with effect from the end of the Annual General Meeting.

The Company has received a notice from Mr Iain Kirkwood being a Shareholder, nominating Deloitte as the new auditor of the Company. In accordance with section 328B Corporations Act, a copy of the notice of nomination of Deloitte received by the Company from Mr Kirkwood is attached as Annexure A.

Deloitte has consented in writing to act as auditor of the Company. Deloitte does not provide any services to the Company and the Company confirms that it is unaware of any matter or circumstances that would give rise to a 'conflict of interest situation', as defined in section 324CD of Corporations Act, in relation to the Company.

The Audit Committee has also noted that Deloitte is a registered company auditor and is a well-established firm with the necessary expertise and has the resources to meet the Company's requirements. Consequently, subject to the Company receiving all necessary approvals from ASIC and shareholder approval at the Annual General Meeting, Deloitte has been nominated and selected to become the new auditor of the Company.

The Corporations Act requires that shareholders approve the appointment of the new auditor.

Subject to ASIC consenting to Ernst & Young's resignation as the Company's auditor, the Directors unanimously recommend that Shareholders vote in favour of this resolution to appoint Ernst & Young as the Company's auditor. If ASIC does not consent to Ernst & Young's resignation as the Company's auditor, Ernst & Young will continue as the Company's auditor and Resolution 3 will not be put to the Meeting.

### **The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 3.**

## 5. Resolution 4 – Ratification of previous issues of Securities

### 5.1 General

On 17 December 2015, the Company announced a private placement of 11,250,000 Shares at a price of \$0.04 per Share

to sophisticated and professional investors raising total subscription moneys of \$450,000 (**December '15 Placement**).

On 7 March 2016, the Company announced that it had raised \$125,000 in a private placement by the issue of 4,385,965 Shares at a price of \$0.0285 per Share to sophisticated and professional investors (**March '16 Placement**).

On 18 May 2016, the Company announced that it had raised \$180,030.05 in a private placement by the issue of 8,001,336 Shares at a price of \$0.0225 per Share to sophisticated and professional investors (**May '16 Placement**).

On 23 September 2016, the Company issued 238,686 Shares as commission in connection with the Rights Issue announced on 15 August 2016 (**Rights Issue Commission Shares**). In addition, on 23 September 2016 the Company also issued 4,000,000 Performance Rights to selected Bluechiip employees (**2016 Performance Rights**).

The Company is therefore seeking to approve the prior issue of 23,875,987 Shares and 4,000,0000 Performance Rights as detailed above pursuant to Resolution 4, which if approved, will be ratified and will refresh the ability of the Company to issue further Equity Securities, up to the 15% limit, in the next 12-month period without shareholder approval.

## 5.2 ASX Listing Rule Requirements

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the Company's issued capital at the commencement of that 12-month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting subsequently approves the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The Company is seeking Shareholder approval to the issues of securities described at 5.1 and 5.3 above and below. The issue and allotment of Securities referred to in Resolution 4 did not exceed the 15% limit however the Board believes that it is in the best interests of the company to maintain the ability to issue up to its full placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval so that the Company retains financial flexibility and can take advantage of commercial opportunities that may arise.

Shareholder approval is sought so as to "refresh" Bluechiip's 15% Equity Security placement limit pursuant to ASX Listing Rule 7.1.

## 5.3 Approval being sought

Accordingly, by this Resolution the Company seeks to obtain Shareholder approval for the purposes of Listing Rule 7.4 for the 23,875,987 fully paid ordinary shares and 4,000,000 Performance Rights already issued.

Each recipient of Equity Securities for the purposes of this Resolution is a sophisticated or professional investor and not a related party of the Company. The Equity Securities were issued to raise funds for working capital.

For the purposes of Listing Rule 7.5 the Company provides the following information in respect of the securities, the subject of this Resolution 4:

<b>Total number of Securities issued</b>	a) 23,875,987 Shares b) 4,000,000 Performance Rights
<b>Issue price of the securities</b>	a) The Shares issued under the December '15 Placement were issued at a price of \$0.04 each; b) The Shares issued under the March '16 Placement were issued at an issue price of \$0.0285 each; c) The Shares issued under the May '16 Placement were issued at a price of \$0.0225 each; d) The Rights Issue Commission Shares were issued as commission on Shares taken up in connection with the Rights Issue announced on 15 August 2016 and were issued for no additional consideration; and e) the 2016 Performance Rights were issued for no consideration.
<b>Terms of issue</b>	a) All Shares referred to above are fully paid ordinary securities ranking equally with all other issued shares in the capital of the Company; b) A summary of the key rules of the Plan governing the 2016 Performance Rights are set out in the Explanatory Notes for Resolution 5 and the terms are otherwise identical to those applicable to the proposed Performance Rights to be issued to the Managing Director as described in the Explanatory Statement for Resolution 6.
<b>Allottees</b>	The allottees of the Shares were sophisticated and professional investors that are not related to the Company. Further details of these persons are set out in 10.4(i) below.  The allottees of the 2016 Performance Rights are Bluechiip employees that are not related parties or members of the KMP.
<b>Intended use of funds</b>	The funds raised from the issue of the Shares (other than the Rights Issue Commission Shares) were to provide additional working capital for the Company.  No funds were raised from the issue of the 2016 Performance Rights or the Rights Issue Commission Shares.

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

**The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 4.**

A voting exclusion statement has been included in the Notice of Meeting.

## 6. Resolution 5 – Approval of Bluechiip Performance Rights Plan

### 6.1 Background

Rules are already in place for the Bluechiip Performance Rights Plan (**Plan**). It is designed to assist with the attraction,



motivation and retention of relevant employees of Bluechiip, align the interests of those employees and shareholders by matching rewards with the long term performance of Bluechiip and, accordingly, drive Bluechiip's performance. The Plan has not previously been submitted to Bluechiip shareholders for approval.

A copy of the rules for the Plan can be obtained by requesting a copy from the Company via the Company Secretary at the Company's registered office.

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under that plan as an exception to ASX Listing Rule 7.1.

Resolution 5 seeks shareholder approval for a period of three years so that securities issued pursuant to the plan are not included within the limit of 15% of issued shares that can be issued without shareholder approval.

In accordance with ASX Listing rule 7.2, exception 9, a summary of the key terms of the plan and the number of securities issued under the plan is set out below:

## 6.2 Terms of the Performance Rights Plan

Set out below is a summary of the key rules of the Plan under which the Performance Rights will be delivered, if approved by shareholders).

**General:** The Performance Rights Plan delivers a contractual right to a grant of a Share to the holder at a future date, subject to performance hurdles being met and any other vesting conditions being satisfied. No payment is required to be made by the holder in respect of the exercise of Performance Rights. Upon exercise, each Performance Right entitles the holder to the issue or transfer of one Share (subject to adjustment in certain circumstances as permitted by the ASX Listing Rules).

**Performance hurdles and other vesting conditions:** The Board has determined that, subject to the terms of the Plan, the vesting and exercise of Performance Rights is conditional on the achievement of the performance hurdles, and the satisfaction of any other vesting conditions, as set out in the terms and conditions of the specific grant. The performance and other vesting hurdles for the Performance Rights proposed to be granted to are substantially the same as those set out at section 7.6 below.

**Exercise:** The Board will prescribe a date or dates on which Performance Rights become exercisable. Subject to the Plan, on or after the prescribed exercise date, and provided all other vesting and exercise conditions prescribed by the Board have been achieved and the Performance Rights have not otherwise lapsed, the relevant holder of Performance Rights may acquire Shares by exercising the Performance Rights.

**Early exercise:** Early exercise of Performance Rights may be permitted at the discretion of the Board, if the relevant holder ceases employment with the Company in circumstances such as death, retirement, ceasing employment because of illness, incapacity or redundancy or where otherwise permitted by the Board or its delegate (such as on a transfer of business).

Such early exercise, however, is subject to the satisfaction of the applicable performance hurdles and any other vesting conditions at the time of cessation and is pro-rated for the time served. Early exercise may also be permitted on a takeover, scheme of arrangement, or winding up of the Company, subject to the Board or its delegate's approval. Early exercise of Performance Rights of persons whose employment is terminated for cause may only occur if permitted at the discretion of the Board (and again subject to the satisfaction of the applicable performance hurdles and any other vesting conditions at that time).

**Delivery of Shares:** The Board can decide whether to purchase Shares on-market or to issue new Shares to satisfy the exercise of Performance Rights.

**Reorganisations and bonus issues:** A holder's entitlement to Shares under a Performance Right will be adjusted to take account of bonus issues as if the Performance Right had been exercised before the determination of entitlements in respect of those issues. In the case of reorganisation of the issued capital of the Company, the entitlement to Shares under a Performance Right will be adjusted as required by the ASX Listing Rules from time to time.

**Lapse:** A Performance Right will lapse if it is not exercised within the exercise period determined by the Board on grant.

However, in the case of death or cessation of employment of the relevant Plan participant, the lapse date may be brought forward. Subject to the Board determining an earlier lapse date, a Performance Right lapses at the latest of:

- 5 days after the expiration of the relevant performance period after the relevant Plan participant's death, retirement, redundancy or permanent incapacity occurs before the Performance Right lapses in accordance with the below;
- immediately after the relevant Plan participant ceases to be employed by the Company by reason of resignation or termination for cause; and
- if the Board extends the time during which the Performance Right may be exercised, the expiry of that time.

Lapse may also occur in other circumstances, including where there is dishonesty, fraud or breach of duty by a Plan participant.

**Restrictions on transfer:** a Performance Right granted to a Plan participant is only exercisable by the participant or their legal personal representative. Performance Rights are not transferable, except with express approval of the Board or its delegate or by force of law on death or legal incapacity.

**Restriction on disposal of Shares:** the Board may impose a restriction on disposal of Shares acquired on exercise of a Performance Right.

## 6.3 Number of equity securities issued under the Plan

The Plan was originally adopted by the Board in December 2014 and has received some minor (non-material) updates for 2016 however the Plan has not previously been submitted to shareholders for approval. Since the Plan was adopted:

- 1,500,000 Performance Rights were granted to the Managing Director following the 2015 AGM. None of these rights have vested as the relevant performance hurdles have not been satisfied.

- 4,000,000 Performance Rights were issued to selected employees of the Company in September 2016 (none of whom are KMP or related parties). These securities are also the subject of Resolution 4 above.

## 7. Resolution 6 – Approval of issue of Performance Rights to the Managing Director

### 7.1 General

ASX Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without the approval of shareholders by ordinary resolution.

The purpose of Resolution 6 is to have shareholders approve the proposed grant under the Bluechip Limited 2016 Performance Rights Plan (**Plan**) to the Company's Managing Director and Chief Executive Officer, Mr. Andrew McLellan, of rights to receive fully paid ordinary shares in the Company (**Shares**) by issue or transfer for no cash payment (**Performance Rights**).

Subject to approval by shareholders, the Board proposes that under the Plan (in respect of the 2017 financial year), the grant will comprise the issue of 3 million Performance Rights to Mr. McLellan.

The Performance Rights are also subject to performance hurdles as outlined below.

In the Board's view, the performance hurdles that must be satisfied before Performance Rights are exercisable link the ultimate value of the Performance Rights to total shareholder returns and therefore provide a major incentive for Mr McLellan to (a) ensure the Company performs, and (b) aligning Mr. McLellan's interests with those of the Company's shareholders.

The issue of Performance Rights to senior executives is a well established and standard component of the Company's remuneration structure and the Directors, other than Mr McLellan (in view of his personal interest in the resolution), believe it is appropriate for shareholders to approve the grant of Performance Rights as contemplated by Resolution 6.

**Note, if shareholders approve the issue of the Performance Rights under LR 10.14, shareholder approval is not required under LR 7.1.**

### 7.2 Terms of the Performance Rights

A summary of the key rules of the Plan is set out above in the Explanatory Notes for Resolution 5.

### 7.3 Number of equity incentives issued under the Plan

The Plan was originally adopted by the Board in December 2014 but has not previously been submitted to shareholders for approval. The Plan allows Performance Rights to be issued to employees of the Company.

Since the Plan was adopted:

- 1,500,000 Performance Rights were granted to the Managing Director following shareholder approval for the issue of these Performance Rights at the 2015 AGM. None of these rights have vested.
- 4,000,000 Performance Rights were issued to selected employees of the Company in September 2016 (none of which are related parties). These securities are the subject of Resolution 5 above.

### 7.4 Maximum number of Performance Rights to be issued to Mr McLellan

The maximum number of Performance Rights that may be acquired by Mr. McLellan if shareholder approval is provided at the Annual General Meeting is 3,000,000.

### 7.5 Price of Performance Rights

The Performance Rights will be issued at no cost to Mr McLellan. Once the performance hurdles are met (or waived), the Performance Rights will be exercisable at nil cost.

### 7.6 Vesting and other performance hurdles details relating to the Performance Rights

The number of Performance Rights that will vest will be determined by the Company's Relative Total Shareholder Return (**TSR**) performance relative to the movement in the ASX All Ordinaries Accumulation Index (**AORD**) for the relevant Measurement Period as follows:

No. of Performance Rights Vesting	Vesting Date	Expiry Date	Measurement Period
1 million	30 August 2017	31 December 2017	1 July 2016 to 30 June 2017 (1 year)
1 million	30 August 2018	31 December 2018	1 July 2016 to 30 June 2018 (2 years)
1 million	30 August 2019	31 December 2019	1 July 2016 to 30 June 2019 (3 years)

If the Company's relative TSR performance over the Measurement Period measured against the AORD is:

Performance Condition	No of Performance Rights Exercisable
Below 100% of the proportionate change in the AORD index over the relevant Measurement Period	No Performance Rights are capable of exercise
At 100% of the proportionate change in the AORD index over the relevant Measurement Period	50% of the Performance Rights are exercisable
Between 100% and 110% of the proportionate change in the AORD index over the relevant Measurement Period	50% of the total number of Performance Rights for that Measurement Period plus an additional number of Performance Rights (calculated on a straight line basis) for every additional percent (or part of a percent) that the Company's TSR exceeds the change in the AORD Index (i.e. an additional 5% (or part thereof) for every percent (or part thereof) that the Company's TSR exceeds 100% of the change in the AORD index.

Total Shareholder Return or TSR in respect of Bluechip for the Measurement Period will be the return to shareholders measured by the Company's share price change during the Measurement Period. Share prices are calculated as a volume weighted average (**VWAP**) sale price of shares for

the three months preceding the start and end dates of each Measurement Period.

For this purpose the starting share price is \$0.024 cents (being the 3 month VWAP up to and including 30 June 2016).

Vesting of Performance Rights is also subject to the Managing Director remaining in office on the relevant vesting date, or having ceased as an Employee of Bluechiip before the relevant vesting dates for a "Qualifying Reason" (as defined in the Plan rules)

All Performance Rights will also be subject to an overriding condition that the financial performance of the Company, in the absolute discretion of the Board, has been satisfactory.

### **7.7 Section 208 of the Corporations Act**

Section 208 of the *Corporations Act* provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the *Corporations Act*; and
- (b) give the benefit within fifteen (15) months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

The Board has considered the application of Chapter 2E of the *Corporations Act* and has resolved that the reasonable remuneration exception provided by section 211 of the *Corporations Act* is relevant in the circumstances, as the proposed financial benefit is reasonable in these circumstances. Accordingly, the Company will not seek approval for the issue of the Performance Rights to Mr Andrew McLellan pursuant to section 208 of the *Corporations Act*, in addition to the approval now being sought under the ASX Listing Rules.

### **7.8 Other information relating to the potential grant of Performance Rights**

In accordance with ASX Listing Rules 10.14 and 10.15, the following additional information is provided for shareholders.

Subject to receiving Shareholder approval, the Company will issue the Performance Rights as soon as practicable after, but in any event no later than 1 month after, the date of the AGM.

No Director other than Mr McLellan is currently eligible to participate in the grant of Performance Rights under the Plan.

Other than the 1,500,000 Performance Rights previously issued to Mr McLellan following the 2015 AGM, no Directors have received Performance Rights under the Plan since it was adopted.

Upon satisfaction (or waiver) of the relevant performance hurdles as referred to above, Mr McLellan will be entitled to exercise each Performance Right granted to him and be issued with one Share (subject to the terms of the issue of the Performance Rights relating to bonus issues and capital reorganisations of the Company) per Performance Right.

No loan will be provided by the Company in relation to the grant or exercise of the Performance Rights provided to Mr McLellan.

If shareholders approve the resolution on Resolution 6, 3 million Performance Rights granted to Mr McLellan will be issued to him.

Copies of the Bluechiip Limited Performance Rights Plan may be obtained by shareholders at no charge by writing to the Company Secretary at the Company's registered address.

### **7.9 Board recommendation:**

The Directors (with Mr McLellan abstaining) recommend that shareholders vote in favour of the resolution on Resolution 6. Mr McLellan does not make a recommendation in respect of the resolution in view of his personal interest in the matter.

**The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 6.**

**A voting exclusion statement is included in the Notice of Meeting.**

## **8. Resolution 7 – Approval to issue Shares in lieu of bonus to Managing Director**

### **8.1 Background**

In order to conserve Company funds, Mr Andrew McLellan, Managing Director of the Company, has agreed to take one half of his accrued cash bonus entitlement for FY'16 by way of Shares in lieu of cash. The Board considers this to be an appropriate and responsible measure to preserve the cash reserves of the Company.

Resolution 7 therefore seeks shareholder approval pursuant to Listing Rule 10.11 for the issue of 1,562,500 Shares at an implied issue price of \$0.022 to Mr McLellan in lieu of receiving the equivalent amounts as a bonus. The price of \$0.022 was chosen as this is equivalent to the recent Rights Issue offer price.

The value of these Shares (at the implied issue price) is \$34,375, being an amount equivalent to 50% of Mr McLellan's bonus for FY'16. The requirements of Listing Rule 10.11 are set out below at section 8.3.

If approval is not received under Resolution 7, the Company will pay the bonus in cash.

### **8.2 Section 208 of Corporations Act**

Section 208 of the *Corporations Act* provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the *Corporations Act*; and
- (b) give the benefit within fifteen (15) months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

The Board has considered the application of Chapter 2E of the *Corporations Act* and has resolved that either or both of the arms' length terms and/or reasonable remuneration exceptions provided by sections 210 and 211 of the *Corporations Act* is relevant in the circumstances. Accordingly, the Company will not seek approval for the issue of the Shares to Mr Andrew McLellan pursuant to section 208 of the *Corporations Act*, in addition to the approval now being sought under the ASX Listing Rules

### **8.3 Listing Rule 10.11**

Listing Rule 10.11 provides that a company must not issue or agree to issue any equity securities, or other securities with rights to conversion to equity, to a related party of that company without first obtaining Shareholder approval. If Resolution 7 is approved for the purposes of Listing Rule 10.11, then approval is not required under Listing Rule 7.1.

In accordance with Listing Rule 10.13, the following information is provided to Shareholders:

- (a) the Shares are to be issued to Mr. Andrew McLellan. Mr. McLellan is the Managing Director of the Company;
- (b) the maximum number of Shares to be issued to Mr. McLellan is 1,562,500;
- (c) Subject to receiving Shareholder approval, the Company will issue the Shares as soon as practicable after, but in any event no later than 1 month after, the date of the AGM;
- (d) The issue price of the Shares will be \$0.022 each;
- (e) the Shares will be issued on the same terms and conditions, and rank equally with, the Company's existing Shares;
- (f) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 7; and
- (g) no funds will be raised from the issue of the Shares.

**The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 7.** If the Chairman of the AGM is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 7, by signing and returning the Proxy Form, you will be considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Please also read the information in the Notes to the Notice of AGM under the heading "Voting Prohibition by Proxy Holders" which deals with the Chairman's voting of proxies on Resolution 7.

**Note, if shareholders approve the issue of Shares under Resolution 7, shareholder approval is not required under LR 7.1.**

#### **8.4 Directors' Recommendation**

The Directors (other than Mr McLellan) recommend that Shareholders vote in favour of Resolution 7.

### **9 Resolution 8 – Participation in placement of Shortfall Shares by Edward St. Consulting Pty Ltd and Michael Ohanessian**

#### **9.1 General**

As detailed at section 5 above, on 15 August 2016, the Company announced a 1:3 non renounceable rights issue to raise up to \$1.51 million at \$0.022 per Share. On 21 September 2016, the Company announced that it had raised \$1.9 million under the rights issue, including Shares applied for as part of the Shortfall Facility (**Shortfall Facility**)

Both Edward St Consulting Pty Ltd (an entity associated with non-executive director Iain Kirkwood) and Michael Ohanessian subscribed for Shares under the Shortfall Facility on the same terms as other existing shareholders and participating sophisticated and professional investors.

As part of the Shortfall Facility:

- Edward St. Consulting Pty Ltd agreed to subscribe for 750,000 Shares for an aggregate subscription price of \$16,500; and
- Mr Michael Ohanessian (directly, and in his capacity as trustee of the M & C Ohanessian Superannuation Fund) agreed to subscribe for 3,787,877 Shares for an aggregate subscription price of \$83,333.

Payment for these Shares has been made but the Shares have not been issued pending shareholder approval.

Resolutions 8(a) and 8(b) therefore seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of \$99,833 worth of Shares to both Edward St. Consulting Pty Ltd and Mr. Ohanessian under the Shortfall Facility. If shareholder approval is not obtained then these Shares will not be issued and the subscription moneys paid by Edward St. Consulting Pty Ltd and Mr. Ohanessian will be returned.

#### **9.2 Section 208 of Corporations Act**

Section 208 of the *Corporations Act* provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the *Corporations Act*; and
- (b) give the benefit within fifteen (15) months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

The Board has formed the view that Shareholder approval under section 208 of the *Corporations Act* is not required for the proposed issue of Shares to Edward St. Consulting Pty Ltd and Mr. Ohanessian as the exception in section 210 of the *Corporations Act* applies. The Shares are being issued on the same terms as other participating sophisticated and professional investors and is therefore considered to be on arm's length terms.

#### **9.3 Listing Rule 10.11**

Listing Rule 10.11 restricts the Company from issuing securities to a related party of the Company, unless approval is obtained from Shareholders.

A "related party" for the purposes of the *Corporations Act* is defined widely and includes a director of a public company and former directors of a public company.

#### **Edward St. Consulting Pty Ltd**

Edward St. Consulting Pty Ltd is an entity owned and controlled by Mr Kirkwood, a non-executive director of the Company. Edward St. Consulting Pty Ltd is therefore a related party of the Company. The effect of passing Resolution 8(a) will be to allow the Company to issue a total of 750,000 Shares to Edward St. Consulting Pty Ltd for a total subscription price of \$16,500. The issue of these shares will not use up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolution 8(a), the Company will not issue any Shares to Edward St. Consulting and the application moneys will be returned.

Resolution 8(a) is an ordinary resolution. **The Chairman will cast all available proxies in favour of Resolution 8(a).**

**Note, if shareholders approve the issue of Shares under Resolution 8(a), shareholder approval is not required under LR 7.1.**

#### **Mr Michael Ohanessian**

Mr Ohanessian is a Director of the Company. The effect of passing Resolution 8(b) will be to allow the Company to issue 3,787,877 Shares to Mr Michael Ohanessian (in his own right and in his capacity as a trustee of the M & C Ohanessian



Superannuation Fund) for a total subscription price of \$83,333. The issue of these shares will not use up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolution 8(b), the Company will not issue any Shares to Mr Ohanessian and the application moneys will be returned.

Resolution 8(b) is an ordinary resolution. **The Chairman will cast all available proxies in favour of Resolution 8(b).**

**Note, if shareholders approve the issue of Shares under Resolution 8(b), shareholder approval is not required under LR 7.1.**

#### 9.4 Specific Information Required by Listing Rule 10.13

##### Edward St. Consulting Pty Ltd

For the purposes of Listing Rule 10.13, information regarding the issue of Shares to Edward St. Consulting Pty Ltd is provided as follows:

- (a) The Shares will be issued to Edward St Consulting Pty Ltd (a company owned and controlled by Mr Kirkwood).
- (b) A maximum of 750,000 Shares will be issued to Edward St Consulting Pty Ltd.
- (c) Subject to receiving Shareholder approval, the Company will issue the Shares no later than one (1) month after the date of the AGM (or such longer period of time as ASX may in its discretion allow).
- (d) The Shares will be allotted at a price of \$0.022 each.
- (e) The Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (f) A voting exclusion statement is included in the Notice.
- (g) The funds raised from the issue of the Equity Securities will be used to fund ongoing sales, marketing, business development and other commercialisation activities as well as ongoing working capital requirements.

The issue of the Shares to Edward St Consulting Pty Ltd will raise funds of \$16,500.

**The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 8(a).** If the Chairman of the AGM is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 8(a), by signing and returning the Proxy Form, you will be considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

##### Mr Ohanessian

For the purposes of Listing Rule 10.13, information regarding the issue of Shares to Mr Ohanessian is provided as follows:

- (a) The Shares will be issued to Mr Michael Ohanessian (1,363,636 in his own right and 2,424,241 in his capacity as a trustee of the M & C Ohanessian Superannuation fund).
- (b) A maximum of 3,787,877 Shares will be issued to Mr Ohanessian.
- (c) Subject to receiving Shareholder approval, the Company will issue the Shares no later than one (1) month after the date of the AGM (or such longer period of time as ASX may in its discretion allow).
- (d) Mr Ohanessian is a Director of the Company.
- (e) The Shares will be allotted at a value of \$0.022 for each Share.

(f) The Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.

(g) A voting exclusion statement is included in the Notice.

The issue of the Shares to Mr Ohanessian will raise funds of \$83,333.

**The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 8(b).** If the Chairman of the AGM is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 8(b), by signing and returning the Proxy Form, you will be considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Please also read the information in the Notes to the Notice of AGM under the heading "Voting Prohibition by Proxy Holders" which deals with the Chairman's voting of proxies on Resolutions 8(a) and 8(b).

### 10 Resolution 9 – Approval of proposed Additional 10% Placement Facility

#### 10.1 General

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

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

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

The exact number of Equity Securities to be issued under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 10.2(c) below).

The Company may use the Additional 10% Placement Facility to provide funds for:

- (a) commercialisation activities of the company including:
  - (i) building the required inventory levels to meet sales demand;
  - (ii) global sales, marketing and business development activities;
- (b) general working capital requirements; and
- (c) activities which allow the company to pursue other market applications for the bluechiip® technology.

The Directors of the Company believe that Resolution 9 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

**The Chairman of the meeting intends to vote all undirected proxies in favour of Resolution 9.**



## 10.2 Description of Listing Rule 7.1A

### (a) Shareholder approval

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

### (b) Equity Securities

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

The Company, as at the date of the Notice, has on issue only one class of quoted Equity Securities being Shares.

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

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

#### **(A x D) – E**

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (A) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
  - (B) plus the number of partly paid Shares that became fully paid in the 12 months;
  - (C) plus the number of fully paid Shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
  - (D) less the number of fully paid Shares cancelled in the 12 months.
- D** is 10%
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are *not* issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

### (d) Listing Rule 7.1 and Listing Rule 7.1A

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

The Company has on issue 264,728,189 Shares and therefore has a capacity to issue:

- (i) 39,709,228 Equity Securities under Listing Rule 7.1 (on the assumption that both Resolutions 3 and 4 are passed); and
- (ii) subject to obtaining Shareholder approval under Resolutions 3, 4 and 8(a) and 8(b), 26,472,818 Shares under Listing Rule 7.1A.

The actual number of Shares that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) above).

### (e) Minimum Issue Price

The issue price of Shares under Listing Rule 7.1A must be not less than 75% of the VWAP of Shares in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Shares are to be issued is agreed; or
- (ii) if the Shares are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Shares are issued.

### (f) Additional Placement Period

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

- (iii) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (iv) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX (**Additional Placement Period**).

## 10.3 Effect of approving Resolution 9

The effect of Resolution 9 will be to allow the Directors to issue the Shares under Listing Rule 7.1A during the Additional Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

## 10.4 Specific information required by Listing Rule 7.3A

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

- (a) The Shares will be issued at an issue price of not less than 75% of the VWAP for the Company's Shares over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Shares are to be issued is agreed; or
  - (ii) if the Shares are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Shares are issued.
- (b) If Resolution 9 is approved and the Company issues Shares under the Additional 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
  - (i) the market price for the Shares may be significantly lower on the date of the issue of the Shares than on the date of the AGM; and
  - (ii) the Shares may be issued at a price that is at a discount to the market price for the Company's Shares on the issue date or the Shares are issued as part of consideration for the acquisition of a new asset or in satisfaction of a liability or obligation,which may in each case have an effect on the amount of funds raised by the issue of the Shares.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares as at 10

October 2016 and the current number of ordinary securities for variable “A” calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

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

Variable “A” in Listing Rule 7.1A.2		Dilution		
		\$0.013 50% decrease in issue price	\$0.026 Issue Price	\$0.039 50% increase in current issue price
<b>Current Variable A 264,728,189</b>	<b>10% Voting Dilution</b>	26,472,818 Shares	26,472,818 Shares	26,472,818 Shares
	<b>Funds Raised</b>	\$344,146	\$688,293	\$1,032,440
<b>50% increase in Variable A 397,092,284</b>	<b>10% Voting Dilution</b>	39,709,228 Shares	39,709,228 Shares	39,709,228 Shares
	<b>Funds Raised</b>	\$516,219	\$1,032,439	\$1,548,660
<b>100% increase in Variable A 529,456,378</b>	<b>10% Voting Dilution</b>	52,945,637 Shares	52,945,637 Shares	52,945,637 Shares
	<b>Funds Raised</b>	\$688,293	\$1,376,586	\$2,064,880

**In formulating the information contained in the above table, the following assumptions have been made:**

- (i) The Company issues the maximum number of Shares available under the Additional 10% Placement Facility;
  - (ii) No performance rights are exercised into Shares before the date of the issue of the Shares;
  - (iii) The table does not show an example of dilution that will be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder’s holding at the date of the AGM;
  - (iv) The voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue and thus is 10% in each example;
  - (v) The table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1 or under any of the exceptions to Listing Rule 7.1 and assumes Resolution 7, 8, 9(a) and 9(b) are approved; and
  - (vi) The issue price is \$0.026, being the closing price of the Shares on ASX on 10 October 2016.
- (e) The Company will only issue and allot the Shares during the Additional Placement Period. The approval under Resolution 9 for the issue of the Shares 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).
  - (f) The Company may seek to issue the Shares for the following purposes:
    - (i) non-cash consideration for the acquisition of the new assets or in satisfaction of obligations. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
    - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards:
      - (A) commercialisation activities of the company including:
        - (1) building the required inventory levels to meet sales demand;
        - (2) global sales, marketing and business development activities;
      - (B) general working capital requirements; and
      - (C) activities which allow the company to pursue other market applications for the bluechiip® technology.
  - (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
  - (h) The Company’s allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
    - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
    - (ii) the effect of the issue of the Equity Securities on the control of the Company;
    - (iii) the financial situation and solvency of the Company; and
    - (iv) advice from corporate, financial and broking advisers (if applicable).
- The allottees under the Additional 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- (i) The total number of Equity Securities issued in the 12 months preceding the date of the AGM and the percentage that they represent of the total number of Equity Securities on issue at the commencement of that 12-month period is 99,647,595 representing 59.48% of the total number of Equity Securities then on issue.

(j) details of all issues of Equity Securities during the 12 months preceding the date of the meeting were as follows:

<b>Date of Issue</b>	21 December 2015
<b>Number Issued</b>	11,250,000
<b>Class/Type of Equity Security</b>	Fully paid ordinary shares
<b>Summary of Terms</b>	All Shares referred to above are fully paid ordinary securities ranking equally with all other issued shares in the capital of the Company
<b>Name of persons who received securities or basis on which those persons were determined</b>	Placement to sophisticated and professional investors. Henslow Pty Ltd acted as lead manager to the placement.
<b>Issue price or Consideration</b>	\$0.04 per Share
<b>Purpose of the issue</b>	The funds raised were used to fund ongoing sales, marketing, business development and other commercialisation activities as well as ongoing working capital requirements.
<b>Discount to the market price</b>	There was no discount to the closing price of \$0.04 on 21 December 2015.

<b>Date of Issue</b>	25 February 2016
<b>Number Issued</b>	8,421,066
<b>Class/Type of Equity Security</b>	Fully paid ordinary shares
<b>Summary of Terms</b>	All Shares referred to above are fully paid ordinary securities ranking equally with all other issued shares in the capital of the Company
<b>Name of persons who received securities or basis on which those persons were determined</b>	Existing shareholders who applied for shares under the Company's 2016 Share Purchase Plan
<b>Issue price or Consideration</b>	\$0.0285 per Share
<b>Purpose of the issue</b>	The funds raised were used to fund ongoing sales, marketing, business development and other commercialisation activities as well as ongoing working capital requirements.
<b>Discount to the market price</b>	A discount of 10.9% to the closing share price on 25 February 2016.

<b>Date of Issue</b>	7 March 2016
<b>Number Issued</b>	4,385,965
<b>Class/Type of Equity Security</b>	Fully paid ordinary shares
<b>Summary of Terms</b>	All Shares referred to above are fully paid ordinary securities ranking equally with all other issued shares in the capital of the Company
<b>Name of persons who received securities or basis on which those persons were determined</b>	Placement to sophisticated and professional investors to take up shortfall under SPP. Henslow Pty Ltd acted as lead manager to the placement.
<b>Issue price or Consideration</b>	\$0.0285 per Share
<b>Purpose of the issue</b>	The funds raised were used to fund ongoing sales, marketing, business development and other commercialisation activities as well as ongoing working capital requirements.
<b>Discount to the market price</b>	A discount of 5% to the closing share price on 7 March 2016.

<b>Date of Issue</b>	18 May 2016
<b>Number Issued</b>	8,001,336
<b>Class/Type of Equity Security</b>	Fully paid ordinary shares
<b>Summary of Terms</b>	All Shares referred to above are fully paid ordinary securities ranking equally with all other issued shares in the capital of the Company
<b>Name of persons who received securities or basis on which those persons were determined</b>	Placement to certain existing shareholders who were sophisticated and professional investors. None of these investors were related parties or associates of the Company
<b>Issue price or Consideration</b>	\$0.0225 per Share.
<b>Purpose of the issue</b>	The funds raised were used to fund ongoing sales, marketing, business development and other commercialisation activities as well as ongoing working capital requirements.
<b>Discount to the market price</b>	None – the closing price of BCT shares on 18 May 2016 was \$0.021.
<b>Date of Issue</b>	23 September 2016

<b>Number Issued</b>	4,000,000
<b>Class/Type of Equity Security</b>	Performance Rights
<b>Summary of Terms</b>	The terms of the Performance Rights are summarised at sections 6.2 and 7.6 above.
<b>Name of persons who received securities or basis on which those persons were determined</b>	Employees of the Company
<b>Issue price or Consideration</b>	nil
<b>Purpose of the issue</b>	Employee Incentive Arrangements
<b>Discount to the market price</b>	n/a

<b>Date of Issue</b>	23 September 2016
<b>Number Issued</b>	63,111,856
<b>Class/Type of Equity Security</b>	Fully paid ordinary shares
<b>Summary of Terms</b>	All Shares referred to above are fully paid ordinary securities ranking equally with all other issued shares in the capital of the Company
<b>Name of persons who received securities or basis on which those persons were determined</b>	Existing shareholders of the Company on the record date for the rights issue. In addition, shares were issued to: <ul style="list-style-type: none"> <li>• selected clients of RBS Morgans;</li> <li>• Ramsgate Advisors;</li> <li>• Fielding Hill Capital;</li> <li>• Planet Innovation Pty Ltd;</li> <li>• Duncan Worthington and Jim Miller.</li> </ul>
<b>Issue price or Consideration</b>	\$0.022
<b>Purpose of the issue</b>	Rights Issue. The funds raised were used to fund ongoing sales, marketing, business development and other commercialisation activities as well as ongoing working capital requirements.
<b>Discount to the market price</b>	A discount of 15.3% to the closing price of Bluechiip Shares on 23 September 2016.

<b>Date of Issue</b>	23 September 2016
<b>Number Issued</b>	238,686
<b>Class/Type of Equity Security</b>	Fully paid ordinary shares
<b>Summary of Terms</b>	All Shares referred to above are fully paid ordinary securities ranking equally with all other issued shares in the capital of the Company
<b>Name of persons who received securities or basis on which those persons were determined</b>	Duncan Worthington and Reefgrove Pty Ltd
<b>Issue price or Consideration</b>	The shares were issued as commission payable on shares subscribed for under the Rights Issue Shortfall facility.
<b>Purpose of the issue</b>	Commission payable.
<b>Discount to the market price</b>	n/a

(k) A voting exclusion statement applies to Resolution 9, which is set out in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholders' votes will therefore be excluded under the voting exclusion in the Notice.

## 11 Glossary

Unless the context requires otherwise, in the Notice of AGM and this Explanatory Statement:

**Additional 10% Placement Facility** has the meaning given in Section 10.1.

**Additional Placement Period** has the meaning given in Section 10.2.

**AGM** means the meeting convened by the Notice.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX.

**Auditor's Report** means the Auditor's Report required to be prepared and laid before the AGM in accordance with section 317 of the *Corporations Act*.

**Board** means the Board of Directors of Bluechiip.

**Chair** or **Chairman** means the person appointed to chair the AGM convened by this Notice.

**Company** or **Bluechiip** means Bluechiip Limited ACN 104 795 922.

**Constitution** means the Constitution of the Company.

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

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

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

**Directors' Report** means the Directors' Report required to be prepared and laid before the AGM in accordance with section 317 of the *Corporations Act*.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Statement** means the Explanatory Statement accompanying, and forming part of the Notice of AGM.

**Financial Report** means the Financial Report required to be prepared and laid before the AGM in accordance with section 317 of the *Corporations Act*.

**KMP** means key management personnel, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director of the Company (whether executive or otherwise).

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

**Notice** means the Notice of Meeting accompany this Explanatory Statement.

**Remuneration Report** means the Remuneration Report required to be prepared in accordance with section 300A of the *Corporations Act*.

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

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

**Shareholder** means a shareholder in the Company.

**VWAP** means Volume Weighted Average Price.



## Appendix A

17 October 2016

The Directors  
Bluechiip Limited  
1 Dalmore Drive  
Caribbean Business Park  
SCORESBY VIC 3179

Dear Sirs,

Nomination of Deloitte as Company Auditor

I, Iain Kirkwood of C/- 1 Dalmore Drive, Caribbean Business Park, Scoresby, VIC 3179 being a member of Bluechiip Limited (Company), hereby give you written notice, pursuant to section 328B(1) of the Corporations Act 2001, of the nomination of Deloitte Touche Tohmatsu, of 550 Bourke Street, Melbourne, VIC 3000, as auditor of the Company at the next Annual General Meeting.

I consent to the distribution of a copy of this notice in accordance with section 328B(3) of the Corporations Act 2001 (Cth).

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Iain Kirkwood'.

Iain Kirkwood



#### All Correspondence to:

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am AEDT on Wednesday 23 November 2016.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** [www.votingonline.com.au/bluechiipagm2016](http://www.votingonline.com.au/bluechiipagm2016)
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

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

#### Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

#### Proxy which is a Body Corporate

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

#### STEP 3 SIGN THE FORM

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

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

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

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

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

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am AEDT on Wednesday 23 November 2016**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

💻 **Online** [www.votingonline.com.au/bluechiipagm2016](http://www.votingonline.com.au/bluechiipagm2016)

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

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

☐**Your Address**

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

**PROXY FORM****STEP 1 APPOINT A PROXY**

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

☐

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

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **offices of Phillips Ormonde Fitzpatrick, Level 16, 333 Collins Street, Melbourne on Friday 25 November 2016 at 10:00am AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

**Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters:** If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 5, 6 and 7, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 5, 6 and 7 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 5, 6 and 7). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**

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

		FOR	AGAINST	ABSTAIN*			FOR	AGAINST	ABSTAIN*
<b>Res 1</b>	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 6</b>	Approval of issue of Performance Rights to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 2</b>	Re-election of Director (Mr Iain Kirkwood)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 7</b>	Approval of issue of Shares to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 3</b>	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 8a</b>	Participation in placement of rights issue shortfall by Edward St. Consulting Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 4</b>	Ratification of Previous Issues of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 8b</b>	Participation in placement of rights issue shortfall by Mr. Michael Ohanessian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 5</b>	Approval of Bluechiip Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 9</b>	Approval of proposed Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SHAREHOLDERS**

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2016