

20 April 2018

The Manager
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Notice of Extraordinary General Meeting

In accordance with the Listing Rules, we attach copies of the following documents which are to be dispatched to shareholders of Orbital Corporation Limited today:

1. Notice of Annual General Meeting;
2. Explanatory Memorandum;
3. Sample Proxy Form; and
4. Electronic communications letter.

Yours faithfully



Roulé Jones
Chief Financial Officer
& Company Secretary



NOTICE OF 2018 EXTRAORDINARY GENERAL MEETING

Orbital Corporation Limited

ABN 32 009 344 058

ORBITAL CORPORATION LIMITED

ACN 009 344 058

NOTICE OF EXTRAORDINARY GENERAL MEETING - 2018

The Extraordinary General Meeting of Orbital Corporation Limited ("**the Company**") will be held at 4 Whipple Street, Balcatta, Western Australia 6021 on Wednesday, 23 May 2018 at 11.00am (WST) ("**Meeting**").

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9441 2311

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.



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The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form are to be included in and form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 21 May 2018 at 5.00pm (WST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in **Schedule 1**.

AGENDA

1. Resolution – Grant of 647,250 Performance Rights to Mr Todd Alder under the Employee Incentive Plan

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

"That, pursuant to and in accordance with ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant of 647,250 Performance Rights to Mr Alder (or his nominee) under the Employee Incentive Plan."

Further information about the items of business is set out in the Explanatory Memorandum.

By order of the Board

Roulé Jones
CFO & Company Secretary
Perth, Western Australia

20 April 2018



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EXPLANATORY MEMORANDUM

1 INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the extraordinary general meeting (**Meeting**) to be held at 4 Whipple Street, Balcatta, Western Australia 6021, on Wednesday 23 May 2018 at 11.00am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolution will be voted.

2 VOTING AT THE EXTRAORDINARY GENERAL MEETING

The Directors have determined that Shareholders entitled to vote at the Meeting will be the registered holders of Shares (**Registered Shareholders**) on Monday 21 May 2018 at 5.00pm (WST) (Voting Record Date).

Shareholders who become Registered Shareholders by acquiring Shares between the date of this Notice and the Voting Record Date and wish to vote at the Meeting by proxy should contact the Company for further information and to request a Proxy Form.

Shareholders who become beneficial Shareholders (**Beneficial Shareholders**) of Shares by acquiring Shares between the date of this Notice and the Voting Record Date and wish to vote at the Meeting by proxy should contact their broker or intermediary for instructions on how to do so.

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolution.

You may vote:

- (a) by attending the Meeting in person; or
- (b) by proxy.

Voting in person

To vote in person, attend the Meeting on the date and at the place set out above. If possible, Shareholders are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, so that the Company may check the Shareholders' holding against the Company's share register and note attendance.

All Shareholders are invited and encouraged to attend the Meeting.

Voting by proxy

Shareholders who are entitled to attend and vote at the Meeting, may appoint a proxy to act generally at the Meeting and to vote on their behalf.

Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions.



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Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 11.00am (WST) on Monday, 21 May 2018. Proxy Forms received after this time will not be effective.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

If the Chairman is to act as your proxy in relation to the Resolution and you have not given directions on how to vote by completing the appropriate box in the voting directions to your proxy section of the Proxy Form, the Proxy Form expressly directs and authorises the Chairman to cast your votes "for" the relevant resolution. This express authorisation is included because without it the Chairman would be precluded from casting your votes as the Resolution is connected with the remuneration of Key Management Personnel.

The Chairman will vote all undirected proxies in respect of the Resolution in favour of the Resolution.

Appointment of corporate representatives

Any corporate Shareholder wishing to appoint a person to act as its representative at the Meeting may do so by providing that person with:

- (a) a letter or certificate executed in accordance with the Corporations Act authorising that person to act as the corporate Shareholder's representative at the Meeting; or
- (b) a copy of the resolution appointing that person as the corporate Shareholder's representative at the Meeting, certified by a secretary or director of the corporate Shareholder.

The appointment of a corporate representative must be received by the Company before the Meeting or at the registration desk on the day of the Meeting. Certificates of appointment of corporate representatives are available at

http://www.linkmarketservices.com.au/corporate/forms/holding-management/App_Corp_Rep_140312.pdf or on request by calling 1300 554 474.

Beneficial Shareholders

If you are a Beneficial Shareholder and have received these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or other intermediary.



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3 RESOLUTION – GRANT OF PERFORMANCE RIGHTS TO MR TODD ALDER

3.1 Background

On 11 August 2017, the Company announced the appointment of Mr Alder as Managing Director and Chief Executive Officer of the Company. The announcement also set out the material terms of his employment which included the grant of two Performance Rights for each Share acquired by Mr Alder over the following months, provided that the value of the Shares acquired by Mr Alder would be approximately \$200,000. Under Mr Alder's employment agreement, the total number of share-acquisition based Performance Rights that could be granted to Mr Alder was capped at 647,250.

Mr Alder acquired 372,333 Shares in the Company between 11 August 2017 and 31 December 2017 for an aggregate amount of \$200,053, providing him an entitlement to receive 647,250 Performance Rights.

At the Company's 2017 annual general meeting (**2017 AGM**), Resolution 7 was put to the Shareholders to approve the grant of up to 647,250 Performance Rights to Mr Alder. However, due to a drafting error in the notice of meeting for the 2017 AGM (**2017 NOM**), the terms of the Performance Rights approved by the Shareholders at the 2017 AGM were different from those previously agreed with Mr Alder and announced to the ASX on 11 August 2017 ("**Agreed Terms**"). This inadvertent error was noted by the Company in its half year financial report for 2018 lodged with ASX on 27 February 2018. Given the error, the Company has not granted any Performance Rights to Mr Alder pursuant to Resolution 7 of the 2017 NOM.

This Resolution seeks Shareholder approval for the grant of 647,250 Performance Rights to Mr Alder in accordance with the Agreed Terms as set out in this Notice.

The Company wishes to clarify that this Resolution does not affect the validity of the shareholder approval obtained in respect of Resolution 6 at the 2017 AGM granting Mr Alder 595,000 LTI Performance Rights. As at the date of this Notice, the Company has not granted any LTI Performance Rights to Mr Alder but expects to grant them as soon as practical after the date of the Meeting.

3.2 Purpose

ASX Listing Rule 10.14 prohibits the Company from permitting a Director (and an associate of a Director) to acquire Equity Securities under an employee incentive scheme without the prior approval of Shareholders by ordinary resolution at a general meeting.

The approval of Shareholders is sought for the grant of 647,250 Performance Rights under the Company's Employee Incentive Plan to Mr Alder, on the terms and conditions set out in this Notice. The Employee Incentive Plan was approved at the Company's 2017 Annual General Meeting. A summary of the terms of the Employee Incentive Plan is set out at **Schedule 2** and a copy of the Employee Incentive Plan is available from the Company Secretary.

The proposed grant of the Performance Rights linked to the acquisition of Shares is to further align the interests of the Mr Alder with those of Shareholders by linking Mr Alder's rewards to the long term success of the Company, specifically to returns achieved by Shareholders.



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3.3 Performance hurdles for grant of Incentives to Mr Alder

The Incentives will be granted to the Mr Alder with the following Performance Conditions and Expiry Dates:

Performance Right entitlement	647,250 Performance Rights All Performance Rights will be granted as soon as practicable after the date of the Meeting.
Vesting conditions	Performance Rights will vest immediately upon the Company's share price based on a 30 day VWAMP being equal to or greater than \$0.62 at any time during the period commencing on the grant date and ending on 10 August 2020.
Exercise	The holder may exercise any vested Performance Rights from the date of vesting until 10 August 2022. Upon exercise, each vested Performance Right converts into one Share in the Company.

3.4 Information Required by Listing Rule 10.15

In accordance with Listing Rule 10.15, the following information is provided in relation to the grant of Performance Rights to Mr Alder:

(a) **Number of Incentives to be issued**

Mr Alder will be issued 647,250 Performance Rights. Each vested Performance Right will entitle the holder to one Share in the Company.

(b) **Issue Price**

The Performance Rights to be granted to Mr Alder (as specified above) will be granted for nil consideration.

(c) **Date of Issue**

The Performance Rights are expected to be granted to Mr Alder as soon as practicable after the date of the Meeting and in any event no later than 12 months after the date of the Meeting (or at such later dates as permitted by any ASX waiver or modification of the ASX Listing Rules).

(d) **Prior issue of Incentives**

The Employee Incentive Plan was last approved at the Company's 2017 Annual General Meeting. No Incentives have been issued to any Director (or an associate of a Director) since then.

(e) **Entitlement to participate in the Employee Incentive Plan**

All the Directors, being Mr Todd Alder, Mr Terry Stinson, Mr John Welborn and Mr Steve Gallagher are entitled to participate in the Employee Incentive Plan as at the date of this Notice.

(f) **Loan Arrangement**

Loans are not made available by the Company in connection with the Employee Incentive Plan.



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(g) **Voting Exclusion Statement**

A voting exclusion statement has been included in the Notice for the Resolution.

3.5 **Approval not required under Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act requires shareholder approval where a public company such as the Company seeks to give a Financial Benefit to a Related Party unless an exemption applies.

For the purposes of Chapter 2E of the Corporations Act, Mr Alder is a Related Party. The granting of Incentives constitutes a Financial Benefit.

An exemption from the requirement to obtain shareholder approval under the Corporations Act applies where the giving of the Financial Benefit is reasonable remuneration for performing duties as an officer or employee taking into account the circumstances of the public company and the Related Party. An issue of Performance Rights falls within the definition of 'remuneration'.

The Board has assessed the terms of the grant of the Performance Rights to Mr Alder and is confident that the grant of the Performance Rights under the Resolution constitutes reasonable remuneration. Additionally, Moore Stephens Perth Corporate Services Pty Ltd (**Moore Stephens**) have valued the Performance Rights and their valuation confirms that the remuneration is reasonable. Accordingly, the Company is not seeking shareholder approval under Chapter 2E of the Corporations Act.

Nonetheless, the Company provides the following further information to Shareholders in relation to the grant of Performance Rights under the Resolution:

(a) **Identity of the Related Party to whom the Resolution permits Financial Benefits to be given**

The Performance Rights the subject of the Resolution are proposed to be issued to Mr Alder.

(b) **Nature of the Financial Benefit**

The Resolution seeks approval from Shareholders to allow the Company to issue the Performance Rights set out at **section 3.3** above. The Performance Rights will be issued pursuant to the Employee Incentive Plan, the key terms of which are summarised in **Schedule 2**.

The grant of Performance Rights to Mr Alder pursuant to the Resolution is to further align the interests of Mr Alder and those of Shareholders by linking Mr Alder's rewards to the long term success of the Company, specifically to returns achieved by Shareholders.

(c) **Valuation of Performance Rights**

The Company engaged Moore Stephens Perth Corporate Services Pty Ltd to value the Performance Rights.

Moore Stephens Pty Ltd used the trinomial option valuation model to value the Performance Rights. Based on the trinomial option valuation model, the value of each Performance Rights to be issued to Mr Alder has been determined to be \$0.53.



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Accordingly, the value of the Performance Rights to be issued to Mr Todd Alder is \$0.53.

(d) **Dilution**

If the Performance Rights the subject of the Resolution is exercised, the effect will be to dilute the shareholdings of other Shareholders. The issue of the Performance Rights will be equal to approximately 0.82% of the Company's fully-diluted share capital, assuming implementation of the Resolution, the vesting and exercise of all the Performance Rights granted pursuant to the Resolution and based upon the 77,369,210 Shares on issue as at the date of this Notice

3.6 What if Shareholders do not approve the grant?

If Shareholders do not approve the grant of Incentive, the Company may be in breach of the Mr Alder's employment contract. The Board will need to consider alternative remuneration arrangements for Mr Alder which are consistent with the Company's remuneration principles and Shareholder expectations.

3.7 Proxy votes

The Chairman intends to exercise all available proxies in favour of the Resolution.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on the Resolution, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.



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SCHEDULE 1 – DEFINITIONS

\$ means Australian dollar.

Annual General Meeting or **AGM** means the annual general meeting of the Company as described in the Notice of Meeting.

ASX means the Australian Securities Exchange.

Board means the board of Directors.

CEO means the chief executive officer of the Company.

Chairman means the person appointed to chair the Meeting, or part of the Meeting, convened by the Notice.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Orbital Corporation Limited ABN 32 009 344 058.

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

Director means a director of the Company.

Employee Incentive Plan means the employee incentive plan which was approved by the Shareholders at the 2017 Annual General Meeting.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum which form part of the Notice of Meeting.

Financial Benefits has the meaning given to it in the Corporations Act.

Incentive means Performance Right or Options granted by the Company to a participant under the terms of the Employee Incentive Plan.

Key Management Personnel has the meaning given in section 9 of the Corporations Act.

Listing Rules means the listing rules of ASX.

Managing Director means the managing director of the Company.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice or Notice of Meeting means this notice of extraordinary general meeting which comprises of the notice, agenda, Explanatory Memorandum and the Proxy Form.

Option means an option which entitles the holder to subscribe for a Share.

Performance Right means the right to acquire a Share upon the satisfaction of certain rights under the Employee Incentive Plan.

Proxy Form means the proxy form attached to the Notice.

Register means the register of Holders established and maintained in accordance with the Trust Deed, where appropriate, includes:

- (a) a sub-register maintained by or for the Company under the Corporations Act or Listing Rules; and
- (b) any branch register.

Related Party has the meaning given to it in the Corporations Act.

Resolution means a resolution contained in the Notice.



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Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

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

Shareholder means a Shareholder of the Company

VWAMP means volume weighted average market price.

WST means Western Standard Time, being the time in Perth, Western Australia.



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SCHEDULE 2 – SUMMARY OF TERMS OF THE EMPLOYEE INCENTIVE PLAN

Information about the Employee Incentive Plan is set out below. A copy of the Employee Incentive Plan can be obtained by contacting the Company Secretary.

Outline of the Employee Incentive Plan

This section gives a brief outline of how the Board intends to implement initial participation under the rules of the proposed Employee Incentive Plan.

Participation

Carefully designed, performance linked, equity plans are widely considered to be very effective in providing long term incentives to staff. Also, they are used to attract and retain staff by providing them with the opportunity to participate in the creation of a valuable personal asset – a financial stake in the Company.

As part of the Company's strategy, the Board wishes to be in a position to grant Performance Rights and Options (i.e. Incentives) under the Employee Incentive Plan to employees (including Directors) and eligible contractors. Incentives include Performance Rights and Options. An Incentive is a right to be issued a Share (on a one-for-one basis and typically subject to satisfaction of certain conditions that are attached to the Incentive), as determined by the Board. An Incentive with a nil exercise price is a Performance Right. An Incentive with a positive exercise price is an Option. In accordance with the requirements of the ASX Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Employee Incentive Plan.

Overview of the Plan rules and terms and conditions

The Board is cognisant of general Shareholder concern that long-term equity based rewards for staff should be linked to the achievement by the Company of a performance condition.

The Board considers the Employee Incentive Plan a crucial mechanism to encourage and retain high level executive, employee and contractor performance. The Board intends to implement the Employee Incentive Plan, and set the performance conditions, in a manner designed to incentivise and reward high level executive, employee and contractor performance.

The main features of the Employee Incentive Plan are summarised as follows:

Eligibility

Under the terms of the Employee Incentive Plan, the Board may determine which employees, directors or contractors of the Company and its related bodies corporate are eligible to participate.

The Employee Incentive Plan is targeted at the Company's directors, senior management, employees and contractors. Any proposal to issue Performance Rights or Options to Directors under the Incentive Plan would require prior Shareholder approval to be obtained pursuant to the related party provisions of the ASX Listing Rules.

Incentives

The Employee Incentive Plan allows the Board to grant Performance Rights and Options (each an Incentive) to eligible participants.



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Number of Incentives to be granted

The number of Incentives granted under the Employee Incentive Plan will be decided by the Board from time to time.

However, the Company will generally be seeking to take advantage of the form of disclosure relief provided by ASIC Class Order 14/1000. In order to be able to take advantage of that form of relief certain conditions need to be fulfilled including that the maximum number of securities which may be granted under incentive plans (including the Employee Incentive Plan and previous employee incentive schemes) in a rolling 3 year period is 5% of the issued share capital of the Company (calculated at the date of the offer under the Employee Incentive Plan).

Vesting conditions

The vesting terms for grants of Incentives under the Employee Incentive Plan will be decided by the Board from time to time. Where appropriate, the Board may impose appropriate performance hurdles to encourage participants to focus on performance of the Company over the long term. The Board may waive vesting conditions.

The Board considers that issuing Options with a premium exercise price, and on such terms that the Options lapse on the cessation of employment or engagement, will ensure that benefits will only be received by recipients who continue to be employed by the Company. In the Board's view terms of that nature have a like effect to a vesting condition.

Upon satisfaction of the vesting conditions, the Company may issue a vesting notice. An incentive will vest when that vesting notice is given or deemed to have been given to the incentive holder.

Exercise Price

Performance Rights do not require the employee to pay any amount to the Company upon vesting or exercise.

The Board may grant Options under the Employee Incentive Plan. If it chooses to do so, the exercise price of any Options granted under the Incentive Plan is at the absolute discretion of the Board and the Board will determine the exercise price from time to time. Typically, any Options granted would have an exercise price calculated by reference to a VWAMP of the Company's shares for a period prior to the date of grant.

Expiry Date

The Board may set out in an invitation to participate in the Employee Incentive Plan the date and times when any Incentives lapse. The expiry date will be no later than 15 years after the date of grant.

Exercising Incentives

The Incentive holder may determine when to exercise a vested Incentive by delivering an exercise notice (along with payment in respect of the Exercise Price) to the Company up until the Expiry Date.



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Impact of cessation of employment/engagement

Cause	Incentives which have not vested	Incentives which have vested
Termination for ill health or death	Immediately lapse unless Board determines otherwise	May be exercised (in the case of ill health) by the participant, or (in the case of death) by the participant's personal representative, until the Incentive lapses
Termination for cause (e.g. fraud, dishonesty, material breach of obligations)	Immediately lapse unless Board determines otherwise	Immediately lapse unless Board determines otherwise
Termination by consent (e.g. resignation)	Immediately lapse unless Board determines otherwise	Are able to be exercised during the period 30 days after cessation of employment/engagement or a longer period allowed by the Board
Redundancy, constructive dismissal, other termination by Company not dealt with above	Incentives automatically vest and are able to be exercised during the period 30 days after cessation of employment/engagement or a longer period allowed by Board	Are able to be exercised during the period 30 days after cessation of employment/engagement or a longer period allowed by the Board

Takeover bid and change in control

Incentives granted under the Employee Incentive Plan automatically vest in the event of a change in control of the Company, including where a takeover bid is made for the Company and the bidder acquires more than 50% of the Company, Shareholders approve a scheme of arrangement, or in any other case where a person obtains voting power in the Company which the Board determines (acting in good faith and in accordance with their fiduciary duties) is sufficient to control the composition of the Board.

The Board also has the discretion to permit the exercise of Incentives in other limited circumstances, such as where a resolution is passed approving the disposal of the Company's main undertaking.

Transferability

Incentives granted under the Employee Incentive Plan are generally not transferable. An Incentive invitation may contain disposal restrictions for a specified period of time.

Dividend and voting rights

Incentives granted under the Plan do not carry any dividend or voting rights.



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Adjustment for rights issues

The exercise price of Incentives granted under the Employee Incentive Plan (which is only applicable for Options granted under the Employee Incentive Plan, which have an exercise price) will be adjusted in the manner provided by the ASX Listing Rules in the event of the Company conducting a rights issue prior to the lapse of that Incentive.

Board discretion

Under the terms of the Employee Incentive Plan, the Board has absolute discretion to determine the exercise price, the expiry date and vesting conditions of any grants made under the Employee Incentive Plan, without the requirement for further Shareholder approval.

In circumstances where an eligible person ceases to be employed or engaged by the Company, the Board may decide that some or all of that person's Incentives will not be forfeited. The Board may add forfeiture terms to a particular grant of Incentive provided those terms are set out in the relevant Incentive invitation.

Trust

The Board may establish an employee share trust for the purposes of the Employee Incentive Plan.

Copies of Employee Incentive Plan

A copy of the full terms of the Employee Incentive Plan can be obtained by contacting the Company Secretary.



Orbital Corporation Limited
 ABN 32 009 344 058

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
 Orbital Corporation Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

BY FAX
 +61 2 9287 0309

BY HAND
 Link Market Services Limited
 1A Homebush Bay Drive, Rhodes NSW 2138

ALL ENQUIRIES TO
 Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

APPOINT A PROXY

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **11:00am on Wednesday, 23 May 2018 at 4 Whipple Street, Balcatta, Western Australia 6021** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

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

VOTING DIRECTIONS

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

Resolutions

	For	Against	Abstain*
1 Grant of 647,250 Performance Rights to Mr Todd Alder under the Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) <input type="text"/>	Joint Shareholder 2 (Individual) <input type="text"/>	Joint Shareholder 3 (Individual) <input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

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



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

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

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

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

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Monday, 21 May 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

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



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

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

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



COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communications via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

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



Dear Valued Shareholder,

I notice that you currently receive hard copy correspondence from Orbital Corporation Limited (OEC).

OEC strongly recommends receiving all documents via email correspondence in order to help the environment and reduce printing and mailing costs.

If you are happy to receive correspondence by email going forward, please update your email address by visiting our Share Registry's website at investorcentre.linkmarketservices.com.au and follow the steps below;

- click on the "REGISTER NOW" icon to create your portfolio (if you do not have a portfolio set up) or alternatively enter as a "single holding" by entering the following information;
 - enter your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), this can be found at the top right hand corner of the proxy form;
 - enter your postcode (if you have an Australian address), select your country (if you have an overseas address) and enter the security code;
- once you are logged in, click on 'Communications' from the top menu and select 'Preferences'. From here you can select your Communication Preference and update your email address.

Thank you for your contribution toward helping the environment and reducing printing and mailing costs.

Further, if you would like to receive news and investor updates directly from OEC, visit the company's website to join the distribution list: www.orbitalcorp.com.au/

If you have any queries, please contact OEC on (08) 9441 2311 or Link Market Services on +61 1300 554 474.

Yours sincerely

Roulé Jones
CFO & Company Secretary

Orbital Corporation Limited