
MINERAL COMMODITIES LIMITED

ACN 008 478 653

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.30am WST
DATE: 30 May 2019
PLACE: BDO Ground Floor
38 Station Street
Subiaco WA 6008

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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 Shareholders at 5:00pm WST on 28 May 2019.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2018 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2018.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR GUY WALKER

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

“That, for the purpose of clause 35(c) of the Constitution and for all other purposes, Guy Walker, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – APPROVAL OF PERFORMANCE RIGHTS PLAN

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

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme entitled “Performance Rights Plan” and for the issue of

securities under that Plan, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly.

5. RESOLUTION 4 – APPROVAL OF INCENTIVE OPTION SCHEME

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

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme entitled "Incentive Option Scheme" and for the issue of securities under that Scheme, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
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6. **RESOLUTION 5 – SPILL RESOLUTION**

If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 5.

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

"That, for the purposes of section 250V(1) of the Corporations Act and for all other purposes, approval is given for:

- (a) the Company to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**); and*
- (b) all Vacating Directors to cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated pursuant to (b) to be put to vote at the Spill Meeting."*

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

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

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (iii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Dated: 23 April 2019

By order of the Board



Peter Torre
Director and Company Secretary

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6253 1100.

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EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2018 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://www.mineralcommodities.com/>.

2. RESOLUTION 1 – ADOPTION OF 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 company or the directors of the company.

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 annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) 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 of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were 39.36%.

Accordingly, the Spill Resolution will be relevant for this Annual General Meeting if at least 25% of the votes cast on the Remuneration Report resolution are voted against adoption of the Remuneration Report. Refer to Resolution 5 and Section 3 for further information.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GUY WALKER

3.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

The Company currently has 4 Directors (excluding, for the purposes of calculating one third, the managing director) and accordingly 2 must retire.

Ross Hastings and Guy Walker, the Directors longest in office since their last election, retire by rotation.

Ross Hastings has advised the Company that he does not wish to stand for re-election at the Meeting. Accordingly, in accordance with the Constitution, Mr Hastings' term as a Director will come to an end at the conclusion of the Meeting.

Guy Walker has elected to stand for re-election as a Director of the Company.

3.2 Qualifications and other material directorships

Mr Walker's biography is set out below.

Mr Walker received his undergraduate degree from the Victoria University of Wellington and is now a highly accomplished director and senior investment management executive with over 22 years' financial markets experience. He currently and in the past has sat on the boards of listed mining companies including exploration, development and production companies. He has extensive experience in capital raising through both traditional banks and alternative lenders.

In addition to being a non-executive Director of the Company, Mr Walker, CFA, is a Chartered Member of the Institute of Directors in New Zealand, Inc., a Chartered Member of the New Zealand Institute of Chartered Accountants, a Member at CFA Institute and is also on the Board of Directors at Metals Exploration Plc.

Mr Walker was previously a Non-Executive Director of ENK Plc, a Non-Executive Director of Navigator Resources Ltd and a Director of Bacanora Minerals Ltd.

If elected, the Board (other than Mr Walker) does not consider Mr Walker will be an independent Director as he is an Officer of Au Mining Limited, a substantial Shareholder.

The Company's Remuneration and Nomination Committee (**Committee**) has commenced a process for the selection and nomination of a suitable candidate for appointment as an independent non-executive director, in accordance with the Company's Policy and Procedure for Selection and Appointment of Directors.

As part of any decision under that that process, the Board recognised that more than 25% of the votes cast were cast against the Remuneration Report at the Company's previous annual general meeting, and has considered the implications and likelihood of receiving a similar voting outcome at this Annual General Meeting.

If at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at this Annual General Meeting, and the Spill Resolution is carried, there is the potential for further changes to the composition of the Board.

The Company's Policy and Procedure for Selection and Appointment of Directors exists to ensure that the Board of the Company consists of members with the range of skills and qualities to meet its primary responsibility for promoting the success of the Company in a way, which ensures that, the interests of shareholders and stakeholders are promoted and protected.

Given Mr Hastings' decision not to stand for re-election, and the potential for further Board changes following the conclusion of the Annual General Meeting, the majority of Directors of the Company have directed the Committee to defer the consideration for the nomination and selection of any new directors until after the Annual General Meeting.

The Policy and Procedure for Selection and Appointment of Directors provides that retiring Directors are not automatically re-appointed, and are subject to the selection and appointment procedures outlined within that policy.

In light of the above and the current uncertainty regarding the Board's future composition, the Board (other than Mr Walker) does not believe it is in an informed position to make a recommendation to Shareholders in respect to Resolution 2.

4. RESOLUTION 3 – APPROVAL OF PERFORMANCE RIGHTS PLAN

This Resolution seeks Shareholder approval for the adoption of the employee incentive scheme entitled "Performance Rights Plan" (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the Plan as an exception to ASX Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to issue Performance Rights under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

The Plan was first approved by Shareholders on 25 May 2016, and accordingly the Company is seeking approval of the Plan at the Meeting to issue Performance Rights under the Plan to eligible participants over a period of 3 years from the Meeting.

Shareholders should note that, as at the date of this Notice:

- 5,950,000 Performance Rights have previously been issued under the Plan;
- 2,150,000 Performance Rights have vested and been converted into Shares issued to their recipients;
- 833,333 Performance Rights have vested but remain unconverted into Shares; and
- 2,966,667 Performance Rights remain unvested.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Shares under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Shares under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 1. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary.

Shareholders are invited to contact the Company if they have any queries or concerns.

5. RESOLUTION 4 - APPROVAL OF EMPLOYEE OPTION SCHEME

This Resolution seeks Shareholders approval for the adoption of the employee incentive scheme titled "Employee Option Scheme" (**Scheme**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 and ASX Listing Rule 7.2 (Exception 9(b)) is set out in Section 5.

If Resolution 4 is passed, the Company will be able to issue Options under the Scheme to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that, as at the date of this Notice, no Options have previously been issued under the Scheme.

The objective of the Scheme is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Scheme and the future issue of Options under the Scheme will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the Scheme to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Scheme is set out in Schedule 2. In addition, a copy of the Scheme is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Scheme can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

6. RESOLUTION 5 – SPILL RESOLUTION

If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 5.

6.1 General

The Corporations Act requirements for this Resolution to be put to vote are set out in Section 2.2.

The effect of this Resolution being passed is the Company will be required to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**) and the Vacating Directors will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the Vacating Directors.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons that will seek election as directors of the Company at the Spill Meeting.

6.2 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the voting restrictions applying to Resolution 1 apply in the same manner to this Resolution.

GLOSSARY

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Mineral Commodities Limited (ACN 008 478 653).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Managing Director means the managing director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Officer means any director or such other person within the meaning of that term as defined by the Corporations Act.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2018.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Vacating Directors means the Directors who were directors of the Company when the resolution to make the directors' report considered at the last annual general meeting of the Company was passed, other than the Managing Director at that time.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – SUMMARY OF PERFORMANCE RIGHTS PLAN

1. The key terms of the Plan are as follows:
- (a) The Board may, from time to time, in its absolute discretion, make a written offer to any of the following:
 - (i) a Director (whether executive or non-executive) of any Group Company;
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
 - (iv) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under clauses (i), (ii) or (iii) above.
- (Eligible Participants).**
- (b) Under the Plan the Board may grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the Plan and upon such additional terms and vesting conditions as the Board determines.
 - (c) The Board will advise each Eligible Participant of the following minimum information regarding the Performance Rights:
 - (i) the maximum number of Performance Rights that the Eligible Participant may apply for, or the formula for determining the number of Performance Rights that may be applied for;
 - (ii) the maximum number of Shares that the Eligible Participant is entitled to be issued on the exercise of each Performance Right or the formula for determining the maximum number of Shares;
 - (iii) any applicable vesting conditions;
 - (iv) any restriction period the Board has resolved to apply to Shares issued on exercise of the Performance Rights;
 - (v) when unvested Performance Rights will expire (**Expiry Date**);
 - (vi) the date by which an offer must be accepted (**Closing Date**); and
 - (vii) any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Performance Rights or the Shares to be issued on exercise of the Performance Rights.
 - (d) Subject to clause (h), a Performance Right granted under the PR Plan will not vest and be exercisable unless the vesting conditions (if any) have been satisfied and the Board has notified the Eligible Participant of that fact.
 - (e) The Board must notify an Eligible Participant in writing within 10 Business Days of becoming aware that any vesting conditions attaching to a Performance Right have been satisfied.
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- (f) Subject to the Corporations Act, the ASX Listing Rules and the Plan, the Company must issue to the Participant or his or her personal representative (as the case may be) the number of Shares the Participant is entitled to be issued in respect of vested Performance Rights that are exercised, within 10 business days of the Performance Rights being exercised.
- (g) A Performance Right will lapse upon the earlier to occur of:
- (i) three (3) years from their date of issue, if they are not exercised prior to this date;
 - (ii) an unauthorised dealing in, or hedging of, the Performance Right occurring, as governed by the Plan;
 - (iii) a vesting condition in relation to the Performance Right is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Performance Right in accordance with the Plan;
 - (iv) a vested Performance Right is not exercised within the time limit specified in the Plan;
 - (v) an Eligible Participant (or, where the participant is a nominee of the Eligible Participant, that Eligible Participant) ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right or resolves to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible, in accordance with the Plan;
 - (vi) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant in accordance with the Plan;
 - (vii) the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right in accordance with the Plan; and
 - (viii) the Expiry Date of the Performance Right.
- (h) The Board may, in its absolute discretion, by written notice to a participant, resolve to waive any of the vesting conditions applying to the Performance Rights due to:
- (i) an Eligible Participant or, where the participant is a nominee of an Eligible Participant, that Eligible Participant, ceasing to be an Eligible Participant as a result of:
 - (A) death or total or permanent disability; or
 - (B) retirement or redundancy; or
 - (ii) an Eligible Participant or, where the participant is a nominee of an Eligible Participant, that Eligible Participant, suffering severe financial hardship;
 - (iii) a change of control occurring or the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company,
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in which case, a participant (or their personal legal representative where applicable) may exercise any vested Performance Right at any time within the Board notifying that the Performance Right has vested and before it lapses, by a signed written notice to the Board specifying the Performance Rights being exercised and providing the certificate for those Performance Rights.

SCHEDULE 2 – SUMMARY OF EMPLOYEE OPTION SCHEME

The key terms of the Employee Option Scheme are as follows:

- (a) **Eligibility:** Participants in the Scheme may be:
- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (i), (ii) or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options under the Scheme (**Participants**).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Scheme and has a broad discretion to determine which Participants will be offered Options under the Scheme.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Scheme. The offer:
- (i) Set out the number of Options offered under the Scheme;
 - (ii) will specify the exercise price and expiry date of the Options;
 - (iii) will specify any exercise conditions and restriction periods applying to the Options;
 - (iv) will specify an acceptance period; and
 - (v) specify any other terms and conditions attaching to the Options.
- (d) **Participation in Rights Issues and Bonus Issues:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (e) **Reorganisation:** If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Options will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (f) **Issue price:** unless the Options are quoted on the ASX, Options issued under the Scheme will be issued for no more than nominal cash consideration.
- (g) **Exercise Conditions:** An Option may be made subject to exercise conditions as determined by the Board in its discretion and as specified in the offer for the Option.
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- (h) **Restriction Periods:** a Share issued on exercise of an Option may be made subject to a restriction period as determined by the Board in with the Scheme and as specified in the Offer for the Option.
 - (i) **Lapse of Options:** An Option will lapse upon the earlier to occur of:
 - (i) three (3) years from their date of issue, if they are not exercised prior to this date;
 - (ii) an unauthorised dealing in, or hedging of, the Option occurring, as governed by the Plan;
 - (iii) a Vesting Condition in relation to the Option is not satisfied by the due date, or becomes incapable of satisfaction;
 - (iv) in respect of unvested Options only, the relevant Participant ceases to be a Participant, unless the Board:
 - (i) exercises its discretion to vest the Option; or
 - (ii) in its absolute discretion, resolves to allow the unvested Options to remain unvested after the relevant Participant ceases to be a Participant;
 - (v) in respect of vested Options only, a relevant Participant ceases to be a Participant and the Option granted in respect of that Participant is not exercised within one (1) month (or such later date as the Board determines) of the date the Participant ceases to be a Participant;
 - (vi) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the holder/Participant;
 - (vii) the Company undergoes a change of control or a winding up resolution or order is made, and the Option does not vest; and
 - (viii) the expiry of the Option.
 - (j) **Power of attorney:** Each Participant, in consideration of an offer, irrevocably appoints the Company and any person nominated from time to time by the Company (each an "attorney"), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of the Scheme.
 - (k) **Scheme limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
 - (l) **Restriction on transfer:** Options will not be transferable except to the extent provided for by the Scheme or unless the Offer provides otherwise.
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- (m) **Quotation on ASX:** Options will not be quoted on the ASX, except to the extent provided for by the Scheme or unless the Offer provides otherwise.
 - (n) **Rights attaching to Shares:** Each Share issued on exercise of an Option will have the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Scheme) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.
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FOR PERSONAL USE ONLY