

**BANNERMAN ENERGY LTD**  
**ABN 34 113 017 128**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Meeting will be held at:

**TIME:** 9:00 am (WST)  
**DATE:** 19 November 2021  
**PLACE:**  
Suite 7  
245 Churchill Avenue  
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 4pm (WST) on 17 November 2021.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

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#### 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 30 June 2021."*

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

**Note: A voting prohibition statement applies to this Resolution. Please see below.**

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR RONNIE BEEVOR

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 11.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Ronnie Beevor, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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#### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR MIKE LEECH

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 11.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Mike Leech, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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#### 5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

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

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue (or agree to issue) up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."*

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## 6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,680,000 Shares on the terms described in the Explanatory Statement."*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 7. RESOLUTION 6 – ISSUE OF SECURITIES TO MR BRANDON MUNRO

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 2,011,200 performance rights to Mr Brandon Munro, or his nominee, under the Employee Incentive Plan on the terms described in the Explanatory Statement."*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2, or 10.14.3 who is eligible to participate in the Employee Incentive Plan or any associates of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**8. RESOLUTION 7 – ISSUE OF SECURITIES TO MR RONNIE BEEVOR UNDER THE NEDSIP**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue Incentives (being either Options or Performance Rights (but not both)) to Mr Ronnie Beavor, or his nominee, under the NEDSIP in satisfaction of the following amounts of his directors' fees:*

- (a) in the financial year ending 30 June 2022, \$70,000; and*
- (b) in the financial year ending 30 June 2023, \$70,000,*

*with the maximum number of such Incentives to be determined in accordance with the formula set out in, and the Incentives otherwise to be issued on the terms described in, the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2, or 10.14.3 who is eligible to participate in the NEDSIP or any associates of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**9. RESOLUTION 8 – APPROVAL TO PROVIDE POTENTIAL BENEFITS UNDER EMPLOYEE INCENTIVE PLAN**

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

*“That, for the purposes of sections 200B, 200E and 1325C(3) of the Corporations Act, Listing Rule 10.19 and for all other purposes, approval be given to provide benefits to any current or future eligible employees under the Employee Incentive Plan in connection with the loss of that person's position or office with the Company or otherwise, as further described in the Explanatory Statement.”*

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of an officer of the Company or any of its child entities who is entitled to participate in a termination benefit or any associates of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with sections 200E(2A) and 1325C(3) of the Corporations Act, no votes may be cast on this Resolution by or on behalf of any current or future eligible employees under the Employee Incentive Plan or any associates of such persons. If any shareholder who is a current or potential employee or contractor of the Company wishes to preserve the potential benefit of this Resolution, then that shareholder (and their associates) should not vote on this Resolution.

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#### **10. RESOLUTION 9 – APPROVAL TO PROVIDE POTENTIAL BENEFITS UNDER NEDSIP**

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

*"That, for the purposes of sections 200B, 200E and 1325C(3) of the Corporations Act, Listing Rule 10.19 and for all other purposes, approval be given to provide benefits to any current or future Eligible NEDs under the NEDSIP in connection with the loss of that person's position or office with the Company or otherwise, as further described in the Explanatory Statement."*

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of an officer of the Company or any of its child entities who is entitled to participate in a termination benefit or any associates of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with sections 200E(2A) and 1325C(3) of the Corporations Act, no votes may be cast on this Resolution by or on behalf of any current or proposed Eligible NED under the NEDSIP or any associates of such persons. If any shareholder who is a current or potential Eligible NED wishes to preserve the potential benefit of this Resolution, then that shareholder (and their associates) should not vote on this Resolution.

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**11. RESOLUTION 10 – APPROVAL TO PROVIDE POTENTIAL BENEFITS UNDER EXECUTIVE SEVERANCE POLICY**

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

*"That, for the purposes of sections 200B and 200E of the Corporations Act, Listing Rule 10.19 and for all other purposes, approval be given to provide benefits to any current or future eligible Executives under the Executive Severance Policy in connection with the loss of that person's position or office with the Company, as further described in the Explanatory Statement."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of an officer of the Company or any of its child entities who is entitled to participate in a termination benefit or any associates of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 200E(2A) of the Corporations Act, no votes may be cast on this Resolution by or on behalf of any current or future eligible Executives under the Executive Severance Policy or any associates of such persons. If any shareholder who is a current or potential eligible Executive wishes to preserve the potential benefit of this Resolution, then that shareholder (and their associates) should not vote on this Resolution.

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**CHAIRMAN'S VOTING INTENTIONS FOR UNDIRECTED PROXIES**

To the maximum extent permitted, the Chair intends to vote all undirected proxies held in favour of all Resolutions. In exceptional circumstances, the Chair may change his voting intention on any Resolution, in which case an ASX announcement will be made.

## Voting Prohibition Statement

### Resolution 1 – Adoption of Remuneration Report

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.

### 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 two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (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:

- 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.

### Voting Prohibition by Proxies (Remuneration of key management personnel)

To the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 1, 6, 7, 8, 9 or 10 if the person is either a member of the Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on the relevant Resolution. However, the proxy may vote if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if the Resolutions are connected directly or indirectly with the remuneration of a member of key management personnel.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 1, 6, 7, 8, 9 or 10, by signing and returning the Proxy Form (including via an online facility), you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolutions are connected directly or indirectly with the remuneration of a member of key management personnel.

### **Voting in person**

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

You may still attend the Meeting and vote in person even if you have lodged appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but representatives from Advanced Share Registry Services will need to verify your identity. You can register from 9.30 am on the day of the Meeting.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6381 1436.***

**Dated:** 13 October 2021

**By order of the Board**

**Rob Orr  
Company Secretary**



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## EXPLANATORY STATEMENT

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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.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 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 [www.bannermanenergy.com.au](http://www.bannermanenergy.com.au).

Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to these reports or the management of the Company. The Company's auditor, Ernst & Young, will be present at the AGM and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the Auditor's Report, the Company's accounting policies, and the independence of the auditor.

The auditor will also respond to any written questions provided these are submitted to the Company no later than five business days prior to the AGM.

There is no requirement for Shareholders to approve the Company's Annual Report.

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### 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 two 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 less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

## **2.4 Board Recommendation**

The Board recommends that Shareholders vote in favour of the adoption of the Remuneration Report.

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## **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR RONNIE BEEVOR**

### **3.1 General**

Listing Rule 14.4 and clause 11.3 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

Mr Ronnie Beevor, who has served as a Director since 2009 and was last re-elected on 22 November 2019, retires by rotation and seeks re-election.

### **3.2 Qualifications and other material directorships**

Mr Beevor has more than 40 years experience in investment banking, including being the Head of Investment Banking at Rothschild Australia between 1997 and 2002. Since then he has been Chair or a Non-Executive director of a range of mining companies, both in Australia and internationally.

Mr Beevor is currently also Chairman of Felix Gold, which has substantial gold exploration properties around Fairbanks, Alaska on the Tintina Gold Belt. Previously he was Chair of AIM listed EMED Mining which acquired, re-developed and operates the original and now 15mtpa Rio Tinto copper mine in southern Spain. Mr Beevor's extensive career as a company director included serving on the boards of Riversdale Resources (which proved up the substantial Grassy Mountain metallurgical coal deposit in Alberta, Canada and was taken over by Hancock Prospecting for A\$800M in 2019), Talison Lithium (which acquired the Greenbushes lithium mine in WA and was taken over by Tianqi Lithium for C\$900M in 2013), Ampella Mining (which was developing a major gold discovery in Burkina Faso, until taken over by Centamin plc in 2014) and Oxiana (which developed the substantial gold and copper operations at Sepon in Laos, acquired the Golden

Grove polymetallic mine in WA and developed the Prominent Hill mine in SA, and which in 2008 merged with Zinifex to form OZ Minerals).

He has an Honours Degree in Philosophy, Politics and Economics from Oxford University (UK) and qualified as a chartered accountant in London in 1972.

### **3.3 Independence**

If re-elected the Board considers Mr Beevor will be an independent Director.

### **3.4 Board recommendation**

The Board has reviewed Mr Beevor's performance since his appointment to the Board and considers that Mr Beevor's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (with Mr Beevor abstaining) supports the re-election of Mr Beevor and recommends that Shareholders vote in favour of Resolution 2.

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## **4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR MIKE LEECH**

### **4.1 General**

Listing Rule 14.4 and clause 11.3 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

Mr Mike Leech, who has served as a Director since 2017 and was last re-elected on 22 November 2019, retires by rotation and seeks re-election.

### **4.2 Qualifications and other material directorships**

Mr Leech is a respected statesman of the Namibian mining industry. He is a former Managing Director of Rössing Uranium Ltd, past president of the Namibian Chamber of Mines and past Chairman of the Namibian Uranium Association. His career with Rio Tinto started in 1982 when he joined Rössing as an accountant and included a posting as Administration Director of Anglesey Aluminium before returning to Rössing in 1997 as Chief Financial Officer. Mr Leech was Managing Director of Rössing, then the largest open pit uranium mine in the world, for 6 years until he retired in 2011. Since retirement Mr Leech has consulted to the uranium sector and served as a non-executive director of ASX-listed Kunene Resources Ltd, a base metals explorer that discovered the Opuwo Cobalt Project in Namibia.

Mr Leech's commitment to corporate social responsibility in Namibia is well known, including as former Trustee of Save the Rhino Trust Namibia and the Rössing Foundation.

Mr Leech was named an honorary life member of the Namibian Uranium Association in recognition of his singular service to the uranium industry.

Mr Leech is a Fellow of the Institute of Chartered Secretaries and Administrators (accountancy).

### **4.3 Independence**

If re-elected the Board considers Mr Leech will be an independent Director.

#### 4.4 Board recommendation

The Board has reviewed Mr Leech's performance since his appointment to the Board and considers that Mr Leech's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (with Mr Leech abstaining) supports the re-election of Mr Leech and recommends that Shareholders vote in favour of Resolution 3.

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### 5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

#### 5.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which, as at the date of its annual general meeting, is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company's market capitalisation has recently increased above this prescribed \$300,000,000 threshold.. If the closing price of the Company's Shares on ASX on the last trading day before the date of the Meeting (or the fair measure of the price of Shares calculated in such other manner as is acceptable to ASX) is such that the Company's market capitalisation exceeds the prescribed threshold, the Company will not be an eligible entity for the purposes of Listing Rule 7.1A and will withdraw this Resolution 4.

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

#### 5.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 4:

##### (a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and

- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for a cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 5.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for a range of purposes including:

- (i) the acquisition of new resources and assets (including expenses associated with such an acquisition);
- (ii) continued exploration expenditure on the Company's current or future assets/or projects;
- (iii) further feasibility studies on Etango 8 and ongoing project administration); and
- (iv) general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 5 October 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.135	\$0.27	\$0.405
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	1,204,817,778 Shares	120,481,778 Shares	\$16,265,040	\$32,530,080	\$48,795,120
50% increase	1,807,226,667 Shares	180,722,667 Shares	\$24,397,560	\$48,795,120	\$73,192,680
100% increase	2,409,635,556 Shares	240,963,556 Shares	\$32,530,080	\$65,060,160	\$97,590,240

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 1,204,817,778 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing market price of the Shares on the ASX on 5 October 2021 (being \$0.27).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options or other convertible securities are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous Approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 20 November 2020 (**Previous Approval**). The Company has not issued or agreed to issue any Equity Securities pursuant to the Previous Approval.

### **5.3 Voting Exclusion Statement**

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

### **5.4 Board recommendation**

The Board recommends Shareholders vote in favour of granting the Company the additional equity raising capacity equivalent to 10% of the Company's ordinary securities.

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## **6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SECURITIES**

### **6.1 General**

As announced on 22 July 2021, the Company agreed with Resource Capital Fund IV L.P. and Resource Capital Fund VI L.P. (collectively the "**RCF Funds**") to buy-back and extinguish the aggregate 1.5% revenue royalty held by the RCF Funds. The consideration payable to the RCF Funds is in the aggregate A\$2 million cash and the issue of 15,680,000 new Shares (**Placement**).

On 19 August 2021, the Company issued 15,680,000 Shares (**Placement Shares**) under the Placement, pursuant to the Company's existing placement capacity under Listing Rule 7.1.

For further details of the Placement, please refer to the announcement released on 22 July 2021.

## **6.2 Listing Rules 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The issue of the Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Placement Shares.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 20 November 2020.

## **6.3 Listing Rule 7.4**

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, Resolution 5 seeks Shareholder ratification of the issue of the Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 5 is passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolution 5 is not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

## **6.4 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:



- (a) the Placement Shares were issued to RCF Funds.
- (b) 15,680,000 Shares were issued on 19 August 2021, pursuant to the Company's existing placement capacity under Listing Rule 7.1;
- (c) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Placement Shares were issued on 19 August 2021;
- (e) the deemed issue price was \$0.153 per Placement Share (however, as the Placement Shares were issued in consideration for the extinguishment of a royalty (and not for a cash subscription) no funds were raised in connection with their issue). The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (f) the purpose of the issue of the Placement Shares was to buy-back and extinguish the aggregate 1.5% revenue royalty held by the RCF Funds, as set out in Section 6.1;
- (g) the Placement Shares were issued under an agreement and there are no further material terms to disclose in respect of the agreement; and
- (h) a voting exclusion statement is included in the Notice.

## **6.5 Board recommendation**

The Board recommends Shareholders vote in favour of this Resolution.

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## **7. RESOLUTION 6 – ISSUE OF SECURITIES TO MR BRANDON MUNRO**

### **7.1 General**

The Company seeks Shareholder approval, for the purposes of Listing Rule 10.14, to issue Performance Rights under the Company's Employee Incentive Plan to Mr Munro (the Chief Executive Officer and Managing Director of the Company) or his nominee.

Under the EIP, the Board has discretion to grant Performance Rights to any employee it declares to be an eligible employee, upon the terms set out in the EIP (and upon such terms and conditions as the Board determines).

Subject to Shareholder approval, the Board has decided to invite Mr Munro to apply for 2,011,200 Performance Rights under the EIP, with the performance hurdles and other terms set out below.

### **7.2 Reasons for the grant**

The proposed grant of Performance Rights to Mr Munro (or his nominee) seeks to further align his interests with those of Shareholders by linking Mr Munro's rewards to long term performance for Shareholders by imposing performance-related conditions, as well as a requirement that Mr Munro continue to be employed by the Company for a defined period of time.

### **7.3 Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act requires shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an

exception applies). For the purposes of Chapter 2E of the Corporations Act Mr Munro is considered to be a related party and the Performance Rights will constitute a financial benefit.

An exception to the requirement to obtain shareholder approval in accordance with Chapter 2E applies where the financial benefit constitutes part of the related party's "reasonable remuneration".

The Board (other than Mr Munro), considers that the grant of Performance Rights to Mr Munro and any issue of Shares upon the vesting of the Performance Rights, constitutes part of the reasonable remuneration payable to Mr Munro.

In reaching this conclusion, the Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

## 7.4 Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit a director (or certain other persons) to acquire Equity Securities under an employee incentive scheme unless it obtains the approval of its shareholders.

The issue of Performance Rights to Mr Munro (or his nominee) falls within ASX Listing Rule 10.14 and therefore requires the approval of Shareholders under ASX Listing Rule 10.14. Resolution 6 seeks the required Shareholder approval to the issue under and for the purposes of ASX Listing Rule 10.14.

## 7.5 Details required by ASX Listing Rule 10.15

### Key terms of the grants

<b>Relationship with Director</b>	The Performance Rights will be granted to Mr Munro (or his nominee) who falls within the category set out in ASX Listing Rule 10.14.1, by virtue of being a Director. His nominee (if applicable) would fall within Listing Rule 10.14.2, as an associate of Mr Munro.
<b>Total securities to be issued</b>	Subject to the relevant Shareholder approvals being obtained, 2,011,200 Performance Rights will be issued.
<b>Total Remuneration Package</b>	The total remuneration package for Mr Munro for the financial year ended 30 June 2021 was \$617,765, comprising of salary of \$321,915, a superannuation payment of \$21,694 and share-based payments valued at \$274,156. The total remuneration package for Mr Munro for the financial year ended 30 June 2020 was \$592,043, comprising of salary of \$294,736, a superannuation payment of \$21,002 and share-based payments valued at \$276,305.
<b>Previous Grants</b>	Since the last shareholder approval of the EIP Mr Munro (or his nominee) has been granted 17,583,300 Performance Rights under the EIP for nil cash consideration. Full details of Mr Munro's holding of Shares, Performance Rights and Options are set out in the Remuneration Report of the 2021 Annual Report.
<b>Material Terms</b>	A summary of the material terms of the Performance Rights is set out in section 7.6.
<b>Reason for the grant of Performance Rights</b>	<p>The Company has chosen to grant the Performance Rights for the following reasons:</p> <ul style="list-style-type: none"><li>• the Performance Rights are unlisted, therefore the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;</li><li>• the issue of Performance Rights will align the interests of Mr Munro with those of Shareholders;</li><li>• the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given; and</li></ul>

- it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed.

<b>Value</b>	The Company values (as at 5 October 2021) the Operational Tranche of the Performance Rights at \$261,456 (being \$0.26 per Performance Right) based on the Black-Scholes methodology and the Market Performance Tranche of the Performance Rights at \$194,099 (being \$0.193 per Performance Right) based on the Monte Carlo methodology. The Black-Scholes methodology was used with the expectation that the majority of the Incentives would be exercised towards the end of their term, key assumptions: Volatility 70%, Risk free rate 0.2854%. The Monte Carlo methodology uses simulated future daily Share prices using trading day increments, key assumptions: Volatility 70%, Risk free rate 0.2854%, iterations 100,000.
<b>Issue date</b>	If Shareholder approval is obtained, it is anticipated that the Performance Rights will be granted shortly after the Meeting and in any event, no later than 3 years after the date of the Meeting.
<b>Price</b>	The Performance Rights will be granted at no cost to Mr Munro and no amount is payable to the Company on vesting of the Performance Rights.
<b>EIP</b>	A summary of the terms of the EIP is set out in Schedule 1.
<b>Loan scheme</b>	No loans will be made by the Company in relation to the grant of the Performance Rights.
<b>Disclosure of issues</b>	Details of any securities issued under the EIP will be published in each annual report of the Company relating to the period in which the securities have been issued, with a statement that approval for the issue of securities was obtained under ASX Listing Rule 10.14.
<b>Participation</b>	Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Incentives under the EIP after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14.

## 7.6 Performance hurdles

The Performance Rights are proposed to be entirely at risk and will be subject to the following vesting conditions.

### Market Performance KPI

50% of the Performance Rights (**Market Performance Tranche**) are subject to an absolute Shareholder return (**ASR**) hurdle. The ASR is based on the Company's absolute total Shareholder return compared with the price used to determine the number of Performance Rights (being the 20 Day VWAP to 30 June of the financial year preceding the annual allocation) and is tested at the end of two years from 30 June in the year of issue.

The ASR at 30 June (two years following year of issue) will determine the proportion of the Market Performance Tranche that vest on the following basis.

ASR performance outcome	Percentage of award that will vest
Negative performance	0%
Between 0 and +20% compounding per annum	Scale applicable between 0 and 100%
At or above +20% compounding per annum	100%

Any of the Market Performance Tranche of the Performance Rights that do not vest will be cancelled at the end of two years.

The earned component of the Market Performance Tranche will vest only if Mr Munro continues to be continuously employed for a period of one year after the 2-year testing point.

### Operational performance

The remaining 50% of the Performance Rights (**Operational Tranche**) are subject to an operating and personal performance-based test at 12 months (**Operational Test**).

The Operational Test will be based on stated criteria to be set with reference to the Company's internal operating plans and other key performance indicators as determined by the Board.

The criteria will be based on the approved operating plan for the 12 month period and will also include reference to Mr Munro's performance regarding specific areas such as health, safety, environment and community, strategy definition and implementation, capital management and the Company's culture and values.

Any of the Operational Tranche of Performance Rights that are not earned in accordance with the Operational Test will be cancelled at the 12 month testing point.

The earned component of the Operational Tranche will vest only if Mr Munro continues to be continuously employed for a period of two years after the 12 month testing point.

#### 7.7 What if Shareholders do not approve the grant?

If Shareholders do not approve the issue of Performance Rights to Mr Munro (or his nominee), the Board will propose an alternative remuneration structure for Mr Munro. This may be an alternative equity proposal and/or an amount in cash.

#### 7.8 What if Shareholders approve the grant?

If Shareholders approve the grant, the Company will be able to proceed with the issue of the Performance Rights to Mr Munro (or his nominee) under the EIP and issue up to a total of 2,011,200 Performance Rights to Mr Munro (or his nominee). As approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under ASX Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

#### 7.9 Board recommendation

The Board (other than Mr Munro) recommend that Shareholders vote in favour of Resolution 6.

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## 8. RESOLUTION 7 – ISSUE OF SECURITIES TO MR RONNIE BEEVOR UNDER THE NEDSIP

### 8.1 Background

At the Company's 2020 annual general meeting, Shareholders approved an issue of Incentives under the NEDSIP to Mr Ronnie Beavor (Chairman of the Board) for each of the financial years ending 30 June 2021, 30 June 2022 and 30 June 2023. For the financial years ending 30 June 2022 and 30 June 2023, this approval was in satisfaction of \$50,000 of his directors' fees in each of those years. The Company is now seeking to obtain Shareholder approval to increase this amount (by \$20,000 per annum) to \$70,000 for each of the 2022 and 2023 financial years.

Accordingly, Resolution 7 seeks Shareholder approval to issue Incentives to Mr Beevor (or his nominee) under the NEDSIP in satisfaction of \$70,000 of his directors' fees for each of the financial years ending 30 June 2022 and 30 June 2023 (provided that Mr Beevor remains a Director at the relevant issue date). The Remuneration, Nomination and Corporate Governance Committee undertook a review of non-executive Director remuneration in June 2021, utilising independent published data for Australian listed public companies and concluded that the Chairman's base fee be increased (by \$20,000 per annum) to \$120,000 and share-based payment would be increased (by \$20,000 per annum) to \$70,000, subject to Shareholder approval.

The number of Performance Rights or Options issued will be calculated in accordance with the formula set out below, and the Incentives will be issued pursuant to the NEDSIP and on the terms and conditions set out below.

## **8.2 Reasons for the grant**

The Board (other than Mr Beevor) considers that the issue of the Incentives to Mr Beevor as part of his remuneration package:

- (a) is a cost-effective and efficient reward for service;
- (b) preserves the Company's cash resources and reduces ongoing costs while the Company remains in development phase; and
- (c) aligns remuneration with the future growth and prospects of the Company and the interests of Shareholders by encouraging share ownership among non-executive Directors.

## **8.3 Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act requires shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). For the purposes of Chapter 2E of the Corporations Act, Mr Beevor is considered to be a related party and the issue of Performance Rights or Options will constitute a financial benefit.

An exception to the requirement to obtain shareholder approval in accordance with Chapter 2E applies where the financial benefit constitutes part of the related party's "reasonable remuneration".

The Board (other than Mr Beevor) considers that the grant of Incentives constitutes part of the reasonable remuneration of Mr Beevor.

In reaching this conclusion, the Board (other than Mr Beevor) has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

## **8.4 ASX Listing Rule 10.14**

Please refer to Section 7.4 above for information in relation to ASX Listing Rule 10.14.

The issue of Incentives to Mr Beevor (or his nominee) falls within ASX Listing Rule 10.14 and therefore requires the approval of Shareholders under ASX Listing Rule 10.14. Resolution 7 seeks the required Shareholder approval to the issue under and for the purposes of ASX Listing Rule 10.14.

## 8.5 Indicative number of Incentives

Pursuant to this Resolution 7, the Company is seeking Shareholder approval to issue Incentives to Mr Beevor (or his nominee) for the financial years ending 30 June 2022 and 30 June 2023.

Mr Beevor has a choice whether to be issued Options or Performance Rights (but not both) in accordance with the NEDSIP, up to the amount of his annual allocation as determined by the Board (see below).

The number of Performance Rights to be issued to Mr Beevor (or his nominee) in respect of each of these financial years will be calculated by dividing his annual allocation for that financial year (as set out below) by the 20 day VWAP ending 30 June of the financial year preceding the annual allocation (**20 Day VWAP**).

The number of Options to be issued to Mr Beevor (or his nominee) in respect of each financial year will be calculated by dividing his annual allocation (as set out below) by the Black and Scholes valuation of the Options that are proposed to be issued (based on the 20 day VWAP ending 30 June of the financial year preceding the annual allocation). The Options will be exercisable at 150% of the 20 Day VWAP on or before the date that is three years from the date of issue.

## 8.6 Annual Allocation (Years ending 30 June 2022 and 30 June 2023)

Since the Company's 2020 annual general meeting, the Board has determined to increase the annual allocation of Incentives that Mr Beevor is eligible to receive for each of the financial years ending 30 June 2022 and 30 June 2023 from \$50,000 (as approved by Shareholders last year) to \$70,000, as per the table below.

	Financial Year Ending 30 June 2022	Financial Year Ending 30 June 2023
Mr Ronnie Beevor	\$70,000	\$70,000

As noted above, Mr Beevor has a choice whether to be issued Options or Performance Rights, in accordance with the NEDSIP, up to the amount of his annual allocation as determined by the Board. This amount is included in the total annual director's fees payable to Mr Beevor and therefore reduces the cash amount payable to him.

### Performance Rights

Set out below is a worked example of the number of Performance Rights that may be issued to Mr Beevor (or his nominee) in respect of his annual allocation for either financial year based on assumed VWAPs of \$0.135, \$0.27 and \$0.405 (being the closing price of Shares on 5 October 2021 and a 50% increase and 50% decrease to that price).

	Annual Allocation	Performance Rights	
		Assumed VWAP	Quantum
Mr Beevor	\$70,000	\$0.135	518,500
		\$0.27	259,300
		\$0.405	172,800

### Options

Set out below is a worked example of the number of Options that may be issued to Mr Beevor (or his nominee) in respect of his annual allocation for either financial year (based on a Black and Scholes valuation on 5 October 2021 of \$0.119 and a 50% increase and 50% decrease to that price).

	Annual Allocation	Options		
		Assumed valuation	Quantum	Exercise price
Mr Beevor	\$70,000	\$0.059	1,186,400	\$0.202
		\$0.119	588,700	\$0.405
		\$0.178	393,300	\$0.607

## 8.7 Details required by ASX Listing Rule 10.15

### Key terms of the grants

#### Relationship with Director

The Incentives will be granted to Mr Beevor (Chairman of the Board) or his nominee. Mr Beevor falls within the category set out in Listing Rule 10.14.1, by virtue of being a Director. His nominee (if applicable) would fall within Listing Rule 10.14.2, as an associate of Mr Beevor.

#### Total securities to be issued

Mr Beevor has a choice whether to be issued Options or Performance Rights (but not both), in accordance with the NEDSIP, up to the amount of his annual allocation. The formulas for calculating the number of Incentives that Mr Beevor may be issued for the financial years ending 30 June 2022 and 30 June 2023 are set out in Section 8.5 (*Indicative Number of Incentives*) above, with worked examples in Section 8.6.

As mentioned above, at the 2020 annual general meeting, Shareholders approved an annual allocation of \$50,000 for each of the financial years ending 30 June 2022 and 30 June 2023.

Shareholder approval is now being sought to increase this by \$20,000 per annum (to an annual allocation of \$70,000) for each of the financial years ending 30 June 2022 and 30 June 2023. If Shareholders do not approve this Resolution, then Mr Beevor will still be entitled to an annual allocation of \$50,000 as approved in 2020.

An illustration of the number of Incentives that may be issued (if this Resolution is approved) based on assumed VWAPs and assume Black and Scholes valuations is set out in Section 8.6 (*Annual Allocation (Years ending 30 June 2022 and 30 June 2023)*) above.

<b>Total Remuneration Package</b>	<p>The total remuneration package for Mr Beevor for the financial year ended 30 June 2021 was \$159,006, comprising \$100,000 base fee and share-based payments valued at \$59,006.</p> <p>The total remuneration package for Mr Beevor for the financial year ended 30 June 2020 was \$136,867, comprising \$87,500 base fee and share-based payments valued at \$49,367.</p> <p>As mentioned above, Mr Beevor's base fee for the current financial year has increased by \$20,000 to \$120,000.</p>
<b>Previous Grants</b>	A summary of the previous issues of Incentives to Mr Beevor under the NEDSIP is set out below.
<b>Material Terms</b>	<p>A summary of the material terms of the Performance Rights is set out in Schedule 2.</p> <p>A summary of the material terms of the Options is set out in Schedule 3.</p>
<b>Reasons for the grant of Incentives</b>	<p>The Company has chosen to grant the Incentives for the following reasons:</p> <ul style="list-style-type: none"> <li>the Incentives are unlisted, therefore the grant of the Incentives has no immediate dilutionary impact on Shareholders;</li> <li>the issue of the Incentives will align the interests of Mr Beevor with those of Shareholders;</li> <li>the issue of the Incentives is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Beevor; and</li> <li>it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentives on the terms proposed.</li> </ul>
<b>Value</b>	The Company values the Performance Rights at \$0.26 per Performance Right and the Options at \$0.119 per Option based on the Black-Scholes methodology. The Black-Scholes valuation methodology was used with the expectation that the majority of the Incentives would be exercised towards the end of their term, key assumptions: Volatility 70%, Risk free rate 0.2854%.
<b>Issue date</b>	If Shareholder approval is obtained, it is anticipated that the Incentives will be granted no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Incentives will be issued on a progressive basis.
<b>Price</b>	The Incentives will be granted at no cost to Mr Beevor. As such no funds will be raised from the issue of the Incentives (other than in respect of funds received on cash exercise of the Options).
<b>NEDSIP</b>	A summary of the terms of the NEDSIP is set out in Schedule 4.
<b>Loan scheme</b>	No loan will be made by the Company in relation to the grant of the Incentives.
<b>Disclosure of issues</b>	Details of any securities issued under the NEDSIP will be published in the annual report of the Company relating to the period in which the securities have been issued, with a statement that approval for the issue of securities was obtained under ASX Listing Rule 10.14.
<b>Participation</b>	Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Incentives under the NEDSIP after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14.



## 8.8 Previous grants

As at 5 October 2021, being the last practicable date prior to the date of finalising this Notice, the following issues of Incentives under the NEDSIP have been made to Mr Beevor (or his nominee). No amount was paid for the acquisition of the Incentives.

Allottee	Number	Exercise price	Grant Date*
<b>Performance Rights</b>			
Mr Beevor	1,282,100	Nil	16 Dec 2019
<b>Options</b>			
Mr Beevor	4,442,600	A\$0.069	19 Dec 2017
	2,365,300	A\$0.072	21 Dec 2018
	4,263,600	A\$0.050	20 Nov 2020

\* incentives currently on issue

## 8.9 What if Shareholders do not approve the grant?

If Shareholders do not approve this Resolution, the Board may only issue a number of Incentives based on an annual allocation of \$50,000 to Mr Beevor (or his nominee) for each of the financial years ending on 30 June 2022 and 30 June 2023 (as approved by Shareholders at the Company's 2020 annual general meeting). In this circumstance, the Board will propose an alternative remuneration structure for Mr Beevor. This may be an alternative equity proposal and/or an amount in cash.

## 8.10 What if Shareholders approve the grant?

If Shareholders approve this Resolution, the Company will be able to proceed with the issue of the Incentives to Mr Beevor (or his nominee) under the NEDSIP within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). As approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Incentives (because approval is being obtained under ASX Listing Rule 10.14), the issue of the Incentives will not use up any of the Company's 15% annual placement capacity.

For clarity, if Shareholders approve this Resolution, the Company may issue a number of Incentives based on an annual allocation of \$70,000 per annum for each of the financial years ending 30 June 2022 and 30 June 2023. This will replace (and will not be aggregated with) the lower amount of \$50,000 approved at the 2020 annual general meeting.

## 8.11 Other Information

The purpose of the grant of the Incentives to Mr Beevor is to include equity incentives as part of his remuneration package and to preserve the Company's cash reserves. No funds will be raised from the grant of Incentives. Any funds

raised from the exercise of Options will be used for general working capital purposes.

There are no significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentives upon the terms of the NEDSIP.

If Mr Beevor receives Options, he will have the choice of either exercising the Options for cash, by contributing his own money to the Company to fund the exercise price of the Options, or by using the cashless exercise alternative that does not require the contribution of funds to the Company.

#### **8.12 Board Recommendation**

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

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### **9. BACKGROUND TO RESOLUTIONS 8 TO 10 – APPROVAL TO PROVIDE POTENTIAL BENEFITS UNDER EMPLOYEE INCENTIVE PLAN, NEDSIP AND EXECUTIVE SEVERANCE POLICY**

The Board is seeking Shareholder approval to provide potential benefits to participants under the Employee Incentive Plan and the NEDSIP (**Plans**).

The Board has had cause to consider this matter as a result of the recent strong increase in the Company's Share price. Because the Incentives issued under the Plans are equity based, this Share price increase has magnified the potential value of any benefits that may be received under those Plans. These benefits may now exceed the relevant regulatory thresholds. Accordingly, the Board considers it prudent to seek Shareholder approval to provide certainty to existing and future Incentive holders and to retain maximum flexibility for the Company. This will assist the Company with attracting and retaining executives and officers of the highest calibre including during the next phase of the growth of the Company.

Given that the Company is seeking Shareholder approval in respect of the Plans, the Board also considers it prudent to seek approval in relation to the Company's Executive Severance Policy. A form of this policy has been in place for a number of years and has recently been updated. The policy sets out the entitlements of certain employees upon any termination of their employment. It is discussed further below.

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### **10. RESOLUTION 8 – APPROVAL TO PROVIDE POTENTIAL BENEFITS UNDER EMPLOYEE INCENTIVE PLAN**

Please refer to Section 9 above for the background to this Resolution.

#### **10.1 Part 2D.2 of the Corporations Act**

In general terms, Part 2D.2 of the Corporations Act prohibits payment by the Company of a benefit to a director or any employee holding a managerial or executive office in the Company (each a **Relevant Person**) on retirement or where that Relevant Person ceases to hold an office with, or be employed by, the Company, unless a specific statutory exemption applies, or the payment of the benefit is approved by Shareholders.

Under the Corporations Act, the payment of a benefit that would exceed 12 months' average base salary of a Relevant Person is prohibited, unless prior shareholder approval is obtained.

The Employee Incentive Plan provides that, in certain circumstances, unvested awards will continue to vest and be payable to the Relevant Person after cessation of their employment or engagement. This entitlement may constitute a 'termination benefit' for the purposes of the Corporations Act.

This approval is being sought in relation to both:

- (a) Incentives that are currently on issue under the EIP; and
- (b) Incentives that may be granted in the future (including those the subject of Resolution 6) under the EIP.

**Description of the termination benefit**

In accordance with the EIP rules:

- (a) where an Incentive holder's employment with the Company or a subsidiary (**Group Company**) ceases:
  - (i) because they are made redundant or otherwise constructively dismissed; or
  - (ii) for reasons other than those set out in the EIP (and described below),then any unvested Incentives will automatically vest;
- (b) where an Incentive holder's employment with a Group Company ceases as a result of:
  - (i) ill health; or
  - (ii) death; or
  - (iii) termination by consent,then any vested Incentives will be able to be exercised (until they lapse) and any unvested Incentives will automatically lapse, though the Board has a general discretion to determine otherwise; and
- (c) where an Incentive holder's employment with a Group Company ceases due to termination for cause, then:
  - (i) any vested Incentives will be able to be exercised unless the Board determines that they should lapse; and
  - (ii) any unvested Incentives will automatically lapse, though the Board does have a general discretion to determine otherwise in particular cases.

The:

- (a) automatic vesting of Incentives under the EIP; and

- (b) potential exercise of the Board's general discretion under the EIP to determine that an Incentive will not lapse,

may constitute a benefit in connection with an Incentive holder's retirement from office under section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval in connection with these potential benefits under the EIP.

Generally speaking, any termination benefit that may be received will consist of the vesting of Incentives (that would otherwise lapse) following termination of the Incentive holder's employment or engagement.

In general terms, the maximum value of such a benefit will be the market price of any Shares received upon exercise of the relevant number of Incentives.

The value of such a benefit cannot be determined with any certainty in advance. This is because various matters, events and circumstances will or are likely to affect the calculation of this value, including:

- (a) the Company's Share price at the time of vesting of the relevant Incentives;
- (b) the status of any vesting conditions that may continue to apply to those Incentives (and which must be satisfied before the Incentives are capable of exercise);
- (c) the number of unvested Incentives that the Incentive holder continues to hold at the time of cessation of employment or engagement;
- (d) the circumstances of, or reasons for, cessation of employment or engagement;
- (e) the Incentive holder's length of service and the Company's performance over that period of time; and
- (f) any other factors that the Board considers to be relevant when exercising any discretion.

The Company will calculate the value of any benefit at the relevant time based on the above factors. Notwithstanding this, the Directors consider (including in light of the recent strong increase in the Company's Share price) that the value of any termination benefits under the EIP could potentially exceed 12 months' average base salary of each Relevant Person and may therefore require approval for the purposes of the Corporations Act.

#### **Shareholder approval sought**

Shareholder approval is being sought for the purposes of sections 200B and 200E of the Corporations Act, for any 'termination benefit' that may be provided to a Relevant Person under the EIP in connection with retirement or cessation of employment (other than payments or amounts which are excluded from the operation of section 200B, such as statutory entitlements to accrued annual leave and long service leave, amounts required to be paid by law and amounts falling within the 12 months average base salary limit).

The amount and value of the termination benefit for which the Company is seeking approval is the maximum benefit that could be provided to relevant Incentive holders under the EIP.

If Shareholder approval is obtained, it is the Board's intention that no other termination benefits will be provided to a Relevant Person in connection with their ceasing to hold a managerial or executive office, other than those termination benefits which have been or are subsequently approved by Shareholders, or which are exempt from the operation of section 200B of the Corporations Act (including as a result of falling within the 12 months average base salary limit).

## **10.2 Listing Rule 10.19**

Listing Rule 10.19 provides that without shareholder approval, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

Depending upon the value of any termination benefits that may be received by officers of the Company, and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if such 'payments' would (when aggregated with other termination benefits payable) exceed this 5% threshold. The relevant termination benefit in this context is the potential vesting, or non-lapse, of Incentives following termination of employment in the circumstances described above. Accordingly, Shareholder approval is being sought (in order to give the Company maximum flexibility) in case the value of any termination benefits under the EIP (when aggregated with any other termination benefits payable) exceeds this 5% threshold.

Shareholders should note that if this Resolution is passed, this does not guarantee that any employee will necessarily receive any termination benefit. Except where vesting is automatic (see above), any decision to determine that an Incentive that would otherwise lapse (upon cessation of employment) will vest will be within the discretion of the Board. In exercising such discretion the Board will be conscious of the need to strike an appropriate balance between ensuring the fair treatment of employees and avoiding excessive generosity.

## **10.3 Unfair or unconscionable agreements, payments or benefits**

Under section 1325C of the Corporations Act, the court has power to:

- (a) void an agreement to give a benefit to an officer of the Company; or
- (b) order the repayment of any benefit given,

if the agreement is entered into or the benefit given:

- (c) within 12 months after the start of the bid period for a takeover bid for the securities of the Company; or
- (d) at a time when the Directors have reason to believe that a takeover bid is to be made in respect of securities of the body corporate,

and the court considers the benefit to be unfair or unconscionable.

This does not apply where Shareholder approval has been obtained for the payment or benefit.

As at the date of this Notice, none of the Directors is aware of any proposal by any person to make a takeover bid in respect of securities of the Company (or to

acquire, or to increase the extent of, a substantial interest in the Company). However, the Directors consider it fair and prudent (including in light of the recent strong increase in the Company's Share price) to seek Shareholder approval under Resolution 8 for the purposes of section 1325C(3), given that the EIP provides that if a change of control (including a takeover bid) occurs, all Incentives which remain subject to a vesting condition immediately vest (until they otherwise lapse in accordance with the EIP).

#### **10.4 What if Shareholders do not approve the grant?**

If this Resolution is not approved, the Company will be restricted to, and may not provide benefits under the EIP (when aggregated with any other benefits payable) that exceed, the regulatory thresholds above (i.e. the number of Incentives that vest will automatically be reduced to the maximum number of Incentives permitted to vest at law).

#### **10.5 What if Shareholders approve the grant?**

If Shareholders approve this Resolution, benefits may be payable under the EIP (when aggregated with any other benefits payable) that exceed the regulatory thresholds set out above. This will provide maximum flexibility for the Company and will assist the Company with attracting and retaining executives and officers of the highest calibre including during the next phase of the growth of the Company.

As noted above, approval of this Resolution does not guarantee that any employee will necessarily receive any termination benefit. Except where vesting is automatic, any decision to determine that an Incentive that would otherwise lapse (upon cessation of employment) will vest will be within the discretion of the Board. In exercising such discretion the Board will be conscious of the need to strike an appropriate balance between ensuring the fair treatment of employees and avoiding excessive generosity.

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### **11. RESOLUTION 9 – APPROVAL TO PROVIDE POTENTIAL BENEFITS UNDER NEDSIP**

#### **11.1 Part 2D.2 of the Corporations Act**

Please refer to Section 9 above for the background to this Resolution and Section 10.1 above for information in relation to Part 2D.2 of the Corporations Act.

Shareholder approval is being sought in relation to both:

- (a) Incentives that are currently on issue under the NEDSIP; and
- (b) Incentives that may be granted in the future (including those the subject of Resolution 7) under the NEDSIP.

#### **Description of the termination benefit**

In accordance with the NEDSIP rules:

- (a) where an Eligible NED ceases to be a director of a Group Company (and to provide services to a Group Company), then:
  - (i) any vested Incentives will be able to be exercised; and

- (ii) any unvested Incentives will automatically lapse, though the Board has a general discretion to determine otherwise; and
- (b) if an Eligible NED dies, any Incentives held may be exercised in full until they lapse in accordance with the NEDSIP.

The:

- (a) automatic vesting of Incentives under the NEDSIP; and
- (b) potential exercise of the Board's general discretion under the NEDSIP (to determine that an Incentive will not lapse),

may constitute a benefit in connection with an Eligible NED's retirement from office under section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval in connection with these potential benefits under the NEDSIP.

Generally speaking, any termination benefit that may be received will consist of the vesting of Incentives (that would otherwise lapse) following termination of engagement.

In general terms, the maximum value of such a benefit will be the market price of any Shares received upon exercise of the relevant number of Incentives.

The value of such a benefit cannot be determined with any certainty in advance. This is because various matters, events and circumstances will or are likely to affect the calculation of this value, including:

- (a) the Company's Share price at the time of vesting of the relevant Incentives;
- (b) the status of any vesting conditions that may continue to apply to those Incentives (and which must be satisfied before the Incentives are capable of exercise);
- (c) the number of unvested Incentives that the Eligible NED continues to hold at the time of cessation of engagement;
- (d) the circumstances of, or reasons for, cessation of engagement;
- (e) the Eligible NED's length of service and the Company's performance over that period of time; and
- (f) any other factors that the Board considers to be relevant when exercising any discretion.

The Company will calculate the value of any benefit at the relevant time based on the above factors. Notwithstanding this, the Directors consider (including in light of the recent strong increase in the Company's Share price) that the value of any termination benefits under the NEDSIP could potentially exceed 12 months' average base salary of each Eligible NED and may therefore require approval for the purposes of the Corporations Act.

#### **Shareholder approval sought**

Shareholder approval is being sought for the purposes of sections 200B and 200E of the Corporations Act, for any 'termination benefit' that may be provided to a

Relevant Person under the NEDSIP in connection with a cessation of office (other than payments or amounts which are excluded from the operation of section 200B, such as statutory entitlements to accrued annual leave and long service leave, amounts required to be paid by law and amounts falling within the 12 months average base salary limit).

The amount and value of the termination benefit for which the Company is seeking approval is the maximum benefit that could be provided to relevant Eligible NEDs under the NEDSIP.

If Shareholder approval is obtained, it is the Board's intention that no other termination benefits will be provided to an Eligible NED in connection with their ceasing to hold a managerial or executive office, other than those termination benefits which have been or are subsequently approved by Shareholders, or which are exempt from the operation of section 200B of the Corporations Act (including as a result of falling within the 12 months average base salary limit).

## **11.2 Listing Rule 10.19**

Please see Section 10.2 above for information in relation to Listing Rule 10.19.

Depending upon the value of any termination benefits that may be received by officers of the Company, and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if such 'payments' would (when aggregated with other termination benefits payable) exceed the 5% threshold. The relevant termination benefit in this context is the potential vesting, or non-lapse, of Incentives following that person ceasing to hold office in the circumstances described above. Accordingly, Shareholder approval is being sought (in order to give the Company maximum flexibility) in case the value of any termination benefits under the NEDSIP (when aggregated with any other termination benefits payable) exceeds the 5% threshold.

Shareholders should note that if this Resolution is passed, this does not guarantee that any Eligible NED will necessarily receive any termination benefit. Except where vesting is automatic, any decision to determine that an Incentive that would otherwise lapse (upon ceasing to hold office) will vest will be within the discretion of the Board. In exercising such discretion the Board will be conscious of the need to strike an appropriate balance between ensuring the fair treatment of others and avoiding excessive generosity.

## **11.3 Unfair or unconscionable agreements, payments or benefits**

Please see Section 10.3 above for information in relation to section 1325C of the Corporations Act.

As at the date of this Notice, none of the Directors is aware of any proposal by any person to make a takeover bid in respect of securities of the Company (or to acquire, or to increase the extent of, a substantial interest in the Company). However, the Directors consider it fair and prudent (including in light of the recent strong increase in the Company's Share price) to seek Shareholder approval under Resolution 9 for the purposes of section 1325C(3), given that the NEDSIP provides that if a change of control (including a takeover bid) occurs, all Incentives which remain subject to a vesting condition immediately vest until they otherwise lapse in accordance with the NEDSIP.



#### 11.4 What if Shareholders do not approve the grant?

If this Resolution is not approved, the Company will be restricted to, and may not provide any benefits under the NEDSIP (when aggregated with any other benefits payable) that exceed the regulatory thresholds above (i.e. the number of Incentives that vest will automatically be reduced to the maximum number of Incentives permitted to vest at law).

#### 11.5 What if Shareholders approve the grant?

If Shareholders approve this Resolution, benefits may be payable under the NEDSIP (when aggregated with any other benefits payable) that exceed the regulatory thresholds set out above. This will provide maximum flexibility for the Company and will assist the Company with attracting and retaining Directors of the highest calibre including during the next phase of the growth of the Company.

As noted above, approval of this Resolution does not guarantee that any Eligible NED will necessarily receive any termination benefit. Except where vesting is automatic, any decision to determine that an Incentive that would otherwise lapse (upon ceasing to hold office) will vest will be within the discretion of the Board. In exercising such discretion the Board will be conscious of the need to strike an appropriate balance between ensuring the fair treatment of others and avoiding excessive generosity.

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### 12. RESOLUTION 10 – APPROVAL TO PROVIDE POTENTIAL BENEFITS UNDER EXECUTIVE SEVERANCE POLICY

#### 12.1 Part 2D.2 of the Corporations Act

Please refer to Section 9 above for the background to this Resolution and Section 10.1 above for information in relation to Part 2D.2 of the Corporations Act.

As mentioned above, the Company has had an Executive Severance Policy in place for a number of years. The policy has recently been updated and provides that, in certain circumstances connected with the termination of employment (see below), an Executive will (in addition to accrued entitlements and the applicable notice period under their contract of employment) be entitled to a severance payment equal to a proportion of the Executive's annual base salary.

This entitlement to a severance payment may constitute a 'termination benefit' for the purposes of the Corporations Act.

Shareholder approval is being sought in relation to both:

- (a) benefits that may be provided to current Executives under the Executive Severance Policy; and
- (b) benefits that may be provided in the future (including to future Executives) under the Executive Severance Policy.

#### Description of the termination benefit

The Executive Severance Policy becomes effective if there is a termination of an Executive at the election of:

- (a) the Company (other than termination for cause); or

- (b) the Executive for:
- (i) a material change in the reporting responsibilities of the Executive;
  - (ii) any reduction in the Executive's level of compensation without the approval of the Executive;
  - (iii) any material reduction in the Executive's duties and responsibilities or scope of delegated authority;
  - (iv) any other employee, contractor or consultant of any Group Company being authorised, engaged or directed to perform or share any material portion of the Executive's duties and responsibilities; or
  - (v) a transfer of the Executive's work location to a location that is beyond a specific distance from their current location, without the approval of the Executive.

The aggregate severance payment that the Executive will be entitled to receive is an amount equal to the proportion of the Executive's annual base salary specified in the table below (and will be calculated by reference to the Executive's period of service):

Period of Service	Applicable Proportion
Less than 2 years	$\frac{1}{12}$ (8.33%)
At least 2 years but less than 3 years	$\frac{1}{4}$ (25%)
At least 3 years	$\frac{1}{2}$ (50%)

#### Shareholder approval sought

Shareholder approval is being sought for the purposes of sections 200B and 200E of the Corporations Act, for any 'termination benefit' that may be provided to an Executive under the Executive Severance Policy (other than payments or amounts which are excluded from the operation of section 200B, such as statutory entitlements to accrued annual leave and long service leave, amounts required to be paid by law and amounts falling within the 12 months average base salary limit).

The amount and value of the termination benefit for which the Company is seeking approval is the maximum benefit that could be provided to relevant Executives under the Executive Severance Policy (described above).

If Shareholder approval is obtained, it is the Board's intention that no other termination benefits will be provided to an Executive in connection with their ceasing to hold a managerial or executive office, other than those termination benefits which have been or are subsequently approved by Shareholders, or which are exempt from the operation of section 200B of the Corporations Act (including as a result of falling within the 12 months average base salary limit).

## **12.2 Listing Rule 10.19**

Please see Section 10.2 above for information in relation to Listing Rule 10.19.

Depending upon the value of any termination benefits that may be received by officers of the Company, and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if such 'payments' would (when aggregated with other termination benefits payable) exceed the 5% threshold. The relevant termination benefit in this context is the aggregate severance amount payable following termination of employment or engagement in the circumstances described above. Accordingly, Shareholder approval is being sought (in order to give the Company maximum flexibility) in case the value of any termination benefits under the Executive Severance Policy (when aggregated with any other termination benefits payable) exceeds the 5% threshold.

## **12.3 What if Shareholders do not approve the grant?**

If this Resolution is not approved, the Company will be restricted from providing any termination benefits under the Executive Severance Policy (when aggregated with any other termination benefits payable) that exceed the regulatory thresholds above and any amounts payable may therefore be restricted.

## **12.4 What if Shareholders approve the grant?**

If Shareholders approve this Resolution, termination benefits may be payable under the Executive Severance Policy (when aggregated with any other termination benefits payable) that exceed the regulatory thresholds set out above. This will provide maximum flexibility for the Company and will assist the Company with attracting and retaining executives and officers of the highest calibre including during the next phase of the growth of the Company.

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## GLOSSARY

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**\$** means Australian dollars.

**7.1A Mandate** has the meaning given in Section 5.1.

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

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

**Board** means the current board of directors of the Company.

**Chair** means the chair of the Meeting.

**Company** or **Bannerman** means Bannerman Energy Ltd (ABN 34 113 017 128).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Eligible NED** means any non-executive director of the Company or, in the case of such a director who provides his or her services to the Company through a service company, that service company.

**Employee Incentive Plan** or **EIP** means the Company's Employee Incentive Plan.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Executive** means the following employees of the Company: Chief Executive Officer, Managing Director (Namibia) and Chief Financial Officer, and any other employees whose written contract with the Company (or its related body corporate) expressly states that the Executive Severance Policy is to apply to them.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Group** means Bannerman and its subsidiaries.

**Incentive** means a right to acquire a Share whether by purchase or subscription (and includes a Performance Right).

**Listing Rules** or **ASX Listing Rules** means the Listing Rules of ASX.

**NEDSIP** means the Company's Non-Executive Directors' Share Incentive Plan.

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

**Option** means an option to acquire a Share.

**Performance Right** means an entitlement to one Share, subject to vesting and satisfaction of any performance conditions.

**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 30 June 2021.

**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.

**Variable A** means "A" as set out in the formula in Listing Rule 7.1A.2.

**VWAP** means volume weighted average price.

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

## SCHEDULE 1 – MATERIAL TERMS AND CONDITIONS OF EMPLOYEE INCENTIVE PLAN

Key Term	Description of term
Eligible employees	Full and part time employees and contractors of any Bannerman Group company (wherever they reside), but excluding non-executive Directors, will be eligible to be granted Incentives. However, there may be some further regulatory requirements for executive Directors or employees residing outside Australia.
Entitlement Performance Rights	for Subject to the terms of the EIP, vesting and the satisfaction of any performance conditions, each Performance Right entitles the holder to receive one Share in Bannerman.
Exercise price Performance Rights	for There is no consideration payable upon the grant or exercise of a Performance Right.
Entitlement for Options	Subject to the terms of the EIP, vesting and the satisfaction of any performance conditions, each Option entitles the holder to acquire (whether by purchase or subscription) and be allotted one Share in Bannerman on the exercise of the Option.
Exercise price for Options	The exercise price of an Option will be determined by the Board in its absolute discretion.
Vesting conditions	The Board has the discretion at the time of the grant of an Incentive under the EIP to determine what (if any) vesting conditions need to be satisfied before the Incentives become capable of exercise.
Vesting in other circumstances	The Board may permit a participant to exercise Incentives or have such Incentives vested, in other limited situations, such as where a resolution is passed approving the disposal of Bannerman's main undertaking or on a winding up of Bannerman.
Expiry date	The Board may set out in an invitation to participate in the EIP the date and times when any Incentives lapse. The expiry date will be no later than 10 years after the date of grant.
Exercise into acquirer shares	Subject to the ASX Listing Rules, the EIP provides flexibility for Bannerman to agree with any successful acquirer of Bannerman to an arrangement whereby Incentives will become exercisable or vest into shares of the successful acquirer or its parent in lieu of Shares.  Any such exercise or vesting will be on substantially the same terms and subject to substantially the same conditions as the holder may exercise or vest Incentives to acquire Shares, but with appropriate adjustments to the number and kind of Shares subject to the incentives, as well as to any exercise price.
Board discretion	Under the terms of the EIP, the Board has absolute discretion to determine the exercise price, the expiry date and vesting

	conditions of any grants made under the EIP, without the requirement for further Shareholder approval.
Vesting on change of control	<p>Incentives that remain subject to a vesting condition immediately vest and are received or become exercisable by the participant in the event that a takeover bid is made for Bannerman, or another corporate transaction is pursued (such as a scheme of arrangement, selective capital return etc) which results in the bidder acquiring voting power to more than 50% of Bannerman.</p> <p>The Board also has a general discretion to allow Incentives to immediately vest if the Board determines, acting in good faith and consistent with its fiduciary duties, that a person has obtained voting power which is sufficient to control the composition of the Board of Bannerman.</p> <p>Incentives will lapse on their expiry date.</p>
Transferability	Incentives are only transferable upon a takeover bid where the Incentives are transferred to the bidder, upon a scheme of arrangement where the Incentives are transferred to the acquirer, by force of law upon death of the incentive holder or upon bankruptcy of the Incentive holder, or otherwise with the consent of the Board.
Right to participate in dividends	Incentives will not entitle the holder to any dividends (or Shares or rights in lieu of dividends) declared or issued by the Company.
Listing	The Incentives will not be listed.
Adjustment for rights issues	The exercise price of Incentives (if applicable) 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 the relevant Incentive.
Other rights to participate in bonus issues, reorganisations and new issues etc	<p>If the Company completes a bonus issue during the term of an Incentive, the number of Shares the holder is then entitled to will be increased by the number of Shares which the holder would have been issued in respect of Incentives if they were exercised (in the case of Options) or are vested and are received (in the case of Performance Rights) immediately prior to the record date for the bonus issue.</p> <p>In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Incentives to which the holder is entitled or the exercise price of the Incentives (if applicable), or both as appropriate, will be adjusted in the manner provided for in the ASX Listing Rules.</p> <p>Subject to the terms of the EIP and as otherwise set out above, during the currency of the Incentives and prior to their exercise (in the case of Options) or vesting and receipt (in the case of Performance Rights), the holder is not entitled to participate in any new issue of securities of the Company as a result of their holding the Incentives.</p>

## Incentives on cessation of employment

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 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 or a longer period allowed by Board	Are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by the Board



## SCHEDULE 2 – MATERIAL TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

### Key Terms

1. The Performance Rights are issued for no consideration.
2. Subject to these terms, each Performance Right entitles the holder to subscribe for and be allotted one Share on vesting of the Performance Right.
3. There is no exercise price payable upon vesting of a Performance Right.

### Minimum Vesting Period

4. Subject to the rules of the NEDSIP, the ability to exercise any Performance Right is conditional upon the Eligible Individual being a director of, or providing services to, the Company or its subsidiary entities at all times during the Minimum Vesting Period this being 12 months from date of issue (**Vesting Condition**).

### Lapsing of a Performance Right

5. Unless the Board otherwise determines in its absolute discretion, any unvested Performance Right will lapse upon the earliest to occur of:
  - (a) the Performance Right lapsing in accordance with paragraph 11;
  - (b) the Performance Right lapsing in accordance with a provision of paragraphs 6 to 8;
  - (c) the Performance Right lapsing in accordance with a provision of paragraphs 22 to 24; and
  - (d) failure to meet the Performance Right's Vesting Condition.
6. Subject to the rules of the NEDSIP and these terms, if an Eligible Individual ceases to be a director of, or provide services to, the Company or its subsidiary entities then:
  - (a) if the Vesting Condition has been satisfied, the Performance Right will vest automatically unless the Board and the Eligible Individual agree otherwise (in which case, the Performance Right will vest at the time so agreed, if any); or
  - (b) if the Vesting Condition has not been satisfied, the Performance Right will automatically lapse on the date of such cessation, unless the Board determines otherwise.

To the extent the Performance Rights do not vest in accordance with this paragraph, the Performance Rights will lapse.

The Board will advise the holder of the achievement, satisfaction or waiver of a Vesting Condition. The Board's decision as to satisfaction, achievement or waiver of a Vesting Condition may be made in the Board's absolute discretion and a determination as to the interpretation, effect, application, achievement, satisfaction or waiver of a Vesting Condition is final and conclusive.

7. If an Eligible Individual dies, a Performance Right will vest, subject to the Performance Right not having lapsed as described in paragraph 5, by the holder

at any time up to but not later than twelve months after the date of death and, to the extent not so exercised, the Performance Right shall lapse.

8. If, in the opinion of the Board, an Eligible Individual acts fraudulently or dishonestly or is in breach of his or her obligations to any Group Company, then the Board may deem any unvested Performance Rights of the holder to have lapsed (whether or not that Eligible Individual has ceased to be a director of a Group Company).

#### **Transferability**

9. The Performance Rights will not be quoted on the ASX.
10. The Performance Rights are only transferable:
- (a) by force of law upon death to the holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy;
  - (b) where a Takeover Bid is made to acquire all or some of the Shares in the Company in circumstances where:
    - (1) the offer is for all Shares;
    - (2) the offer is declared unconditional; and
    - (3) holders of at least half of the Shares the subject of the Takeover Bid have accepted that offer,and the Performance Rights are transferred by the holder to the party making the Takeover Bid for the Company; or
  - (c) where a scheme of arrangement pursuant to Part 5.1 of the Corporations Act between the Company and the holders of Shares becomes effective in accordance with section 411(10) of the Corporations Act and the Performance Rights are transferred by the holder to the party acquiring all of the Shares pursuant to the scheme of arrangement;
- or otherwise with the prior written consent of the Board.

11. Where the holder purports to transfer Performance Rights other than in accordance with paragraph 10 the Performance Rights immediately lapse.
12. Performance Rights granted under the NEDSIP may not be used to secure the payment of any monies.

#### **Vesting – process**

13. Subject to paragraph 5, where a Vesting Condition has been imposed on the vesting of Performance Rights, then the Performance Rights will not vest unless and until the Board has notified the holder that the Vesting Condition has been satisfied or otherwise waived by the Board (in its absolute discretion).

#### **Issue of Shares**

14. Shares allotted and issued pursuant to the vesting of a Performance Right will be allotted and issued not more than 10 business days after the notice is given by the Board in accordance with paragraph 13.

In the event that the issue of Shares on vesting of a Performance Right would require the Company to prepare a disclosure document in the absence of

appropriate arrangements with the holder, then the Company may require the holder (as a pre-condition to the issue of the underlying Shares on vesting of the Performance Rights) to enter into such arrangements with the Company as the Company considers appropriate to ensure that the issue of such Shares without disclosure does not contravene the fundraising provisions of the Corporations Act.

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15. All Shares issued upon vesting of the Performance Rights will rank pari passu in all respects with Shares then on issue. If the Shares are quoted, the Company will apply for official quotation of all Shares issued upon exercise of the Performance Rights within a reasonable period of time after the date of allotment of those Shares. For the avoidance of doubt, if the holder has not entered into the appropriate arrangements referred to in paragraph 16 below, then the Company may delay applying for official quotation of any Shares issued upon exercise of the Performance Rights for the period that it is unable to issue a notice under section 708A(5) of the Corporations Act.
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16. There will be no transfer restrictions on Shares allotted in accordance with these terms unless the sale, transfer or disposal by the holder of the Shares issued to them on exercise of the Performance Rights (or any interest in them) would require the preparation of a disclosure document (as that term is defined in the Corporations Act). If a disclosure document is required, the holder will be required to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Shares in a manner that would require a disclosure document to be prepared.
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17. If, after the vesting of Performance Rights in accordance with these terms, there are still Performance Rights on a Certificate that remain unvested, the Company will issue a new certificate for the balance of the Performance Rights held by the holder and not yet vested.
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#### **Rights to participate in dividends, new issues of Shares etc**

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18. The Performance Rights will not entitle the holder to any dividends (or Shares or rights in lieu of dividends) declared or issued by the Company.
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19. (a) If Shares are issued pro rata to the Company's shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits, the holder of Performance Rights is entitled, upon vesting of the Performance Rights, to receive, in addition to the Shares in respect of which the Performance Rights have vested and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Performance Rights have vested.
- (b) Additional Shares to which the holder of Performance Rights becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares comprised in the relevant Performance Rights and in respect of which the Performance Rights have vested for the purposes of subsequent applications of paragraph 19(a), and any adjustments which, after the time just mentioned, are made under paragraph 20 to the number of Shares will also be made to the additional Shares.
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20. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights to which the holder is entitled will be adjusted in the manner provided for in the Listing Rules.
21. Subject to paragraphs 19 and 21, holders of Performance Rights cannot participate in new issues of capital by the Company offered to shareholders without the Performance Rights having vested.

#### Takeovers, schemes of arrangement etc

22. If a Change of Control occurs, then the Board must (unless any Takeover Bid to which the Change of Control relates also includes an equivalent offer to the holder to acquire all or a substantial portion of their Performance Rights) notify the holder of the Change of Control. The notice will also inform the holder that any Performance Rights held which remain subject to a Vesting Condition will immediately vest.
23. The Board may also, in its absolute discretion, determine that Performance Rights vest (irrespective of whether the relevant Vesting Conditions have been met) during such period as the Board determines where:
- (a) the Company passes a resolution for voluntary winding up;
  - (b) an order is made for the compulsory winding up of the Company; or
  - (c) the Company passes a resolution in accordance with Listing Rule 11.2 to dispose of its main undertaking.
24. If a company (**Acquiring Company**) obtains control of the Company as a result of:
- (a) a Takeover Bid;
  - (b) a scheme of arrangement between the Company and its shareholders; or
  - (c) a selective capital reduction,
- and both the Company and the Acquiring Company agree, the holder may, upon the vesting of his or her Performance Rights, elect to acquire and the Company may provide shares of the Acquiring Company or its parent in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the holder may exercise Performance Rights to acquire Shares, but with appropriate adjustments to the number and kind of shares subject to the Performance Rights.

#### Termination Payments

25. If the vesting of Performance Rights in accordance with paragraphs 6 to 8, when aggregated with any other benefits paid or payable to the Eligible Individual in connection with their retirement from office or position with any Group Company:
- (a) has not been approved by shareholders pursuant to Part 2D.2 of the Corporations Act; or
  - (b) is not otherwise permitted by law,
- then the number of Performance Rights that vest under the relevant rule is automatically reduced to the maximum number of Performance Rights permitted to vest at law upon their retirement from that office or position.

#### **Governing provisions**

26. If there is any inconsistency between the NEDSIP and these terms, the NEDSIP prevails to the extent of that inconsistency.
27. The NEDSIP, these terms and any Performance Rights issued under them are governed by the law of Western Australia.

## SCHEDULE 3 – MATERIAL TERMS AND CONDITIONS OF OPTIONS

### Key Terms

1. The Options are issued for no consideration.
2. Subject to these terms, each Option entitles the holder to subscribe for and be allotted one Share on exercise of the Option.
3. The exercise price payable upon exercise of each Option will be 150% of the 20 Day VWAP (**Exercise Price**) prior to the date of issue of the Options.
4. The expiry date for each Option is 5.00pm (Perth time) three years from the date of issue (**Expiry Date**).

### Minimum Vesting Period

5. Subject to the rules of the NEDSIP, the ability to exercise any Option is conditional upon the Eligible Individual being a director of, or providing services to, the Company or its subsidiary entities at all times during the Minimum Vesting Period this being 12 months from date of issue (**Vesting Condition**).

### Lapsing of an Option

6. Unless the Board otherwise determines in its absolute discretion, any unexercised Option will lapse upon the earliest to occur of:
  - (a) the Option lapsing in accordance with paragraph 12;
  - (b) the Option lapsing in accordance with a provision of paragraphs 7 to 9;
  - (c) the Option lapsing in accordance with a provision of paragraphs 26 to 28;
  - (d) failure to meet the Option's Vesting Condition; and
  - (e) the Expiry Date.
7. Subject to the rules of the NEDSIP and these terms, if an Eligible Individual ceases to be a director of, or provide services to, the Company or its subsidiary entities then:
  - (a) if the Vesting Condition has been satisfied, the Option continues and may be exercised by the holder in the 30 day period starting on the date of such cessation or any longer period permitted by the Board, after which time the Option will automatically lapse; or
  - (b) if the Vesting Condition has not been satisfied, the Option will automatically lapse on the date of such cessation, unless the Board determines otherwise.

To the extent the Options are not exercised in accordance with this paragraph, the Options will lapse.

The Board will advise the holder of the achievement, satisfaction or waiver of a Vesting Condition. The Board's decision as to satisfaction, achievement or waiver of a Vesting Condition may be made in the Board's absolute discretion and a determination as to the interpretation, effect, application, achievement, satisfaction or waiver of a Vesting Condition is final and conclusive.

8. If an Eligible Individual dies, an Option may be exercised in full, subject to the Option not having lapsed as described in paragraph 6, by the holder at any time up to but not later than twelve months after the date of death and, to the extent not so exercised, the Option shall lapse.
9. If, in the opinion of the Board, an Eligible Individual acts fraudulently or dishonestly or is in breach of his or her obligations to any Group Company, then the Board may deem any unexercised Options of the holder to have lapsed (whether or not that Eligible Individual has ceased to be a director of a Group Company).

#### **Transferability**

10. The Options will not be quoted on the ASX.
11. The Options are only transferable:
- (a) by force of law upon death to the holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy;
  - (b) where a Takeover Bid is made to acquire all or some of the Shares in the Company in circumstances where:
    - (1) the offer is for all Shares;
    - (2) the offer is declared unconditional; and
    - (3) holders of at least half of the Shares the subject of the Takeover Bid have accepted that offer,and the Options are transferred by the holder to the party making the Takeover Bid for the Company; or
  - (c) where a scheme of arrangement pursuant to Part 5.1 of the Corporations Act between the Company and the holders of Shares becomes effective in accordance with section 411(10) of the Corporations Act and the Options are transferred by the holder to the party acquiring all of the Shares pursuant to the scheme of arrangement;
- or otherwise with the prior written consent of the Board.

12. Where the holder purports to transfer Options other than in accordance with paragraph 11 the Options immediately lapse.
13. Options granted under the NEDSIP may not be used to secure the payment of any monies.

#### **Exercise – process**

14. Subject to paragraph 6, where a Vesting Condition has been imposed on the exercise of Options, then the Options are not exercisable unless and until the Board has notified the holder that the Vesting Condition has been satisfied or otherwise waived by the Board (in its absolute discretion).
15. Options must be exercised in accordance with these terms by the holder giving the Company an Exercise Notice accompanied by payment of the Exercise Price (if any) and the Certificate. Options may only be exercised in multiples of 100 (or for less than 100 if less than 100 Options are held or would remain after exercise of the other Options held).

## Cashless Exercise Facility

16. Notwithstanding the requirement for payment of the Exercise Price, in order to exercise some or all of the Options, the holder may elect to pay the Exercise Price by using the cashless exercise facility (**Cashless Exercise Facility**).

The Cashless Exercise Facility entitles the holder to set-off the Exercise Price against the number of Shares which the holder is entitled to receive upon exercise of the holder's Options. By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set-off. If the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise is zero or negative, then the holder will not be entitled to use the Cashless Exercise Facility.

## Issue of Shares

17. Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 10 business days after receipt of a properly executed Exercise Notice and payment of the Exercise Price (if any) in freely available funds.

In the event that the issue of Shares on exercise of an Option would require the Company to prepare a disclosure document in the absence of appropriate arrangements with the holder, then the Company may require the holder (as a pre-condition to the issue of the underlying Shares on exercise of the Options) to enter into such arrangements with the Company as the Company considers appropriate to ensure that the issue of such Shares without disclosure does not contravene the fundraising provisions of the Corporations Act.

18. All Shares issued upon exercise of the Options will rank *pari passu* in all respects with Shares then on issue. If the Shares are quoted, the Company will apply for official quotation of all Shares issued upon exercise of the Options within a reasonable period of time after the date of allotment of those Shares. For the avoidance of doubt, if the holder has not entered into the appropriate arrangements referred to in paragraph 17 above, then the Company may delay applying for official quotation of any Shares issued upon exercise of the Options for the period that it is unable to issue a notice under section 708A(5) of the Corporations Act.

19. There will be no transfer restrictions on Shares allotted in accordance with these terms unless the sale, transfer or disposal by the holder of the Shares issued to them on exercise of the Options (or any interest in them) would require the preparation of a disclosure document (as that term is defined in the Corporations Act). If a disclosure document is required, the holder will be required to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Shares in a manner that would require a disclosure document to be prepared.

20. If, after the exercise of Options in accordance with these terms, there are still Options on a Certificate that remain unexercised, the Company will issue a new certificate for the balance of the Options held by the holder and not yet exercised.

## Rights to participate in dividends, new issues of Shares etc

21. The Options will not entitle the holder to any dividends (or Shares or rights in lieu of dividends) declared or issued by the Company.



22. (a) If Shares are issued pro rata to the Company's shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits, the holder of Options is entitled, upon exercise of the Options, to receive, in addition to the Shares in respect of which the Options are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Options are exercised.
- (b) Additional Shares to which the holder of Options becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares comprised in the relevant Options and in respect of which the Options are exercised for the purposes of subsequent applications of paragraph 22(a), and any adjustments which, after the time just mentioned, are made under paragraph 24 to the number of Shares will also be made to the additional Shares.
23. If Shares are offered pro rata for subscription by the Company's shareholders generally by way of a rights issue during the currency of and prior to exercise of any Options, the Exercise Price of each Options will be adjusted in the manner provided for in the Listing Rules.
24. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which the holder is entitled or the Exercise Price of the Options, or both as appropriate, will be adjusted in the manner provided for in the Listing Rules.
25. Subject to paragraphs 22, 23 and 24, holders of Options cannot participate in new issues of capital by the Company offered to shareholders without exercising the Options.

#### Takeovers, schemes of arrangement etc

26. If a Change of Control occurs, then the Board must (unless any Takeover Bid to which the Change of Control relates also includes an equivalent offer to the holder to acquire all or a substantial portion of their Options) notify the holder of the Change of Control. The notice will also inform the holder that any Options held which remain subject to a Vesting Condition will immediately vest and may be exercised by the holder until the Options lapse on the Expiry Date.
27. The Board may also, in its absolute discretion, permit the exercise of Options (irrespective of whether the relevant Vesting Conditions have been met) during such period as the Board determines where:
- (a) the Company passes a resolution for voluntary winding up;
- (b) an order is made for the compulsory winding up of the Company; or
- (c) the Company passes a resolution in accordance with Listing Rule 11.2 to dispose of its main undertaking.
28. If a company (**Acquiring Company**) obtains control of the Company as a result of:
- (a) a Takeover Bid;

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- (b) a scheme of arrangement between the Company and its shareholders; or
  - (c) a selective capital reduction,

and both the Company and the Acquiring Company agree, the holder may, upon exercise of his or her Options, elect to acquire and the Company may provide shares of the Acquiring Company or its parent in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the holder may exercise Options to acquire Shares, but with appropriate adjustments to the number and kind of shares subject to the Options, as well as to the Exercise Price.

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#### **Termination Payments**

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29. If the vesting of Options in accordance with paragraphs 7 to 9, when aggregated with any other benefits paid or payable to the Eligible Individual in connection with their retirement from office or position with any Group Company:

- (a) has not been approved by shareholders pursuant to Part 2D.2 of the Corporations Act; or

- (b) is not otherwise permitted by law,

then the number of Options that vest under the relevant rule is automatically reduced to the maximum number of Options permitted to vest at law upon their retirement from that office or position.

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#### **Governing provisions**

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30. If there is any inconsistency between the NEDSIP and these terms, the NEDSIP prevails to the extent of that inconsistency.

31. The NEDSIP, these terms and any Options issued under them are governed by the law of Western Australia.
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## SCHEDULE 4 – KEY TERMS OF THE NON-EXECUTIVE DIRECTOR SHARE INCENTIVE PLAN

Key term	Description of term
Permitted grants	<p>Permits grants of Incentives, which includes Options and Performance Rights.</p> <p>Reference to the 'Board' in this schedule refers to the Board not including the Non-Executive Directors.</p>
Minimum vesting period	<p>Under the NEDSIP, the Board may impose a minimum vesting period and performance hurdles on the terms and conditions of an issue of an Incentive.</p> <p>The Board's current policy is for Incentives to be issued with a minimum vesting period of 12 months from the date of grant (<b>Minimum Vesting Period</b>).</p> <p>For Incentives granted under the NEDSIP in the form of Performance Rights no exercise price will be payable. However, there will be conditions attached which require the NED to continue in their role for the 12 month Minimum Vesting Period whereupon the Performance Right will vest automatically into a Share.</p> <p>If the Board decides to issue Options, then, under the Board's current policy (which the Board may change at any time), Options will vest only upon completion of the Minimum Vesting Period and may then be exercised upon payment of the exercise price.</p>
Incentives	The NEDSIP allows the Board to grant Performance Rights and Options to eligible participants.
Grants of Incentives	<p>The NEDSIP will provide the following issues of Incentives (which may be changed by the Board from time to time):</p> <ul style="list-style-type: none"> <li>(a) upon being appointed, Non-Executive Directors may be entitled to receive an initial grant of Incentives with a total value of one times their annual base Director fee (Initial Allocation); and</li> <li>(b) thereafter, Non-Executive Directors are each entitled to receive one third of their annual Director fees (excluding fees paid for services as a member to a Board Committee and extra exertion fees) in the form of Incentives (Annual Allocation), with the other two thirds being paid in cash.</li> </ul> <p>Incentives issued under the NEDSIP are to be issued for no consideration.</p>
Entitlement to Incentives	Subject to the terms of the NEDSIP, vesting and the satisfaction of any performance conditions, each Incentive entitles the holder to receive one Share.

Exercise price	The Board may grant Options under the NEDSIP. If it chooses to do so, the exercise price of any Options granted under the NEDSIP is at the absolute discretion of the Board (in accordance with applicable securities regulations) and the Board will determine the exercise price from time to time.
Cashless Exercise Facility	<p>Notwithstanding the requirement for payment of the Exercise Price, in order to exercise some or all of the Options, the holder may elect to pay the Exercise Price by using the cashless exercise facility (<b>Cashless Exercise Facility</b>).</p> <p>The Cashless Exercise Facility entitles the holder to set-off the Exercise Price against the number of Shares which the holder is entitled to receive upon exercise of the holder's Options. By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set-off. If the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise is zero or negative, then the holder will not be entitled to use the Cashless Exercise Facility.</p>
Expiry Date	The NEDSIP provides that the expiry date will be not later than 5 years after the date of issue. Current policy is that the expiry date for Options is the date 3 years after the date of issue.
Effect of ceasing to be a director or death	<p>If a Non-Executive Director ceases to be a Director of or provide services to Bannerman or its subsidiary entities, then:</p> <ul style="list-style-type: none"> <li>(a) if all relevant vesting conditions have been met or if no vesting condition is imposed, the Incentive continues and may be exercised by the Non-Executive Director in the 30 day period starting on the date of such cessation or any longer period permitted by the Board, after which time the Incentive will automatically lapse; or</li> <li>(b) if any relevant vesting condition has not been met, the Incentive will automatically lapse on the date of such cessation, unless the Board determines otherwise.</li> </ul> <p>Unless the Incentives have otherwise lapsed, if a Non-Executive Director dies then their Incentives may be exercised in full up to 12 months after his or her death.</p> <p>The Board will consider any applicable limitations under the termination benefit rules in the Corporations Act when making any determination or allowing any extension following a Non-Executive Director ceasing to be a Director of or provide services to Bannerman.</p>
Dividend and voting rights	Incentives granted under the NEDSIP do not carry any dividend or voting rights.
Vesting on change of control	Incentives automatically vest, and may become transferable, in the event that a takeover bid is made for Bannerman, or another corporate transaction is pursued (such as a scheme of arrangement

or selective capital return) which results in the bidder acquiring voting power to more than 50% of Bannerman.

The Board also has a general discretion to allow Incentives to vest if the Board determines, acting in good faith and consistent with its fiduciary duties, that a person has obtained sufficient voting rights to control the composition of the Board.

The Board may permit a participant to exercise Incentives or have such Incentives vested, in other limited situations, such as where a resolution is passed approving the disposal of Bannerman's main undertaking or on winding up of Bannerman.

Once vested, the Incentives will lapse on their expiry date.

Exercise into bidder shares	The NEDSIP provides flexibility for Bannerman to agree with any successful acquirer of Bannerman to an arrangement whereby Incentives will become exercisable into acquirer shares as opposed to Bannerman shares.
Transferability	Incentives are transferable only in the event that a change of control of Bannerman occurs or by force of law upon the death of the participant or upon the bankruptcy of the participant, or otherwise with the consent of the Board.
Bonus issues, rights issues, reconstruction	The NEDSIP contains standard rules providing for adjustments to Incentives granted under the NEDSIP in the event of a bonus issue, rights issue or reorganisation of Bannerman's issued capital.
Listing	The Incentives will not be listed.
Board discretion	The Board has absolute discretion (in accordance with applicable securities regulations) to determine the exercise price, the expiry date and vesting conditions of any grants made under the NEDSIP, without the requirement of further Shareholder approval.