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**PILBARA MINERALS LIMITED**  
**ACN 112 425 788**

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## **NOTICE OF ANNUAL GENERAL MEETING**

**Time:** 2:00pm (WST)

**Date:** Thursday, 17 November 2022

**Place:** The University Club of Western Australia, Entrance 1, Hackett Drive,  
Crawley, Western Australia 6009

**Online:** via Computer using URL: <https://meetnow.global/MQVUF4M>

via Mobile Device using URL: <https://meetnow.global/MQVUF4M>

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

*Instructions on how to attend, vote and ask questions during the meeting are outlined below and available at <https://meetnow.global/MQVUF4M>*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary or Assistant Company Secretary by telephone on +61 8 6266 6266.***

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# PILBARA MINERALS LIMITED

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Pilbara Minerals Limited (**Company**) will be held at The University Club of Western Australia, Entrance 1, Hackett Drive, Crawley, Western Australia 6009 and virtually using the Computershare online meeting platform on **Thursday, 17 November 2022 at 2:00pm (WST) (Meeting)**.

### Time and Place of Meeting and How to Vote

In planning for the Meeting, the Company has focused on ensuring the safety of Shareholders and its employees whilst seeking to maximise the opportunity for Shareholder participation. Having regard to the significant number of Shareholders not located in Western Australia, in addition to a physical meeting, the Company has made arrangements for Shareholders eligible to attend and vote at the Meeting to remotely participate via the Computershare online meeting platform.

For details of how Shareholders can participate and vote in the Meeting online, please refer to Section 2 of the Explanatory Memorandum.

Shareholders are encouraged to monitor the Company's website at [www.pilbaraminerals.com.au](http://www.pilbaraminerals.com.au) and the Company's ASX announcements platform at [www.asx.com.au](http://www.asx.com.au) for any updates in relation to arrangements for the Meeting.

### Explanatory Memorandum

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

### Voting Eligibility

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on **Tuesday, 15 November 2022 at 4:00pm (WST)**.

Terms and abbreviations used in this Notice and in the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2022, which includes the Financial Report, Remuneration Report, the Sustainability Report, the Directors' Report and the Auditor's Report.

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#### 1. Resolution 1 – Remuneration Report

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

*"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by Shareholders for the adoption of the Remuneration Report as contained in the Company's Annual Report for the financial year ended 30 June 2022, on the terms and conditions in the Explanatory Memorandum."*

The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, the Directors will consider the outcome of the vote and all comments received from Shareholders on the Remuneration Report when forming the Company's remuneration policies. If at least 25% of votes cast on a resolution for the adoption of a remuneration report are against

its adoption for two consecutive years, Shareholders will be required to vote at the second annual general meeting on a spill resolution as to whether a further meeting should be held within 90 days at which all of the Directors (except the Managing Director) must stand for re-election.

#### **Voting Prohibition**

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons (each a **voter**) as proxy if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the voter is appointed as a proxy 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 does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even though this Resolution is connected with the remuneration of members of the Key Management Personnel.

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## **2. Resolution 2 – Re-election of Mr Anthony Kiernan as Director**

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

*“That, pursuant to and in accordance with Listing Rules 14.4 and 14.5, article 11.4 of the Constitution and for all other purposes, Mr Anthony Kiernan, retires and, being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.”*

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## **3. Resolution 3 – Re-election of Mr Nicholas Cernotta as Director**

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

*“That, pursuant to and in accordance with Listing Rules 14.4 and 14.5, article 11.4 of the Constitution and for all other purposes, Mr Nicholas Cernotta, retires and, being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.”*

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## **4. Resolution 4 – Ratification of Convertible Bonds**

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

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 79,603,050 Convertible Bonds to POS-LT Pty Ltd pursuant to the Convertible Bond Agreement on the terms and conditions in the Explanatory Memorandum.”*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of POS-LT Pty Ltd or an associate of POS-LT Pty Ltd.

However, this does not apply to 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 this Resolution, if in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or

- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, if in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a Shareholder 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 Shareholder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on this Resolution; and
  - (ii) the Shareholder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 5. Resolution 5 – Issue of Employee Performance Rights to Mr Dale Henderson

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

*“That, pursuant to and in accordance with Listing Rule 10.14, Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and for all other purposes, Shareholders approve the issue of up to a maximum of 843,075 Employee Performance Rights under the Employee Award Plan to the Managing Director and CEO, Mr Dale Henderson (and/or his nominee(s)) with the vesting conditions and on the terms and conditions in the Explanatory Memorandum.”*

### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in the Employee Award Plan (including Mr Dale Henderson), or an associate of those persons.

However, this does not apply to 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 this Resolution, if in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, if in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a Shareholder 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
  - (ii) the Shareholder votes on this Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

### Voting Prohibitions

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Dale Henderson or his nominee(s) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr Dale Henderson or his nominee(s) or any of his, or their, associates.

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

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 6. Resolution 6 – Increase in Non-Executive Directors' Fees

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

*“That, pursuant to and in accordance with Listing Rule 10.17, article 11.15 of the Constitution and for all other purposes, the maximum total fees payable to non-executive Directors be increased from \$1,100,000 per annum to \$1,300,000 per annum on the terms and conditions in the Explanatory Memorandum.”*

### Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a Director or any of their associates.

However, this does not apply to 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 this Resolution, if in accordance with directions given to the proxy or attorney to vote on this Resolution that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, if in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a Shareholder 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
- (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

**BY ORDER OF THE BOARD**

**Mr Alex Eastwood**  
Company Secretary  
Dated: 13 October 2022

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# PILBARA MINERALS LIMITED

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting on **Thursday, 17 November 2022 at 2:00pm (WST)**.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice.

Directors who are interested in the outcome of Resolutions have abstained from making recommendations for the reasons detailed in this Explanatory Memorandum.

A Proxy Form is located at the end of this Explanatory Memorandum.

#### PROVISION OF ANNUAL GENERAL MEETING MATERIALS

In accordance with the *Corporations Amendment (Meetings and Documents) Act 2022* (Cth), the Notice and this Explanatory Memorandum will be provided to Shareholders electronically unless a Shareholder has made an election to receive a paper copy of these documents.

All Shareholders will be able to access the Notice and this Explanatory Memorandum (including the Proxy Form) and the online meeting guide on the Company's website at: [www.pilbaraminerals.com.au](http://www.pilbaraminerals.com.au). The Notice and this Explanatory Memorandum will also be made available on the ASX announcements platform at: <https://www.asx.com.au/asx/statistics/announcements.do>.

Shareholders that have nominated an email address and have elected to receive electronic communications from the Company, will also receive an email containing a link to an electronic copy of the Notice and this Explanatory Memorandum (including the Proxy Form).

The Company considers that receiving communications electronically is the best way for Shareholders to stay informed and has the added advantage of being more sustainable and cost effective, which benefits all Shareholders. If Shareholders have not already done so, the Company encourages Shareholders to make the switch to paperless communications and provide us with your email address. To make this change, please visit: <http://www.computershare.com.au/easyupdate/PLS> and follow the prompts / instructions.

If you are unable to access the Notice and this Explanatory Memorandum online, please contact the Company Secretary or Assistant Company Secretary on +61 8 6266 6266.

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### 2. How to Participate and Vote at the Meeting

#### 2.1 Time and Place of Meeting

The Meeting will be held at **2:00pm (WST) on Thursday, 17 November 2022** at The University Club of Western Australia, Entrance 1, Hackett Drive, Crawley, Western Australia 6009, and also virtually using the Computershare online meeting platform.

In planning for the Meeting, the Company has focused on ensuring the safety of shareholders and its employees whilst seeking to maximise the opportunity for Shareholder participation. Having

regard to the significant number of Shareholders not located in Western Australia, in addition to a physical meeting, the Company has made arrangements for Shareholders eligible to attend and vote at the Meeting to remotely participate via the Computershare online meeting platform.

The Computershare online meeting platform allows Shareholders to listen to the Meeting, vote and ask questions online in real time. Visitors to the Meeting who are not Shareholders will be able to listen to the proceedings via the Computershare online meeting platform but will not have access to vote or ask questions.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the Company's ASX announcements platform at [www.asx.com.au](http://www.asx.com.au) and on the Company's website at [www.pilbaraminerals.com.au](http://www.pilbaraminerals.com.au).

## 2.2 How to Participate and Vote at the Meeting

Shareholders can submit questions in relation to the business of the Meeting and vote on the Resolutions in real time during the Meeting via the Computershare online meeting platform.

Shareholders, proxies and attorneys participating in the Meeting using the Computershare online meeting platform will be able to vote between the commencement of the Meeting and the closure of voting as announced by the Chair during the Meeting.

By participating in the Meeting online you will be able to:

- (a) hear and view the Meeting slides;
- (b) submit questions at the appropriate time whilst the Meeting is in progress; and
- (c) vote during the Meeting.

If you choose to participate in the Meeting online, registration will open from **1:30pm (WST) on Thursday, 17 November 2022** (30 minutes prior to the start of the Meeting).

To participate in the Meeting online, please follow the instructions below:

- (a) click on 'Join Meeting Now';
- (b) enter your SRN/HIN (please note proxyholders will need to contact Computershare on +61 3 9515 4024 prior to the Meeting to obtain their login details);
- (c) enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder, select the country of your registered holding from the drop down list; and
- (d) accept the Terms and Conditions and 'Click Continue'.

All Resolutions will be conducted by poll.

Further information in respect to online participation is available in the online meeting guide available at [www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide).

Please note, only Shareholders and their valid proxyholders or representatives may ask questions online and only once they have been verified. It may not be possible to respond to all questions raised during the Meeting. Shareholders are therefore encouraged to lodge questions prior to the Meeting by emailing their question to [shareholderservices@pilbaraminerals.com.au](mailto:shareholderservices@pilbaraminerals.com.au) by no later than **10:00am (WST) on Tuesday, 15 November 2022**.

## 2.3 Your Vote is Important

The business at the Meeting affects your shareholding and your vote is important. Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

## 2.4 Voting in Person

To vote in person, attend the Meeting on the date and at the place detailed above. If you wish to attend the Meeting, **please arrive 20 minutes prior to the start of the Meeting** to facilitate the registration process.



## 2.5 Voting by Proxy

A Proxy Form is enclosed which is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place.

To vote by proxy, you must complete and sign the enclosed Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting via the Computershare online meeting platform.

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at any of the addresses given below by **2:00pm (WST) on Tuesday, 15 November 2022**, being at least 48 hours before the Meeting. Any proxy form received after that time will not be valid for the scheduled meeting.

**Online:** at [www.investorvote.com.au](http://www.investorvote.com.au)

**By Mail:** Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia

**By Fax:** 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

**By Mobile:** Scan the QR Code on your proxy form and follow the prompts

**Custodian Voting:** For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions

Please note that:

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

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

### Appointing the Chair as your proxy

By appointing the Chair as a proxy (or where the Chair becomes proxy by default), the relevant Shareholder gives the Chair express authority to exercise the proxy on Resolutions 1, 5 and 6 (except where the Shareholder has indicated a different voting intention on the Proxy Form) even though Resolutions 1, 5 and 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

It is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

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## 3. Annual Report

In accordance with section 317(1) of the Corporations Act, the Annual Report must be laid before the annual general meeting. Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website at [www.pilbaraminerals.com.au](http://www.pilbaraminerals.com.au) or by contacting + 61 8 6266 6266.

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

At the Meeting, Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2022;
- (b) ask questions about, or make comment on, the management of the Company;
- (c) ask questions about, or make comment on, the Remuneration Report; and
- (d) ask the auditor questions about:
  - (i) the conduct of the audit;
  - (ii) the preparation and content of the Auditor's Report;



- (iii) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (iv) the independence of the auditor in relation to the conduct of the audit.

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

- (a) the content of the Auditor's Report; and
- (b) the conduct of the audit of the Financial Report,

may be submitted to the Company no later than 5 business days before the Meeting via [shareholderservices@pilbaraminerals.com.au](mailto:shareholderservices@pilbaraminerals.com.au).

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## 4. Resolution 1 – Remuneration Report

### 4.1 General

The Remuneration Report forms part of the Directors' Report in the Annual Report. In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors.

The Remuneration Report sets out the remuneration arrangements for the Directors and senior management of the Company in a manner that is intended to be transparent and easy to understand for Shareholders. Its purpose is to set out and explain the Company's remuneration framework and philosophy which is designed to attract, reward and retain key executives and senior employees who contribute a high level of performance for the Company which is aligned with the Company's overall business and growth objectives and the creation of shareholder returns. In developing the remuneration framework for 2022, the Company and its People and Culture Committee specifically sought to adopt a structure that was market competitive amongst the Company's peers and aligned with accepted market practice and recommended corporate governance principles. This has been particularly important with senior executives having played a pivotal and influential role in delivering returns for shareholders as the Company has grown and continues to grow in becoming a world leading and fully integrated lithium producer.

The Chair will allow Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report at the Meeting.

The Chair intends to exercise all available undirected proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, 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 Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

### 4.2 Voting consequences

As prescribed under the Corporations Act, Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution (**Spill Resolution**) on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2023 annual general meeting, this may result in the re-election of the Board (other than the Managing Director).

#### 4.3 Previous voting results

The Company's remuneration report for the financial year ended 30 June 2021 was approved at the 2021 annual general meeting with votes in favour of 99.50%. Accordingly, a Spill Resolution is not applicable for the purpose of this Meeting.

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## 5. Resolutions 2 and 3 – Re-election of Messrs Anthony Kiernan and Nicholas Cernotta as Directors

### 5.1 General

Listing Rule 14.4 and article 11.4 of the Constitution states that a Director (other than the Managing Director) must not hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is later. Listing Rule 14.5 states that an entity which has directors must hold an election of directors at each annual general meeting. A retiring Director is eligible for re-appointment.

Messrs Anthony Kiernan and Nicholas Cernotta were re-elected as Directors at the Company's 2019 annual general meeting on 21 November 2019.

Resolutions 2 and 3 provide that Messrs Kiernan and Cernotta, respectively, retire and seek re-election as Directors.

If Resolutions 2 and 3 are passed, Messrs Kiernan and Cernotta will be re-elected as Directors.

If Resolution 2 is not passed, Mr Kiernan will cease to be a Director at the end of the Meeting.

If Resolution 3 is not passed, Mr Cernotta will cease to be a Director at the end of the Meeting.

Resolutions 2 and 3 are ordinary resolutions.

The Chair intends to exercise all available undirected proxies in favour of Resolutions 2 and 3.

### 5.2 Experience, special responsibilities and other ASX-listed directorships

#### ***Mr Anthony Kiernan, AM***

Mr Kiernan is a former solicitor with extensive experience gained over 35 years in the management and operation of listed public companies. As both a lawyer and general consultant, he has practiced and advised extensively in the fields of resources and business generally.

Other current ASX directorships: NT Minerals Ltd (since April 2021) and Genesis Minerals Limited (effective 1 October 2022).

Former ASX directorships in the last three years: Saracen Mineral Holdings Limited (2018 to February 2021), Northern Star Resources Ltd (February 2021 to November 2021) and Venturex Resources Limited (2010 to March 2021).

#### ***Mr Nicholas Cernotta***

Mr Cernotta has more than 35 years' experience in the mining industry, spanning various commodities and operations in Australia, Africa, South East and Central Asia, Saudi Arabia and Papua New Guinea.

Mr Cernotta holds a Bachelor of Mining Engineering and has held senior executive roles with extensive operational experience in both the public and private sectors of the mineral resources industry.

Other current ASX directorships: Panaromic Resources Limited (since May 2018), New Century Resources Ltd (since March 2019) and Northern Star Resources Ltd (since July 2019).

Former ASX directorships in the last three years: None.

### 5.3 Board Recommendations

The Board (excluding Mr Kiernan) supports the re-election of Mr Kiernan, as his skills and experience align with the Company's strategic direction and recommends that Shareholders vote in favour of Resolution 2. Mr Kiernan is considered by the Board to be an independent Director.

The Board (excluding Mr Cernotta) supports the re-election of Mr Cernotta, as his skills and experience align with the Company's strategic direction and recommends that Shareholders vote in favour of Resolution 3. Mr Cernotta is considered by the Board to be an independent Director.

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## 6. Resolution 4 – Ratification of Convertible Bonds

### 6.1 Background

On 26 October 2021, the Company announced that it had entered into a shareholders' agreement with leading South Korean industrial conglomerate, POSCO, to form an incorporated joint venture to develop and operate a 43ktpa lithium hydroxide monohydrate conversion facility in South Korea (**JV**).

The JV aligns with the Company's strategic objective of diversifying into downstream lithium chemical processing and has been formed through the incorporation of a new company in South Korea, *POSCO Pilbara Lithium Solutions Co Ltd (JV Company)*.

Under the terms of the JV, the Company:

- (a) agreed to subscribe for an initial 18% interest in the JV Company; and
- (b) was granted an option to increase its interest to 30%, such option being exercisable for up to 18 months following the successful ramp-up of the chemical conversion facility to 90% of nameplate capacity.

On 13 April 2022, the Company announced that:

- (a) the closing deliverables to establish the JV have been satisfied including receipt of foreign approvals and agreement on the initial business plan and budget; and
- (b) to fund the Company's initial 18% equity participation in the JV Company, the Company had drawn down \$79,603,050 under the convertible bond agreement between the Company, POSCO, POS-LT Pty Ltd and POSCO Australia Pty Ltd (**Convertible Bond Agreement**) and would issue 79,603,050 Convertible Bonds to POS-LT Pty Ltd, a wholly owned subsidiary of POSCO.

The Company considers that the Convertible Bond Agreement was provided on terms considered commercially favourable to the Company, including a five year repayment term and redeemable at the Company's election at any time.

Refer to the ASX announcements dated 26 October 2021, 11 April 2022 and 13 April 2022 for further details in respect to the terms of the JV and Schedule 4 for the terms and conditions of the Convertible Bonds.

Resolution 4 seeks to ratify the issue of the Convertible Bonds pursuant to Listing Rule 7.4.

Resolution 4 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 4.

### 6.2 Listing Rule 7.4

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.

The issue of the Convertible Bonds do not fit within any of these exceptions, and, as it has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities.

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 15% placement 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 into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

Resolution 4 seeks Shareholder approval for the Convertible Bonds under, and for the purposes of, Listing Rule 7.4.

If Resolution 4 is passed, the Convertible Bonds and the Shares issued on conversion of the Convertible Bonds will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 4 is not passed, the Convertible Bonds and the Shares issued on conversion of the Convertible Bonds will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the issue date.

### 6.3 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is provided in relation to the Convertible Bonds:

- (a) 79,603,050 Convertible Bonds were issued to POS-LT Pty Ltd.
- (b) The Convertible Bonds were issued at a face value of \$1.00 each for a total consideration of \$79,603,050.
- (c) The number of Shares that could be issued to POS-LT Pty Ltd upon conversion of the Convertible Bonds by the Company at its election will be calculated in accordance with the following formula:

$$\text{Number of Shares} = \frac{\text{Conversion Amount}}{\text{Conversion Price}}$$

For the purposes of the formula:

**Conversion Amount** means the aggregate Face Value of the Convertible Bonds to be converted.

**Conversion Price** means the lower of:

- (i) a 92.5% of the VWAP for the five (5) Trading Days ending on the date two Trading Days before the date of the Conversion Notice; or
- (ii) a 92.5% of the VWAP for the 30 Trading Days ending on the date two Trading Days before the date of the Conversion Notice.

**Face Value** means \$1.00 per Convertible Bond.

- (d) The terms and conditions of the Convertible Bonds are detailed in Schedule 4.
- (e) Shares issued on conversion of the Convertible Bonds will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the existing Shares.
- (f) The Convertible Bonds were issued on 13 April 2022.
- (g) Funds raised via the issue of the Convertible Bonds were utilised to fund the Company's initial 18% equity participation in the JV Company. Refer to the ASX announcements dated 26 October 2021, 11 April 2022 and 13 April 2022 for further details.
- (h) The Convertible Bonds were issued pursuant to the Convertible Bond Agreement, the material terms of which are summarised in Schedule 4.
- (i) A voting exclusion statement is included in the Notice for Resolution 4.

### 6.4 Potential Dilution

The exact number of Shares that could be issued to POS-LT Pty Ltd will depend on the Conversion Price and the date on which the Company elects to exercise its conversion right.

As the number of Shares to be issued is not known as at the date of this Notice and will not be known as at the date of the Meeting, below are worked examples of the number of Shares that may be issued, based on a range of possible Conversion Prices. The figures are subject to rounding.

Conversion Price	Maximum No. of Shares	Shares Currently on Issue	Dilution Effect
\$4.00	19,900,763	2,984,735,127	0.66%
\$4.50	17,689,567	2,984,735,127	0.59%
\$5.00	15,920,610	2,984,735,127	0.53%

The above table is for illustrative purposes only. The actual price for the Shares may differ and this will result in the maximum number of Shares to be issued and the dilutive percentage to also differ. The example table also assumes no existing Options or Performance Rights are exercised or converted or securities issued.

## 6.5 Board Recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

## 7. Resolution 5 – Issue of Employee Performance Rights to Mr Dale Henderson

### 7.1 General

The Company has adopted an employee award plan (**Employee Award Plan**) approved by shareholders as part of its executive remuneration framework (**Executive Remuneration Framework**) which it considers to be appropriate for the Company's current activities and is intended to be aligned with best practice as well as accepted corporate governance principles.

On 22 August 2022, the Board approved the principles of the Executive Remuneration Framework for the financial year ending 30 June 2023 (**FY2023**). Details of the FY2023 Executive Remuneration Framework can be found in the Remuneration Report at page 116 of the Annual Report.

Under the Executive Remuneration Framework, the Board has determined that an executive's remuneration package should include an appropriate balance of fixed remuneration and conditional "performance based" remuneration. Performance based remuneration includes short term incentives (**STI**) generally in the form of a cash bonus and long term incentives (**LTI**) in the form of equity instruments such as Performance Rights issued under the Employee Award Plan. In accordance with the Company's remuneration policy and accepted market practice, the level of fixed remuneration of the executive will drive the maximum percentage quantum of STIs and LTIs that can be received as part of an executive's remuneration.

In approving the Executive Remuneration Framework for FY2023 for the Managing Director and CEO, Mr Dale Henderson, the Board sought to develop performance measures and vesting conditions for LTIs focused on relative total shareholder return as well as strategic goals linked to the sustainability objectives of the Company over the next 3 years. These performance measures are designed to ensure that his remuneration arrangements are directly aligned with the Company's overall business and sustainable growth strategy and the creation of Shareholder returns. The Board considers such performance based remuneration to be market competitive and appropriate where it is aligned with the achievement of short term and long term strategic objectives to create and drive Shareholder value.

In developing the Executive Remuneration Framework, the Board endeavours to ensure that it satisfies the following key criteria in line with accepted corporate governance principles:

- attract, retain and reward key executives at important stages of the Company's development and operations with remuneration which is linked directly to sustainability objectives and total Shareholder return (**TSR**);
- reward executives based on performance targets which are aligned with the Company's short term and long term strategy for sustainable growth and creation of shareholder value;

- (c) ensure effective benchmarking for total annual remuneration is in accordance with market practices and a clearly defined peer group of similar companies to ensure remuneration is fair and competitive;
- (d) align executive interests with those of Shareholders; and
- (e) comply with applicable legal requirements and accepted standards of governance.

## 7.2

### **Resolution 5 – Employee Performance Rights to Mr Dale Henderson**

As part of Mr Henderson's LTI component under the FY2023 Executive Remuneration Framework, Resolution 5 seeks Shareholder approval in accordance with Listing Rule 10.14, Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and for all other purposes for the grant of up to a maximum of 843,075 Employee Performance Rights to Mr Dale Henderson (and/or his nominee(s)) as Managing Director and CEO, under the Employee Award Plan.

The LTI instruments are conditional on satisfaction of pre-determined performance and vesting conditions and form a key component of Mr Henderson's total annual remuneration for FY2023. To drive a performance based culture within the Company, a significant portion of his total remuneration is placed at-risk and will be subject to satisfactory performance conditions being met to better align his interests with those of Shareholders, as well as encourage the production of long term sustainable growth and assist with his retention.

Refer to the remainder of this Section 7 for further details of the terms and conditions of the Employee Performance Rights.

#### **(a) Quantum of LTI instruments to be issued**

Mr Dale Henderson is Managing Director and CEO and the Company's most senior executive.

As an eligible participant in the Employee Award Plan and, subject to the receipt of Shareholder approval, the Company intends to issue up to 843,075 Employee Performance Rights to Mr Henderson (and/or his nominee(s)) pursuant to Resolution 5.

The maximum dollar value of the LTI to be awarded to Mr Henderson is equivalent to 150% of his fixed remuneration of \$1,250,000. For the purposes of calculating the number of LTI instruments to be awarded, the value of the Employee Performance Rights is detailed in Sections 7.2(b). Subject to Shareholders approving Resolution 5, the Company has determined to grant Mr Henderson (and/or his nominee(s)) a maximum of 843,075 Employee Performance Rights with a quantum of \$1,875,000 (**LTI Performance Rights Quantum**).

The Employee Performance Rights will be subject to defined performance measures and vesting conditions that must be achieved over a three year vesting period ending 30 June 2025 (as detailed below). The Company's relative total shareholder return (being one of the performance measures detailed below) has been benchmarked with reference to a defined peer group of ASX listed companies (as at 30 June 2022) (**Peer Companies**). Refer to Schedule 3 for details of the Peer Companies.

No amount will be payable by Mr Henderson in respect of the grant or upon vesting of the Employee Performance Rights.

Subject to Mr Henderson satisfying the vesting and other performance conditions attached to the Employee Performance Rights, each Employee Performance Right entitles the holder to be issued, transferred or allocated one Share. Such Shares will only be issued to Mr Henderson (and value received) upon satisfaction of the prescribed vesting conditions at the end of a 3 year vesting period ending 30 June 2025, in which case such vested Employee Performance Rights will be exercisable by Mr Henderson into Shares up until 31 December 2026.

The number of Shares that can be issued to Mr Henderson as a result of LTIs issued under Resolution 5 are a maximum only. As noted below, the actual number of Shares ultimately issued to Mr Henderson will depend on the Board's determination as to the satisfaction of such prescribed vesting conditions and performance measures and may be less than the amount approved by Resolution 5.

#### **(b) Employee Performance Rights**

The Board has approved the following as the relevant performance measures and vesting conditions for the Employee Performance Rights:

- (i) relative Total Shareholder Return (**TSR**) (70% weighting);
- (ii) **mid-stream project demonstration plant** (15% weighting) – construction and commissioning of the demonstration plant for the Company's mid-stream project to the satisfaction of the Board before the completion of the three year vesting period<sup>1</sup>; and
- (iii) **carbon emission reduction** (15% weighting) – carbon emission reduction pertaining to the combined mine site processing plant facilities at Pilgangoora as measured over a six month period from 1 January 2025 to 30 June 2025 as follows:
  - (A) reduction of 15kT CO<sub>2</sub>-e per annum (calculated on an annualised basis) measured against the Baseline<sup>2</sup> to equate to 75% objective attainment; and
  - (B) reduction of 20kT CO<sub>2</sub>-e per annum (calculated on an annualised basis) measured against the Baseline<sup>2</sup> to equate to 100% objective attainment,

(with the achievement of this milestone being adjusted pro rata on a straight-line basis for CO<sub>2</sub>-e reduction outcomes that fall between 15kT and 20kT).

The vesting of the Employee Performance Rights to be granted to Mr Henderson are weighted 70% towards relative TSR (**Tranche A Employee Performance Rights**), 15% towards the mid-stream demonstration plant target (**Tranche B Employee Performance Rights**) and 15% towards the carbon emission reduction target (**Tranche C Employee Performance Rights**).

The number of Employee Performance Rights proposed to be granted to Mr Henderson has been calculated by reference to the LTI Performance Rights Quantum (refer to Section 7.2(a)), being \$1,875,000 and divided by the face value (**FV**) of the Employee Performance Rights (detailed below) as follows:

$\$1,875,000/\text{FV} = \text{number of Employee Performance Rights}$

$\$1,875,000/\$2.224 = 843,075 \text{ Employee Performance Rights (rounded up)}$

The FV of the Employee Performance Rights has been set at the 20 trading day VWAP up to 1 July 2022, which quantified the FV as approximately \$2.224. In determining the FV, the Board set a value that reflects the fair value of the Shares as at 1 July 2022, being the start of the three year vesting period for the Executive Remuneration Framework for the 2023 financial year, and is consistent with previous years.

<sup>1</sup> In the event that the demonstration plant project is considered by the Board to be uneconomic or commercially unviable or a final investment decision is not otherwise made by the Board in respect of the demonstration plant, this performance target will either be replaced with a different performance target aligned to the Company's strategic objectives as determined by the Board, or will be replaced by the TSR performance target for the FY23 remuneration framework with the weighting of the TSR performance target adjusted from 70% to 85%.

<sup>2</sup> The baseline emission number for the combined Pilgan and Ngungaju power plants is 83.3kT CO<sub>2</sub>-e per annum based on existing nameplate capacity of both plants of approximately 580ktpa. This baseline is calculated using a six month average actual Pilgan diesel fuel consumption of 1.578ML/month from January to June 2022 and a four month average actual Ngungaju diesel fuel consumption of 516.6kL/month from March to June 2022.



Further information relating to the Employee Performance Rights is detailed below:

Employee Performance Rights			
Item/Assumption	Tranche A Employee Performance Rights (70% Weighting)	Tranche B Employee Performance Rights (15% Weighting)	Tranche C Employee Performance Rights (15% Weighting)
Exercise Price	Nil	Nil	Nil
Valuation Date	1 July 2022	1 July 2022	1 July 2022
Performance Measurement Period	3 Years	3 Years	3 Years
Vesting Date	30 June 2025	30 June 2025	30 June 2025
Exercise Period/Expiry Date	31 December 2026	31 December 2026	31 December 2026
Face Value per Employee Performance Right	\$2.224	\$2.224	\$2.224
Number of Employee Performance Rights to be granted	590,153	126,461	126,461
Valuation per tranche of Employee Performance Rights <sup>(1)</sup>	\$1,312,500	\$281,250	\$281,250
LTI Performance Rights Quantum	\$1,875,000		

**Notes:**

(1) Rounded to nearest dollar.

Under the accounting standard AASB 2, share based payments, the Company will recognise a non-cash expense in the income statement based on the fair value of the Employee Performance Rights over the period from the grant date to the vesting date. The total of the fair value of the Employee Performance Rights will be allocated over the applicable vesting periods.

**(c) Performance Measurement and Vesting Period**

Performance for the Employee Performance Rights will be measured over a period of three years, which the Directors consider is consistent with market practice and appropriate for the Company.

The vesting conditions attached to the Employee Performance Rights to be granted under Resolution 5 must be satisfied by the end of 30 June 2025. At the end of the vesting period, the Board will assess the vesting conditions (detailed below) to determine the number of Employee Performance Rights that vest. The maximum number that could be vested is 843,075 Employee Performance Rights, which would require the achievement of all of the vesting conditions to the satisfaction of the Board. If the relevant vesting conditions are not satisfied, the unvested Employee Performance Rights will expire and automatically lapse.

Notwithstanding that a particular performance measure has been achieved, no Employee Performance Rights will vest unless Mr Henderson remains employed with the Company for the full three year period. If Mr Henderson ceases employment before the three year service condition is passed, then he will forfeit his Employee Performance Rights, unless otherwise determined by the Board.

(d) **Performance and Vesting Conditions**

Under the Employee Award Plan, the Board must determine the vesting conditions that will apply to the vesting of the Employee Performance Rights prior to the date of grant of those Employee Performance Rights.

The Board has determined that the vesting conditions applicable to the Employee Performance Rights to be granted to Mr Henderson (and/or his nominee(s)) under Resolution 5 shall include the following performance measures, which shall be weighted as detailed below:

Security	Performance Measure	Description	Weighting of Measures
<b>Employee Performance Rights (Tranche A)</b>	<b>Relative TSR</b>	<p><i>Relative Total Shareholder Return</i></p> <ul style="list-style-type: none"> <li>Relative TSR is calculated by taking into account the growth in the Company's share price over the vesting period (i.e. three years) as well as the dividends distributed during that period.</li> <li>The Company's relative TSR will be ranked against a defined peer group of companies based on comparable industry and market capitalisation (which are the Peer Companies listed in <b>Schedule 3</b> below). To measure performance and to determine the vesting outcome: <ul style="list-style-type: none"> <li>TSR of each of the Peer Companies is calculated;</li> <li>a percentile analysis is done to determine the percentile performance of the Peer Companies in terms of the 50<sup>th</sup> to 75<sup>th</sup> percentile performance; and</li> <li>the Company's TSR is calculated to determine what percentile among the Peer Companies it relates to.</li> </ul> </li> <li>This percentile performance of the Company relative to the Peer Companies determines how many Tranche A Employee Performance Rights will vest according to a pro rata linear scale. <ul style="list-style-type: none"> <li>At the 50<sup>th</sup> percentile, 50% of the Tranche A Employee Performance Rights vest.</li> <li>At the 75<sup>th</sup> percentile, 100% of the Tranche A Employee Performance Rights vest.</li> </ul> </li> </ul> <p>Where the percentile performance of the Company relative to peers is less than the 50<sup>th</sup> percentile, none of the Tranche A Employee Performance Rights will vest.</p>	70%
<b>Employee Performance Rights (Tranche B)</b>	<b>Strategic Sustainability Target – Mid-stream project demonstration</b>	<p><i>Construction and commissioning of the demonstration plant for the Company's mid-stream project to the satisfaction of the Board before the completion of the 3-year vesting period.</i></p> <p><i>In the event that the demonstration plant project is considered by the Board to be uneconomic or commercially unviable or a final investment decision is not otherwise</i></p>	15%

		made by the Board in respect of the demonstration plant, this performance target will either be replaced with a different performance target aligned to the Company's strategic objectives as determined by the Board, or will be replaced by the TSR performance target for the FY23 remuneration framework with the weighting of the TSR performance target adjusted from 70% to 85%.	
<b>Employee Performance Rights (Tranche C)</b>	<b>Strategic Sustainability Target - Carbon emission reduction</b>	<p>Carbon emission reduction pertaining to the combined mine site processing plant facilities as measured over a six month period from 1 January 2025 to 30 June 2025 as follows:</p> <ul style="list-style-type: none"> <li>- reduction of 15kT CO<sub>2</sub>-e per annum (calculated on an annualised basis) measured against the Baseline to equate to 75% objective attainment; and</li> <li>- reduction of 20kT CO<sub>2</sub>-e per annum (calculated on an annualised basis) measured against the Baseline to equate to 100% objective attainment,</li> </ul> <p>(with the achievement of this milestone being adjusted pro rata on a straight-line basis for CO<sub>2</sub>-e reduction outcomes that fall between 15kT and 20kT).</p> <p>The baseline emission number for the combined Pilgan and Ngungaju power plants is 83.3kT CO<sub>2</sub>-e per annum based on existing nameplate capacity of both plants of approximately 580ktpa. This baseline is calculated using a six month average actual Pilgan diesel fuel consumption of 1.578ML/month from January to June 2022 and a four month average actual Ngungaju diesel fuel consumption of 516.6kL/month from March to June 2022.</p>	15%

The Board will assess overall performance of the Company at the end of the three year vesting period, based on the vesting conditions determined. This assessment will determine the extent of vesting of the Employee Performance Rights and the number of Shares that may ultimately be issued to Mr Henderson. The results achieved will be communicated to Mr Henderson and to Shareholders as part of the Company's annual remuneration reporting obligations.

(e)

**Price**

No consideration is payable for:

- (i) the grant of the Employee Performance Rights under the Employee Award Plan;
- (ii) the vesting of Employee Performance Rights; or
- (iii) the issue, transfer or allocation of Shares upon the vesting and exercise of the Employee Performance Rights.

(f)

**Timing of Grant**

Mr Henderson will be granted 843,075 Employee Performance Rights for the 2023 financial year as soon as practicable following the approval of Resolution 5, if obtained.

### 7.3 Section 200B of the Corporations Act

Under the rules of the Employee Award Plan, on termination of employment, vested LTI awards remain vested and unvested awards forfeit unless otherwise determined by the Board. If the employee is considered to be "Good Leaver" as defined under the Employee Award Plan such as retiring or unable to work due to death, poor health, injury or disability or such other circumstances determined by the Board, then the Board may in its discretion allow certain unvested awards to not forfeit. The level of non-forfeiture would always depend on the circumstances but usually the number of unvested awards to not forfeit will be based on the employee's overall performance and be pro rata in proportion to the vesting period that has been served by the employee. These awards would however continue to remain unvested until the relevant performance and vesting conditions are satisfied unless the Board determines otherwise.

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from a managerial or executive office, the Company must obtain Shareholder approval in the manner set out in section 200E of the Corporations Act. As the Employee Performance Rights may, automatically or subject to the Board's discretion, vest upon termination of Mr Henderson's employment. The Board has formed the view that, should this occur, the affected Employee Performance Rights may constitute a benefit in connection with Mr Henderson's retirement from office under section 200B of the Corporations Act.

Section 200B of the Corporations Act applies where the benefit is given to, among other persons, a person whose details were included in the Director's Report for the previous financial year. Mr Henderson's details were included in the FY2022 Director's Report of the Company. The Company is therefore seeking Shareholder approval under section 200B of the Corporations Act in connection with potential vesting of the Employee Performance Rights proposed to be granted to Mr Henderson pursuant to Resolution 5.

### 7.4 Specific Information Required by Section 200E of the Corporations Act

The following additional information is provided for the purposes of obtaining Shareholder approval for the purposes of section 200E of the Corporations Act:

- (a) The amount or value of the benefit relating to the Employee Performance Rights pursuant to Resolution 5 to be held by Mr Henderson (and/or his nominee(s)) which may arise in connection with his retirement from a managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to affect the calculation of that amount or value include:
  - (i) the number of Employee Performance Rights held prior to ceasing employment;
  - (ii) the outstanding conditions (if any) of vesting and exercise of the Employee Performance Rights and the number that the Board determines to (or which automatically) vest, lapse or leave on foot;
  - (iii) the applicable performance measures and the achievement of such measures (and the personal performance of Mr Henderson);
  - (iv) the portion of the relevant performance periods for Employee Performance Rights that have expired at the time Mr Henderson ceases employment or engagement;
  - (v) the circumstances of, or reasons for, ceasing employment with the Company;
  - (vi) the length of service with the Company and performance over that period of time;
  - (vii) any other factors that the Board determines to be relevant when exercising its discretion to provide potential retirement benefits to Mr Henderson;
  - (viii) the market price of the Shares on ASX at the relevant time when the amount or value of the Employee Performance Rights is determined;
  - (ix) any changes in law; and
  - (x) the risk free rate of return in Australia and the estimated volatility of the Shares on ASX at the relevant time.
- (b) The Company will calculate the value of the benefit at the relevant time based on the above factors and using the valuation methodology detailed in Section 7.2(b).

## 7.5 Chapter 2E of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Mr Henderson who is the Managing Director is a related party of the Company.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the grant of Employee Performance Rights as the exception in section 211 of the Corporations Act applies. The grant of Employee Performance Rights are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

## 7.6 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit a director or an associate of any of the following persons to acquire securities under an employee incentive scheme without the approval of shareholders:

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the entity or a person referred to in (a) or (b) above is, in ASX's opinion, such that the acquisition should be approved by its shareholders.

The issue of the Employee Performance Rights to Mr Henderson (and/or his nominee(s)) falls within Listing Rule 10.14.1, as Mr Henderson is the Managing Director. The proposed issues of Employee Performance Rights to Mr Henderson therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 5 seek the required Shareholder approval, pursuant to Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, if Resolution 5 is passed, the grant of Employee Performance Rights to Mr Henderson (and/or his nominee(s)) pursuant to this Resolution will not reduce the Company's 15% placement capacity for the purposes of Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Employee Performance Rights to Mr Henderson (and/or his nominee(s)).

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Employee Performance Rights to Mr Henderson (and/or his nominee(s)) and may consider alternative forms of remuneration for Mr Henderson.

## 7.7 Specific information required by Listing Rule 10.15

The following additional information is provided for the purposes of Resolution 5:

- (a) The Employee Performance Rights will be granted to Mr Dale Henderson (and/or his nominee(s)).
- (b) Mr Henderson falls within the category in Listing Rule 10.14.1, as he is a Director and any party he nominates to receive Employee Performance Rights would be expected to fall within the category in Listing Rule 10.14.2 as an associate of Mr Henderson.
- (c) The maximum number of Employee Performance Rights to be granted to Mr Henderson (and/or his nominee(s)) pursuant to Resolution 5 is 843,075 Employee Performance Rights.
- (d) Details of Mr Henderson's current total remuneration package as at 30 June 2022 are set out below:

Fixed Remuneration			Variable Remuneration				Total
Salary and fees	Annual long service leave	Post-employment benefit	Non-performance shares	Performance shares	STI Payment	LTI Cash Payment	
\$491,432	-\$43,871	\$23,568	\$48,610	\$467,787	\$178,080	-	\$1,165,606

Notes:

1. Mr Henderson's fixed remuneration increased to \$900,000 per annum on 1 June 2022 upon his commencement as CEO of the Company. From 1 October 2022, Mr Henderson's fixed remuneration was adjusted to \$1,250,000 per annum.
  2. From 1 July 2022, Mr Henderson's STI's and LTI's were set at a maximum of up to 100% and 150% of his fixed remuneration respectively.
- (e) Mr Henderson (or his nominee(s)) has previously been issued the following securities (each for nil acquisition price) pursuant to the Employee Award Plan:
- (i) 7,936,849 Options; and
  - (ii) 1,475,862 Performance Rights.
- The material terms of the Employee Performance Rights are detailed in this Section 7. Refer also to Schedule 2, which contains a summary of the Employee Award Plan pursuant to which the above securities are proposed to be issued. A full copy of the Employee Award Plan is available on request from the Company Secretary.
- (f) The Employee Performance Rights are proposed to be issued to incentivise the continued performance of Mr Henderson and to align his interests with Shareholders, consistently with the strategic goals and targets of the Company.
- (g) The values which the Company attributes to the classes of Employee Performance Rights (including the financial benefits inherent in those proposed issues of securities) and the basis of those values is as set out in Section 7.2(b).
- (h) The Employee Performance Rights will be issued to Mr Henderson (or his nominee(s)) as soon as possible but no later than 3 years after the date of the Meeting.
- (i) No funds will be raised by the grant, exercise or conversion of the Employee Performance Rights, as they will be granted for nil cash consideration and no exercise price is payable in order to convert them into Shares following their vesting. There may be a perceived cost to the Company arising from the issue of Employee Performance Rights (and the Shares upon their vesting) for nil cash consideration. However, the benefits of incentivising Mr Henderson to achieve the performance hurdles (in relation to the Employee Performance Rights) and aligning his interests with Shareholders should also be considered.
- (j) If the maximum number of Employee Performance Rights are issued to Mr Henderson (and/or his nominee(s)) pursuant to Resolution 5 and exercised / converted into Shares, a total of 843,075 Shares would be issued. This will increase the number of Shares on issue from approximately 2,984,735,127 to approximately 2,985,578,202 (assuming that no other Awards or other convertible securities are exercised or converted and no other Shares are issued (although the Company reserves the right to issue Shares and other securities)) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.0282%.
- (k) The Company will not make any loans to Mr Henderson in relation to the acquisition of the Employee Performance Rights.
- (l) Details of any securities issued under the Employee Award Plan will be published in the annual report of the Company for the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (m) Any additional persons covered by Listing Rule 10.14 who become entitled to participate

in the Employee Award Plan after Resolution 5 is approved and who is not named in the Notice will not participate until approval is obtained under that rule.

- (n) A voting exclusion statement is included in the Notice for Resolution 5.
- (o) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 5.

## **7.8 Information for the purposes of ASX Guidance Note 19**

The Employee Performance Rights:

- (a) are not transferable (and, consequently, will not be quoted on the ASX or any other exchange);
- (b) do not confer any right to vote, except as otherwise required by law;
- (c) do not confer any entitlement to a dividend, whether fixed or at the discretion of the Directors;
- (d) do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
- (e) do not confer any right to participate in the surplus of profit or assets of the entity upon a winding up; and
- (f) do not confer any right to participate in new issues of securities such as bonus issues or entitlement issues,

unless and until the applicable performance milestone is achieved and the Employee Performance Right converts into Shares.

## **7.9 Board Recommendation**

The Board (other than Mr Henderson, due to his interest in Resolution 5) recommends that Shareholders vote in favour of Resolution 5 for the reasons given in Section 7.7(f).

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# **8. Resolution 6 – Increase in Non-Executive Directors' Fees**

## **8.1 General**

In accordance with Listing Rule 10.17 and article 11.15 of the Constitution, the Company must not increase the total amount of non-executive Directors' fees payable by it and any of its child entities without the approval of holders of its ordinary securities.

Listing Rule 10.17 also provides that the Notice must include the amount of the increase, the maximum amount that may be paid to the Directors as a whole, and a voting exclusion statement.

Resolution 6 seeks Shareholder approval for the increase the aggregate amount of fees available to be paid to non-executive Directors by \$200,000 from the current \$1,100,000 per annum to an aggregate amount of \$1,300,000 per annum.

As the Company is experiencing significant growth as the market and the lithium sector continues to grow, the Board considers that it is reasonable and appropriate to seek an increase in the remuneration pool for non-executive Directors for the following reasons:

- (a) to attract new Directors of a calibre required to effectively guide and monitor the business of the Company – noting that the Company had appointed an additional non-executive Director in October 2021;
- (b) due to the expected continued growth of the Company and increased responsibilities for non-executive Directors;
- (c) non-executive Directors fees may in the future need to be increased to retain Directors; and
- (d) to remunerate Directors appropriately for the expectations placed upon them by both the Company and the regulatory environment in which it operates.

The maximum aggregate fees payable to Directors has not been increased since 29 September 2021.



This proposed level of permitted fees does not mean that the Company must pay the entire amount approved as fees in each year. However, the Board considers that it is reasonable and appropriate to establish this amount as this will provide the Company with the flexibility to attract appropriately qualified non-executive Directors and to act quickly if the circumstances require it.

If Resolution 6 is passed, the Company will be able to proceed to increase the aggregate amount of fees available to be paid to non-executive Directors by \$200,000 from the current \$1,100,000 per annum to an aggregate amount of \$1,300,000 per annum.

If Resolution 6 is not passed, the Company will not be able to proceed increase the aggregate amount of fees available to be paid to non-executive Directors by \$200,000 from the current \$1,100,000 per annum to an aggregate amount of \$1,300,000 per annum

Resolution 6 is an ordinary resolution.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 6, by signing and returning the Proxy Form, 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 Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 8.2 Specific information required by Listing Rule 10.17

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) Shareholder approval is being sought to increase the fee pool by \$200,000, which would increase the annual remuneration pool from \$1,100,000 to \$1,300,000.
- (b) Subject to Shareholders approving Resolution 6, the maximum aggregate amount of Directors fees that may be paid to all of the Company's non-executive Directors will be \$1,300,000 per annum.
- (c) In the last three years, the following securities have been issued to non-executive Directors under Listing Rule 10.11 or 10.14 (with Shareholder approval):

Name	Number	Type of Security <sup>4</sup>	Date of issue
Anthony Kiernan AC	117,957 <sup>1</sup>	Share Rights issued under the NED Fee Sacrifice Scheme	16/12/2020
	146,619	Shares issued on quarterly vesting and conversion of NED Fee Sacrifice Share Rights	03/03/2021 (29,489) 01/06/2021 (29,489) 01/09/2021 (29,489) 01/12/2021 (29,490) 01/03/2022 (9,554) 01/06/2022 (9,554) 02/09/2022 (9,554)
	38,218 <sup>3</sup>	Share Rights issued under the NED Fee Sacrifice Scheme	16/12/2021
Sally-Anne Layman	71,395 <sup>1</sup>	Share Rights issued under the NED Fee Sacrifice Scheme	16/12/2020
	71,395	Shares issued on quarterly vesting and conversion of NED Fee Sacrifice Share Rights	03/03/2021 (17,849) 01/06/2021 (17,849) 01/09/2021 (17,849) 01/12/2021 (17,848)

Name	Number	Type of Security <sup>4</sup>	Date of issue
	2,000,000 <sup>2</sup>	Shares issued on exercise of Incentive Options	25/06/2021
Nicholas Cernotta	79,155 <sup>1</sup>	Share Rights issued under the NED Fee Sacrifice Scheme	16/12/2020
	88,428	Shares issued on quarterly vesting and conversion of NED Fee Sacrifice Share Rights	03/03/2021 (19,789) 01/06/2021 (19,789) 01/09/2021 (19,789) 01/12/2021 (19,788) 01/03/2022 (3,091) 01/06/2022 (3,091) 02/09/2022 (3,091)
	12,365 <sup>3</sup>	Share Rights issued under the NED Fee Sacrifice Scheme	16/12/2021
Steve Scudamore	77,603 <sup>1</sup>	Share Rights issued under the NED Fee Sacrifice Scheme	16/12/2020
	82,241	Shares issued on quarterly vesting and conversion of NED Fee Sacrifice Share Rights	03/03/2021 (19,401) 01/06/2021 (19,401) 01/09/2021 (19,401) 01/12/2021 (19,400) 01/03/2022 (1,546) 01/06/2022 (1,546) 02/09/2022 (1,546)
	6,182 <sup>3</sup>	Share Rights issued under the NED Fee Sacrifice Scheme	16/12/2021

<sup>1</sup> The NED Fee Sacrifice Scheme was approved by Shareholders on 17 November 2020. Share Rights were issued under the scheme to non-executive Directors pursuant to the sacrifice of non-executive Director fees for the period from 1 December 2020 to 30 November 2021.

<sup>2</sup> Shares issued on vesting and exercise of options at an exercise price of \$0.8785.

<sup>3</sup> The NED Fee Sacrifice Scheme was approved by Shareholders on 17 November 2020. Share Rights were issued under the scheme to non-executive Directors pursuant to the sacrifice of non-executive Director fees for the period from 1 December 2021 to 30 November 2022

<sup>4</sup> This table in Section 8.2(c) does not include any securities purchased or issued to non-executive Directors as a result of an acquisition of securities on-market under any pro rata or other offer to all Shareholders as they were not issued under Listing Rules 10.11 or 10.14.

(d) A voting exclusion statement is included in the Notice for Resolution 6.

### 8.3

#### Board Recommendation

As the Directors are excluded from voting on this Resolution pursuant to the ASX Listing Rules, the Directors decline to provide a recommendation to Shareholders on this Resolution.

## Schedule 1 – Definitions

In the Notice and in this Explanatory Memorandum:

**\$** means Australian dollars.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2022.

**ASX** means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Cashless Exercise Facility** means the cashless exercise facility under the Employee Award Plan.

**CEO** means the chief executive officer of the Company.

**Chair** means the person appointed to chair the Meeting or any part of the Meeting.

**Change of Control Event** has the meaning given in Schedule 2.

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

**Company** or **Pilbara** means Pilbara Minerals Limited ACN 112 425 788.

**Company Secretary** means the company secretary of the Company.

**Constitution** means the constitution of the Company (as amended from time to time).

**Convertible Bond** means a convertible bond issued under the Convertible Bond Agreement, with the terms and conditions detailed in Schedule 4.

**Convertible Bond Agreement** has the meaning given in Section 6.1.

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

**Directors** mean the directors of the Company.

**Directors' Report** means the annual directors' report (prepared under chapter 2M of the Corporations Act) for the Company and its controlled entities.

**Eligible Participant** has the meaning given in Schedule 2.

**Employee Award Plan** has the meaning given in Section 7.1.

**Employee Performance Right** means a Performance Right granted under the Employee Award Plan and having the terms and conditions in Section 7 and Schedule 2.

**Equity Security** has the meaning given in the Listing Rules.

**Executive Remuneration Framework** has the meaning given in Section 7.1.

**Explanatory Memorandum** means this explanatory memorandum, including the Schedules.

**Financial Report** means the annual financial report (prepared under chapter 2M of the Corporations Act) of the Company and its controlled entities.

**FV** has the meaning given in Section 7.2(b).

**FY2022** means the financial year ending 30 June 2022.

**Joint Venture** has the meaning given in Section 6.1.

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

**kT** means kilo ton.

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

**LTI** means long term incentive.

**LTI Performance Rights Quantum** has the meaning given in Section 7.2(a).

**Managing Director** means the managing director of the Company.

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

**Notice** means the notice of annual general meeting which this Explanatory Memorandum accompanies.

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

**Optionholder** means a holder of an Option.

**Peer Companies** has the meaning given in Section 7.2, which companies are listed in Schedule 3.

**Performance Right** means a performance right granted under the Employee Award Plan.

**Plan Award** means a Plan Option or a Performance Right or both, as the context requires.

**Plan Option** means an Option issued under the Employee Award Plan.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

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

**Schedule** means a schedule to the Notice.

**Scheme** has the meaning given in Section 7.1.

**Section** means a section of this Explanatory Memorandum.

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

**Share Right** is a type of Performance Right granted under the Employee Award Plan.

**Shareholder** means a holder of one or more Shares.

**Spill Resolution** has the meaning given in Section 4.

**Strike** has the meaning given in Section 4.

**Trading Day** has the meaning given in the Listing Rules.

**Tranche A Employee Performance Rights** has the meaning given in Section 7.2(b).

**Tranche B Employee Performance Rights** has the meaning given in Section 7.2(b).

**Tranche C Employee Performance Rights** has the meaning given in Section 7.2(b).

**TSR** has the meaning given in Section 7.1.

**VWAP** means the volume weighted average market price (as defined in the Listing Rules) of a Share.

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

In the Notice and in this Explanatory Memorandum, words importing the singular include the plural (and vice versa).

## Schedule 2 – Key Terms of Employee Award Plan

The key terms of the Employee Award Plan are as follows:

1. **Eligibility:** A person who:
  - (a) is an 'eligible participant' (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate; and
  - (b) has been determined by the Board to be eligible to participate in the Employee Award Plan from time to time,may be eligible to receive grants of Plan Options or Performance Rights (together the **Plan Awards**), which include Share Rights, under the Employee Award Plan (**Eligible Participant**).
2. **Invitation:** The Board may, from time to time, in its absolute discretion, invite any Eligible Participant to apply for up to a specified number of Plan Awards, upon the terms set out in the Employee Award Plan (**Invitation**).
3. **Issue Price:** Plan Awards will be issued for nil consideration. Plan Options shall have an exercise price as determined by the Board.
4. **Dealings in Plan Awards:** Unless otherwise expressly permitted in an Invitation, an Eligible Participant may only submit an application form in the Eligible Participant's name and not on behalf of any other person. If an Eligible Participant is permitted in an Invitation, the Eligible Participant may nominate another person to be granted the Plan Awards the subject of their Invitation (**Nominee**).
5. **Grant of Plan Awards:** Once the Company has received and accepted a duly signed and completed application form for Plan Awards from an Eligible Participant (either on his/her own behalf or on behalf of his/her Nominee), the Board will grant Plan Awards to such person (**Participant**), with effect from the grant date, upon the terms set out in the Invitation and the Employee Award Plan. The Company will, after the grant date of the Plan Awards, issue the Participant with a certificate evidencing the grant of the Plan Awards.
6. **Determination of Vesting Conditions:** A Plan Award that is granted subject to vesting conditions vests when both of the following have occurred:
  - (a) the vesting conditions applicable to that Plan Award have been determined by the Board (acting reasonably) to be satisfied, are waived by the Board, or are deemed to have been satisfied under the rules of the Employee Award Plan; and
  - (b) the Company has issued a vesting notice to a Participant informing him or her that the Plan Award has vested.A Plan Award that is granted without vesting conditions vests on the grant date or as specified in the Invitation.
7. **Exercise on Vesting:** A vested Plan Award may be exercised by a Participant resident in Australia at any time from the date of receipt of a vesting notice until such time as the vested Plan Award lapses in accordance with the Employee Award Plan.
8. **Cashless Exercising:** An Invitation may specify that a holder of Plan Options may, at the time of exercise, elect to pay the applicable exercise price (if any) per Plan Option by setting off the total applicable exercise price against the number of Shares which they are entitled to receive upon exercise (Cashless Exercise Facility) in accordance with the following formula:

$$S = \frac{O \times (MV - OEP)}{MV}$$

Where:

S = the number of Shares to be issued or transferred to the Participant on exercise of Plan Options using the Cashless Exercise Facility.

O = the number of Plan Options exercised by the Participant using the Cashless Exercise Facility.

MV = the VWAP per Share during the 5 Trading Days ending on the day before the time of exercise using the Cashless Exercise Facility (unless otherwise specified in an Invitation).

OEP = the exercise price per Plan Option of the Plan Options exercised using the Cashless Exercise Facility.

The Cashless Exercise Facility may only be used by a Participant if the difference between the exercise price per Plan Option and the Market Value per Share at the time of exercise is greater than zero.

9. **Ceasing to be an Eligible Participant:** Unless an Invitation provides otherwise, where a Participant ceases to be an Eligible Participant as a result of:

- (a) death;
- (b) the Participant no longer being able to perform their duties due to poor health, injury or disability;
- (c) bona fide retirement, or
- (d) any other circumstances determined by the Board in writing,

(thereby becoming a “**Good Leaver**”)

the:

- (a) vested Plan Awards held by the Participant; and
- (b) the unvested Plan Awards held by the Participant to the extent determined by the Board in its absolute discretion,

shall not be forfeited.

Unless an Invitation provides otherwise, where a Participant ceases to be an Eligible Participant in any other circumstance or as otherwise determined by the Board, all unvested Plan Awards shall be forfeited.

10. **Lapsing of Plan Awards:** A Plan Award will lapse upon the earlier to occur of:

- (a) in the case of a vested Plan Award, on the expiry date that is specified in the Invitation;
- (b) in the case of an unvested Plan Award, on the date that the Board determines that any applicable vesting conditions have not been met or cannot be met by the relevant date.

11. **Insolvency:** Unless otherwise stated in an Invitation or determined by the Board in its discretion, a Participant that has become Insolvent must forfeit all of their unvested Plan Awards on a date determined by the Board.

12. **Issue of shares:** Subject to the Corporations Act, the Listing Rules and the Employee Award Plan, the Company must issue to, or procure the transfer to, the Participant the number of Shares the Participant is entitled to be issued in respect of vested Plan Awards that are exercised. For an Eligible Participant resident in Australia this is one Share in respect of each Plan Award; for an Eligible



Participant otherwise resident, the number of Shares, or part thereof, to be issued upon exercise of a Plan Award may be adjusted to take account of any movement in the applicable foreign exchange rates between the time of the applicable Invitation and exercise.

13. **Share ranking:** All Shares issued under the Employee Award Plan will rank equally with all other issued Shares and will be entitled in full to those dividends which have a record date for determining entitlements after the date of issue.
14. **Listing of Shares on ASX:** The Company will apply for official quotation of all Shares issued under the Employee Award Plan on ASX.
15. **Change of Control:** Notwithstanding any other provision of the rules of the Employee Award Plan, if a Change of Control Event occurs or if the Board determines for the purpose of the Employee Award Plan that a Change of Control Event is likely to occur:
- (a) in relation to Shares held by a Participant under the Employee Award Plan which are subject to a disposal restriction, those Shares will be released from the disposal restriction at a time determined by the Board;
  - (b) in relation to vested but unexercised Plan Awards held by a Participant, the Board must as soon as practicable give written notice to each Participant that the expiry date for those Plan Awards will be the earlier of:
    - (i) their existing expiry date;
    - (ii) the six month anniversary of the written notice given by the Board under this clause (b); and
    - (iii) such earlier date determined by the Board in its discretion; and
  - (c) in relation to unvested Plan Awards held by a Participant:
    - (i) the Board must as soon as practicable give written notice to each Participant notifying them that the Relevant Proportion of their unvested Plan Awards (rounded up to the nearest whole Plan Award) will vest and, where applicable, the expiry date for those vested Plan Awards will be the earlier of:
      - (A) their existing expiry date;
      - (B) the six month anniversary of the written notice given by the Board under this clause (c); and
      - (C) such earlier date determined by the Board in its discretion; and
    - (ii) the Board may in its absolute discretion determine the manner in which the Remaining Proportion of a Participant's unvested Plan Awards will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

**Change of Control Event** means:

- (a) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its associates (as defined in section 12 of the Corporations Act, **Associates**)) owning 50% or more of the issued Shares;

- (b) where a takeover bid (as defined in the Corporations Act, **Takeover Bid**) is made to acquire 50% or more of the issued Shares (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to 50% or more of the issued Shares) and the Takeover Bid becomes unconditional and the bidder (together with its Associates) has a relevant interest (as defined in the Corporations Act, **Relevant Interest**) in 50% or more of the issued Shares;
- (c) where a person (either alone or together with its Associates) becomes the legal or the beneficial owner of, or acquires a Relevant Interest in, 50% or more of the issued Shares;
- (d) where a person (either alone or together with its Associates) becomes entitled to acquire or acquires an equitable interest in 50% or more of the issued Shares;
- (e) a resolution is passed for the voluntary winding-up of the Company;
- (f) an order is made for the compulsory winding up of the Company; or
- (g) any other event determined by the Board in good faith to constitute a "Change of Control Event" for the purposes of the rules of the Employee Award Plan (which may (without limitation) include a change in control (as defined in the Corporations Act) of the Company),

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Company and each of its Associated Bodies Corporate.

**Associated Bodies Corporate** means:

- (a) a body corporate that is a related body corporate of the Company; or
- (b) a body corporate that has voting power in the Company of not less than 20%; or
- (c) a body corporate in which the Company has voting power of not less than 20%.

**Relevant Proportion** means, in relation to a Plan Award, the proportion (expressed as a percentage) of the vesting period or service period in relation to that Plan Award (whichever applicable) that will have elapsed on the final day of the calendar quarter in which the Change of Control Event (or the anticipated date of the Change of Control Event) occurs, as determined by the Board acting reasonably. For example, if the Board determines that the anticipated Change of Control Event date is 31 August 2020, the Relevant Proportion will be determined having regard to the relevant period elapsed prior to 30 September 2020 (being the final day of the calendar quarter in which the anticipated Change of Control Event occurs).

**Remaining Proportion** means the amount (expressed as a percentage) calculated by subtracting the Relevant Proportion from 100%.

16. **Adjustment for bonus issues:** If Shares are issued pro rata to Shareholders generally by way of bonus issue, the number of Plan Awards to which each Participant is entitled shall be increased by that number of securities which the Participant would have been issued if the Plan Awards then held by the Participant were exercised immediately prior to the record date of the bonus issue.
17. **Pro rata issues:** A Participant will not be entitled to any adjustment to the number of Shares issued under the Employee Award Plan that he or she is entitled to or adjustment to any vesting condition which is based, in whole or part, on the Share price, as a result of the Company undertaking a rights issue.
18. **Adjustment for reorganisation:** In the event of any reorganisation (including consolidation or subdivision) of the issued capital of the Company, the number of Plan Awards to which each Participant is entitled, or the exercise price (if any), or both, as appropriate, will be adjusted in the

manner determined by the Board to ensure that no advantage or disadvantage accrues to the Participant as a result of such corporate actions.

19. **Amendments:** Subject to the limitations below, the Board may:

- (a) at any time amend any provisions of the Employee Award Plan rules, including (without limitation) the terms and conditions upon which any Plan Awards have been granted under the Employee Award Plan; and
- (b) determine that any amendments to the Employee Award Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Employee Award Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment:

- (a) introduced primarily:
  - (i) for the purposes of complying with or conforming to present or future legislation governing or regulating the Employee Award Plan or like plans;
  - (ii) to correct any manifest error or mistake;
  - (iii) to allow the implementation of an employee share trust arrangement pursuant to the Employee Award Plan;
  - (iv) to enable the Employee Award Plan or any member of the Company's group (including the Company itself) to comply with its constituent documents, and any other applicable laws and regulations; or
  - (v) to take into consideration possible adverse taxation implications in respect of the Employee Award Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation; or
- (b) agreed to in writing by all Participants adversely affected by the amendment.

A copy of the complete rules of the Employee Award Plan is available upon request by contacting the Company Secretary, Mr Alex Eastwood, at the Company's offices.

### Schedule 3 – Peer Companies

	Peer Company	ASX Ticker
1.	Mineral Resources Ltd	MIN
2.	BlueScope Steel Ltd	BSL
3.	IGO Ltd	IGO
4.	Lynas Rare Earths Ltd	LYC
5.	Oz Minerals Ltd	OZL
6.	Allkem Ltd	AKE
7.	Iluka Resources Ltd	ILU
8.	Nickel Mines Ltd	NIC
9.	Liontown Resources Ltd	LTR
10.	Sims Ltd	SGM
11.	Champion Iron Ltd	CIA
12.	AVZ Minerals Ltd	AVZ
13.	Sandfire Resources Ltd	SFR
14.	Core Lithium Ltd	CXO
15.	29Metals Ltd	29M
16.	Lake Resources NL	LKE
17.	ioneer Ltd	INR
18.	Vulcan Energy Resources Ltd	VUL
19.	Piedmont Lithium Inc	PLL
20.	Sayona Mining Ltd	SYA
21.	Firefinch Ltd	FFX

The TSR performance of the Peer Companies will be adjusted/normalised by the Board in circumstances where one or more of those comparator companies cease to be listed on the ASX.

## Schedule 4 – Summary of Terms of the Convertible Bonds

1.	<b>Subscription</b>	79,603,050 Convertible Bonds each with a face value of \$1.00.
2.	<b>Subscription Amount</b>	\$79,603,050
3.	<b>Maturity Date</b>	13 April 2027 (being 5 years from the issue date).
4.	<b>Conversion Price</b>	<p>The lower of:</p> <ol style="list-style-type: none"> <li>1. a 92.5% of the VWAP for the five (5) Trading Days ending on the date two Trading Days before the date of the conversion notice; or</li> <li>2. a 92.5% of the VWAP for the 30 Trading Days ending on the date two Trading Days before the date of the conversion notice.</li> </ol>
5.	<b>Conversion</b>	The Company may at any time, at least 5 business days before the Maturity Date, require the conversion of all, or on the first conversion only, half of the Convertible Bonds into Shares. The Company cannot issue more than two conversion notices.
6.	<b>Redemption by the Company</b>	The Convertible Bonds are redeemable at any time at the Company's election at face value, subject to a minimum redemption amount of \$5 million.
7.	<b>Redemption by the holder</b>	<p>The holder may at any time following the occurrence of certain events require the Company to redeem some or all of the Convertible Bonds. These events include (but are not limited to):</p> <ol style="list-style-type: none"> <li>1. non-payment of any monies due under the Convertible Bond Agreement within 10 business days of the due date;</li> <li>2. non-compliance with any material obligation under the Convertible Bond Agreement and if the default is capable of remedy it is not remedied within 20 business days after notice of the breach has been provided to the Company by the holder;</li> <li>3. any representation, warranty or statement made in the Convertible Bond Agreement is or proves to be incorrect, inaccurate or misleading in any material respect when made, unless the circumstances are capable of being remedied and are remedied within 20 business days;</li> <li>4. an insolvency event occurs in relation to the Company;</li> <li>5. the Company ceases or threatens to cease to carry on business or a substantial party of its business which is likely to be materially adverse to the group as a whole;</li> <li>6. a change of control of the Company occurs; and</li> <li>7. the Company is removed from the official list of the ASX or permanent cessation of quotation of the Shares occur.</li> </ol>
8.	<b>Interest</b>	Interest will accrue six monthly at a rate that is 1.5% above the Reserve Bank of Australia cash rate and will be payable in cash at the earlier of redemption, conversion or maturity.
9.	<b>Security</b>	Unsecured
10.	<b>Unquoted</b>	The Convertible Bonds will not be quoted on the ASX.



# Pilbara Minerals

Powering a sustainable energy future

Pilbara Minerals Limited  
ABN 95 112 425 788

PLSRM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

## Need assistance?



### Phone:

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



### Online:

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00pm (AWST) on Tuesday, 15 November 2022.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

XX

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



IND

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1

### Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Pilbara Minerals Limited hereby appoint

☐

the Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Pilbara Minerals Limited to be held at The University Club of Western Australia, Entrance 1, Hackett Drive, Crawley, WA 6009 and online on Thursday, 17 November 2022 at 2:00pm (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5 and 6 by marking the appropriate box in step 2.

### Step 2

### Items of Business

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

		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Anthony Kiernan as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Nicholas Cernotta as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Convertible Bonds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Employee Performance Rights to Mr Dale Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Increase in Non-Executive Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3

### Signature of Securityholder(s)

*This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

PLS

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