



**BOSS RESOURCES LIMITED**  
**ACN 116 834 336**

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**The Extraordinary General Meeting of the Company will be held at Suite 23, 513 Hay Street Subiaco Western Australia on Tuesday, 16 August 2016 at 10 am (WST).**

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

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 6143 6730.*

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

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# BOSS RESOURCES LIMITED

ACN 116 834 336

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of Shareholders of Boss Resources Limited (**Company**) will be held at Suite 23, 513 Hay Street, Subiaco, Western Australia, on Tuesday, 16 August 2016 at 10 am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday, 14 August 2016 at 10 am (WST).

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

## AGENDA

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### 1. Resolution 1 - Re-election of Director - Mr Grant Davey

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

*"That, for the purposes of Article 6.2(c) of the Constitution and for all other purposes, Mr Grant Davey, a Director who was appointed on 13 January 2016, retires and, being eligible, is elected as a Director."*

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### 2. Resolution 2 - Re-election of Director - Mr Mark Hohnen

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

*"That, for the purposes of Article 6.2(c) of the Constitution and for all other purposes, Mr Mark Hohnen, a Director who was appointed on 26 April 2016, retires and, being eligible, is elected as a Director."*

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### 3. Resolution 3 - Approval for Mark Hohnen to participate in Director Placement

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 10.11 and section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the placement of up to 16,666,667 Shares at an issue price of \$0.03 per Share to Mark Hohnen (or his nominee), on the terms and conditions in the Explanatory Memorandum."*

## Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Mark Hohnen, his nominees and any of his associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Chair intends to vote all available proxies in favour of Resolution 3.

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## 4. Resolution 4 - Grant of Performance Rights to Mark Hohnen

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant 18,000,000 Performance Rights under the Company's Employee Performance Rights Plan to Mr Mark Hohnen (or his nominee) on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion and Prohibition

The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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:

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

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## 5. Resolution 5 - Ratification of Prior Issue of Shares

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

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 31,250,000 Shares under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum.”*

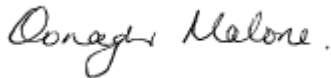
### Voting Exclusion

The Company will disregard any votes cast on this Resolution by any persons who participated in the issue of Shares and any of their associates or nominees.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**BY ORDER OF THE BOARD**



Oonagh Malone  
Company Secretary  
Dated: 8 July 2016

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# BOSS RESOURCES LIMITED

ACN 116 834 336

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 23, 513 Hay Street, Subiaco, Western Australia, on Tuesday, 16 August 2016 at 10 am (WST).

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

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Resolutions 1 & 2 - Re-election of Directors - Messrs Davey and Hohnen
Section 4	Resolution 3 - Approval for Mark Hohnen to participate in Director Placement
Section 5	Resolution 4 - Grant of Performance Rights to Mark Hohnen
Schedule 1	Definitions
Schedule 2	Summary of Employee Performance Rights Plan

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

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### 2. Action to be taken by Shareholders

#### 2.1 Action to be taken by Shareholders

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

#### 2.2 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

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

### **2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)**

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

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

However, a person described above may cast a vote on Resolution 4 if the vote is not cast on behalf of a person who is excluded from voting on those Resolutions and:

- (c) the person is appointed as proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, 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.

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

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## **3. Resolutions 1 & 2 - Re-election of Directors - Messrs Davey and Hohnen**

Article 6.2(b) of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to Article 6.3(i) of the Constitution, any Director so appointed may retire at the next general meeting of the Company and is then eligible for election by Shareholders under Article 6.2(c) of the Constitution.

Messrs Grant Davey and Mark Hohnen were appointed as Directors of the Company on 13 January 2016 and 24 April 2016 respectively.

Accordingly, Messrs Davey and Hohnen resign as Directors at this general meeting and, being eligible, seek approval to be re-elected as Directors.

Mr Grant Davey is a mining engineer with over 20 years of senior management and operational experience in the construction and operation of gold, platinum and coal mines in Africa, Australia, South America and Russia. More recently, he has been involved in venture capital investments in several exploration and mining projects and he has been instrumental in developing the Panda Hill niobium opportunity. Mr Davey's uranium experience is associated with mining uranium as a byproduct from the deep level gold mines in South Africa. He was responsible for the Vaal Reefs South Uranium plant between 2005 and 2008 when it produced up to 6 million pounds of uranium per year and was one of the largest uranium producers in the southern hemisphere at the time.

Mr Mark Hohnen has been involved in the mineral business since the late 1970s and has had extensive international business experience in a wide range of industries including mining and exploration, property, investment, software and agriculture. He is an experienced director having held a number of directorships in both public and private companies. Currently Mr. Hohnen is a director of Swakop Uranium, the owner of the Husab uranium project. Husab is the world's second largest uranium operation in terms of production with construction of a 15 mlbs uranium per annum mine and treatment plant nearing completion. Mr. Hohnen was founding Executive Chairman of Kalahari Minerals Plc, a company founded in 2005 to explore for uranium and base metals in Namibia. Kalahari (KAH) was listed on AIM in March 2006 with a market capitalisation of Stg£15 million. In 2011, Kalahari Minerals Plc was valued at Stg£750 million and was ultimately the subject of a corporate transaction in 2012 valued at \$US2.2 billion.

The Board (excluding Mr Grant Davey) recommends that Shareholders vote in favour of Resolution 1.

The Board (excluding Mr Mark Hohnen) recommends that Shareholders vote in favour of Resolution 2.

Resolutions 1 and 2 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 1 and 2.

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## **4. Resolutions 3 - Approval for Mark Hohnen to participate in Director Placement**

### **4.1 General**

Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 10.11 to enable Mr Mark Hohnen (or his nominee) to participate in a Director Placement of up to 16,666,667 Shares at an issue price of \$0.03 per Share (**Director Placement**).

### **4.2 Listing Rule 10.11**

Shareholder approval is required under Listing Rule 10.11 by reason that in their roles as Directors, Mr Hohnen is a related party of the Company.

Listing Rule 10.11 restricts the Company's ability to issue securities to a related party unless approval is obtained from Shareholders. The effect of passing Resolution 3 will be to allow the Company to issue up to 16,666,667 Shares to Mr Hohnen (or his nominee) during the month after the Meeting (or longer period, if allowed by ASX) without breaching Listing Rule 10.11 or using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolution 3, Mr Hohnen (or his nominee) will not be issued any Shares.

Resolution 3 is an ordinary resolution.

#### **4.3 Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to obtaining Shareholder approval for the participation of Mr Hohnen in the Director Placement:

- (a) The Shares will be issued to Mr Hohnen (or his nominee).
- (b) The maximum number of Shares will be 16,666,667.
- (c) The Company will issue the Shares to Mr Hohnen (or his nominee) no later than 1 month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Shares will be issued at \$0.03 per Share.
- (e) The Shares issued will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (f) The proceeds from the Director Placement will be used for care and maintenance and development of the Honeymoon Uranium Project in South Australia, for the continuation of the Company's exploration activities in Scandinavia and for general working capital.
- (g) A voting exclusion statement is included in the Notice.

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## **5. Resolution 4 - Grant of Performance Rights to Mark Hohnen**

### **5.1 Background**

The Company proposes to grant a total of 18,000,000 Performance Rights (**Performance Rights**) (1.99% of the Company's issued and outstanding Equity Securities as of the date of this Explanatory Memorandum) to Mr Mark Hohnen under the Rights Plan and in accordance with the services agreement between the Company and Mr Hohnen dated 24 April 2016. The principal terms of the Performance Rights to be granted to Mr Hohnen are summarised in Schedule 2.

In the Company's present circumstances, the Board considers that the incentive to Mr Hohnen that will be represented by the grant of the Performance Rights, are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Mr Hohnen and are consistent with the strategic goals and targets of the Company.

Mr Hohnen will be granted 2,000,000 Tranche 1 Performance Rights, 2,000,000 Tranche 2 Performance Rights, 3,000,000 Tranche 3 Performance Rights, 3,000,000 Tranche 4 Performance Rights and 8,000,000 Tranche 5 Performance Rights.

The Performance Rights will be granted on the following performance conditions:



Tranche	Milestone	Number
Tranche 1 Performance Rights	<b>First Milestone</b> means the completion of 12 months service with the Company.	2,000,000
Tranche 2 Performance Rights	<b>Second Milestone</b> means the completion of 24 months service with the Company.	2,000,000
Tranche 3 Performance Rights	<b>Third Milestone</b> means the facilitation and completion of a capital raising by the Company for an amount not less than \$5 million.	3,000,000
Tranche 4 Performance Rights	<b>Fourth Milestone</b> means when the closing price of the Company's shares on ASX is at \$0.085 for 20 consecutive ASX trading days.	3,000,000
Tranche 5 Performance Rights	<b>Fifth Milestone</b> means an ASX announcement confirming the successful raise of the capital expenditure required for the expanded plant construction as contemplated by a Board approved definitive feasibility study.	8,000,000

If the performance condition of a Performance Right is satisfied prior to the relevant milestone date, the Performance Right will vest. If the performance condition of a Performance Right is not achieved by the earlier of the milestone date or the expiry date then the Performance Right will lapse.

The Performance Rights to be granted to Mr Hohnen shall have an expiry date of 5 years from issue. Mr Hohnen must remain an eligible employee under the Rights Plan in order for the milestone to vest.

Resolution 4 seeks Shareholder approval for the grant of the Performance Rights to Mr Hohnen (or his nominee). Shareholder approval is required under Listing Rule 10.14 because Mr Hohnen is a Director and the Performance Rights will be granted under an employee incentive scheme, the Rights Plan.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required.

## 5.2 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The grant of the Performance Rights constitutes giving a financial benefit and Mr Hohnen is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Hohnen who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Performance Rights as the exception in section 211 of the Corporations Act applies. The agreement to grant the Performance Rights, reached as part of Mr Hohnen's services agreement, is considered reasonable remuneration in the circumstances.

### **5.3 Technical information required by Listing Rule 10.14**

Listing Rule 10.15 requires that the following information be provided to Shareholders in relation to the grant of the Performance Rights:

- (a) the Performance Rights will be granted to Mark Hohnen, a Director of the Company;
- (b) the maximum number of Performance Rights to be granted to Mark Hohnen pursuant to Resolution 4 is 18,000,000, comprising of 2,000,000 Tranche 1 Performance Rights, 2,000,000 Tranche 2 Performance Rights, 3,000,000 Tranche 3 Performance Rights, 3,000,000 Tranche 4 Performance Rights and 8,000,000 Tranche 5 Performance Rights. The actual number of Shares issued on vesting of the Performance Rights is dependent on the achievement of the performance conditions as described above;
- (c) the Performance Rights will be granted as incentive Performance Rights pursuant to Mr Hohnen's services agreement and will be granted for no monetary consideration. Further, the exercise price of the Performance Rights will also be nil consideration;
- (d) there have been 39,999,999 Performance Rights granted under the Rights Plan to date as follows:
  - (i) 30,000,000 Performance Rights issued to Peter Williams for a nil acquisition price; and
  - (ii) 9,999,999 Performance Rights issued to Marat Abzalov for a nil acquisition price;
- (e) subject to the requirements of the Listing Rules and the determination of the Board, the Directors (being Dr Marat Abzalov, Mr Evan Cranston, Mr Grant Davey, Mr Mark Hohnen and Mr Peter Williams) and their respective nominees and associates are entitled to participate in the Rights Plan; and
- (f) the Company will grant the Performance Rights no later than 12 months after the date of the Meeting or such longer period of time as ASX may in its discretion allow.

### **5.4 Board recommendation**

Mr Mark Hohnen has an interest in Resolution 4 under which Performance Rights will be granted and therefore believes it inappropriate to make a recommendation. The other Directors are unanimously in favour of the grant of the Performance Rights in Resolution 4.

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## **6. Resolution 5 - Ratification of Prior Issue of Shares**

### **6.1 General**

On 7 June 2016, the Company issued 31,250,000 Shares at an issue price of \$0.04 each to sophisticated and institutional investors to raise \$1,250,000 (before costs) (Placement Shares).

Resolution 5 seeks the approval of Shareholders pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

The Board recommends that Shareholders vote in favour of Resolution 5.

Resolution 5 is an ordinary resolution.

The Chair intends to vote all available proxies in favour of Resolution 5.

### **6.2 Listing Rule 7.1**

Listing Rule 7.1 provides that a Company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

### **6.3 Listing Rule 7.4**

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

The effect of Resolution 5 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

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

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) a total of 31,250,000 Placement Shares were issued on 7 June 2016 within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval;
- (b) the Placement Shares were issued at an issue price of \$0.04 each;
- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued to sophisticated and institutional Shareholders, none of whom is a related party of the Company;
- (e) the funds raised from the issue of the Placement Shares are intended to be applied towards the development of the Company's Honeymoon Uranium Project and for general working capital; and
- (f) a voting exclusion is included in the Notice.

## Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**Article** means an article of the Constitution.

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

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

**Board** means the board of Directors.

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Boss Resources Limited ACN 116 834 336.

**Constitution** means the constitution of the Company as at the date of the Meeting.

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

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

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

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

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

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

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

**Notice** means this notice of extraordinary general meeting.

**Performance Right** means an entitlement to a Share subject to satisfaction of any performance conditions.

**Placement Shares** means the Shares the subject of Resolution 5.

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

**Resolution** means a resolution referred to in the Notice.

**Rights Plan** means the Employee Performance Rights Plan approved by Shareholders on 28 November 2014 and as summarised in **Error! Reference source not found.**

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

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

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

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

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

## Schedule 2 - Summary of Employee Performance Rights Plan

Set out below is a summary of the terms and conditions of the Employee Performance Rights Plan (**Rights Plan**):

The Board is cognizant of general Shareholder concern that long-term equity based rewards for staff should be linked to the achievement by the Company of a performance condition. Performance Rights granted under the Rights Plan to eligible participants will be subject to performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting, Shares are automatically issued. Each Performance Right converts into one Share on satisfaction of the relevant performance conditions.

### 1. Eligible Participants

The eligible participants under the Rights Plan are:

- (a) full time employees and permanent part-time employees of the Company and its subsidiaries;
- (b) Directors; and
- (c) any other person who is determined by the Board to be an eligible employee.

### 2. Limits on Entitlements

An offer of Performance Rights may only be made under the Rights Plan if the number of Shares that may be acquired on exercise of those Performance Rights, when aggregated with:

- (a) the number of Shares which would be issued if each outstanding offer, right or option to acquire unissued Shares, being an offer made or right or option acquired pursuant to the Rights Plan or any other incentive scheme, was to be accepted or exercised (as the case may be); or
- (b) the number of Shares issued during the previous 5 years pursuant to the Rights Plan or any other incentive scheme,

but disregarding an offer made, or Performance Rights acquired or Shares issued by way of or as a result of:

- (c) an offer to a person situated at the time of receipt of the offer outside Australia;
- (d) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (e) an offer made under a disclosure document,

does not exceed 5% (or such other maximum permitted under any ASIC Class Order providing relief from the disclosure regime of the Corporations Act) of the total number of issued Shares as at the time of the offer.

### 3. Individual Limits

The Rights Plan does not set out a maximum number of Shares that may be made issuable to any one person.

#### **4. Consideration Payable**

Performance Rights will be issued for no consideration and no amount will be payable upon exercise thereof.

#### **5. Offer and Performance Conditions**

Performance Rights issued under the Rights Plan to eligible participants will be subject to performance conditions, determined by the Board from time to time and expressed in a written offer letter (the **Offer**) made by the Company to the eligible participant. The performance conditions may include one or more of:

- (a) service to the Company of a minimum period of time;
- (b) achievement of specific performance conditions by the participant and/or by the Company;
- (c) a minimum vesting period following satisfaction of performance conditions before the Performance Rights vest (if required); or
- (d) such other performance conditions as the Board may determine and set out in the Offer.

The Board in its absolute discretion determines whether performance conditions have been met and whether Performance Rights have vested.

#### **6. Expiry Date & Lapse**

Performance Rights will have an expiry date upon which unvested Performance Rights will lapse, as the Board may determine in its absolute discretion and specify in the Offer. The Board is not permitted to extend an expiry date without Shareholder approval. A milestone date may be extended where the Board (in its sole discretion) considers that unforeseen circumstances or events have caused a delay in achieving a performance condition by the milestone date.

#### **7. Retirement, Disability, Redundancy or Death**

Under the Rights Plan, upon the death, total and permanent disability, bona fide redundancy or retirement of a participant, the participant will be permitted to continue to hold Performance Rights in respect of which one or more of the relevant performance conditions have not been satisfied (but have not lapsed).

#### **8. Forfeiture**

If a participant acts fraudulently or dishonestly or is in breach of his or her obligations to the Company at any time, the Performance Rights then held by him or her will automatically lapse or if such Performance Rights have been exercised any Shares acquired upon exercise thereof will be automatically forfeited and the participant will either:

- (a) be deemed to have agreed to sell such Shares to the Company pursuant to an Employee Share Scheme Buy-Back (as defined in the Corporations Act) for no consideration; or
- (b) be deemed to have appointed any officer of the Company as his or her agent to sell such Shares on market.

In the event the underlying Shares have been sold by the participant the participant will be required to pay all or part of the net proceeds of that sale to the Company.

**9. Assignment**

Without approval of the Board, Performance Rights may not be transferred, assigned or novated, except, upon death, a participant's legal personal representative may elect to be registered as the new holder of such Performance Rights and exercise any rights in respect of them.

**10. Takeover Bid or Change of Control**

All Performance Rights automatically vest if:

- (a) a Court approves a merger by way of scheme of arrangement (but shall not include a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, subdivision, reduction or return) of the issued capital of the Company);
- (b) a takeover bid (as defined in the Corporations Act) is announced, has become unconditional and the person making the takeover bid has a relevant interest in 50% or more of the Shares in the Company; or
- (c) any person acquires a relevant interest in 50.1% or more of the Shares in the Company by any other means.

**11. Alteration in Share Capital**

Appropriate adjustments will be made to Performance Rights in the event of a reconstruction of the share capital of the Company, such as a share consolidation, share split or other reduction of capital.

**12. Pro Rata Issue of Securities**

A participant may only participate in a new issue of Shares or other securities of the Company to holders of Shares if the Performance Right has been exercised in accordance with its terms before the record date for determining entitlements to the issue.

**13. Bonus Issue**

If, during the term of any Performance Right, the Company completes a bonus issue, the number of Shares each Performance Rights holder is then entitled, shall be increased by that number of securities which the holder would have been issued if the Performance Rights then held by the holder were exercised immediately prior to the record date for the bonus issue.

**14. Participation in other Opportunities**

There are no participation rights or entitlements inherent in the Performance Rights though the Company will use its reasonable endeavours to ensure that each holder is given an opportunity to participate on the same basis as if his or her Performance Rights had been exercised.

**15. Termination, Suspension or Amendment**

The Board may terminate, suspend or amend the Rights Plan at any time subject to any resolution of the Company required by the Listing Rules.

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