

**PALADIN ENERGY LTD**

**ACN 061 681 098**

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**NOTICE OF ANNUAL GENERAL MEETING**

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**Date of Meeting**

Tuesday, 17 November 2020

**Time of Meeting**

10.00am (Perth time)

**Place of Meeting**

Corrs Chambers Westgarth, Level 6, Brookfield Place,  
Tower Two, 123 St Georges Terrace, Perth, Western Australia, 6000

**PALADIN ENERGY LTD**  
**ACN 061 681 098**

**NOTICE OF ANNUAL GENERAL MEETING**

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the members of Paladin Energy Ltd will be held at Corrs Chambers Westgarth, Level 6, Brookfield Place, Tower Two, 123 St Georges Terrace, Perth, Western Australia, 6000 on Tuesday, 17 November 2020 at 10.00am (Perth time) for the purpose of transacting the following business.

**AGENDA**

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**BUSINESS**

**1. FINANCIAL STATEMENTS AND REPORTS**

To receive and consider the Financial Report of the Company for the year ended 30 June 2020 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

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**2. RESOLUTION 1 – RE-ELECTION OF DIRECTOR – MR CLIFF LAWRENSEN**

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

*"That Mr Cliff Lawrenson retires in accordance with the Constitution and, being eligible, offers himself for election, be elected as a Director".*

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**3. RESOLUTION 2 – REPLACEMENT OF CONSTITUTION**

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

*"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing constitution and adopt a new constitution (excluding rule 7 that is the subject of resolution 3) in its place in the form as signed by the chairman of the Meeting for identification purposes, with effect from the close of the Meeting."*

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**4. RESOLUTION 3 – APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS**

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

*"That with effect from the close of the Meeting, the proportional takeover provisions set out in Schedule B to the Explanatory Notes be inserted into the Company's Constitution in force at that time being either:*

- (a) as rule 7 of the new constitution tabled at the Meeting and signed by the Chair for the purposes of identification, if resolution 2 is passed by the requisite majority; or*
  - (b) in the existing Constitution in place of clause 32, if resolution 2 is not passed by the requisite majority."*
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## 5. RESOLUTION 4 – ADOPTION OF PERFORMANCE SHARE RIGHTS PLAN

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

*"That, pursuant to and in accordance with ASX Listing Rule 7.2 (Exception 13(b)) and for all other purposes, Shareholders approve any issue of securities under the Performance Share Rights Plan known as "The Paladin Energy Ltd Performance Share Rights Plan", a summary of the rules of which are set out in Schedule C to the Explanatory Notes."*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf:

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

### **Voting Prohibition Statement:**

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

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

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

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

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## 6. RESOLUTION 5 - ADOPTION OF REMUNERATION REPORT

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

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual Financial Report for the financial year ended 30 June 2020."*

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

**Voting Prohibition Statement:**

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

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

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

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

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**7. RESOLUTION 6 – SPILL MEETING RESOLUTION**

**Condition for resolution 5:** Resolution 6 will be considered at the Meeting only if at least 25% of the votes cast on resolution 5 are against the adoption of the Remuneration Report. The Explanatory Notes further explain the circumstances in which resolution 6 will be put to the Meeting.

If the condition (described above) is satisfied, to consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, as required by the Corporations Act:*

- (a) *a meeting of the Company’s members be held within 90 days of the date of the Meeting (the **spill meeting**);*
- (b) *all of the Directors who:*
  - (i) *were Directors when the resolution to approve the Directors’ Report for the year ended 30 June 2020 was passed; and*
  - (ii) *are not a managing director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office,**cease to hold office immediately before the end of the spill meeting; and*
- (c) *resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.”*

**Voting Prohibition Statement:**

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

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

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

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

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

### **Designated Foreign Issuer pursuant to Canadian Securities Laws**

Pursuant to Canadian National Instrument 71-102 (the "Instrument") *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*, Paladin Energy Ltd. (the "Company") hereby discloses that it is a Designated Foreign Issuer as such term is defined in the Instrument and is subject to the regulatory requirements of Australian Securities laws and the rules and regulations of the Australian Securities Exchange.

By order of the Board.

A handwritten signature in black ink, appearing to read 'A. Betti', with a stylized flourish at the end.

Andrea Betti  
Company Secretary  
8 October 2020

**For the purposes of this Notice of Annual General Meeting:**

"**ASX**" means 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 of the Company;

"**Chair**" means the chair of the Meeting;

"**Closely Related Party**" of a member of Key Management Personnel means:

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

"**Company**" or "**Paladin**" means Paladin Energy Ltd ACN 061 681 098;

"**Constitution**" means the Company's constitution;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Director**" means a director of the Company;

"**Explanatory Notes**" means the explanatory notes accompanying the Notice;

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

"**Listing Rules**" means the listing rules of the ASX;

"**Meeting**" means the meeting convened by the Notice;

"**Notice**" or "**Notice of Annual General Meeting**" means this notice of Annual General Meeting, including the Explanatory Notes;

"**Performance Rights**" has the meaning given to that term in the Plan;

"**Plan**" or "**Performance Share Rights Plan**" means an incentive scheme for employees (including Directors) and contractors of the Company known as "*The Paladin Energy Ltd Performance Share Rights Plan*";

"**Proposed Constitution**" has the meaning given in section 0 of the Explanatory Notes;

"**Proxy Form**" means the proxy form accompanying the Notice;

"**Remuneration Report**" means the remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2020;

"**Shares**" or "**Ordinary Shares**" means fully paid ordinary shares in the capital of the Company;

"**Shareholder**" means a holder of Shares;

"**WST**" means Australian Western Standard Time.

## PROXIES

A Shareholder entitled to attend and vote at the Meeting may appoint a proxy. A Shareholder entitled to cast two or more votes at the Meeting can appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. A proxy may, but need not be, a Shareholder.

Proxies must be delivered prior to 10.00am (Perth time) on Sunday, 15 November 2020 using one of the following methods:

**Online:**

At [www.investorvote.com.au](http://www.investorvote.com.au)

**By mobile:**

Scan the QR Code on your Proxy Form and follow the prompts

**By mail:**

Computershare Investor Services Pty Ltd  
GPO Box 242  
Melbourne Victoria 3001  
Australia

**By fax:**

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

**Custodian voting:**

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

## UNDIRECTED PROXIES

If a Shareholder entitled to vote appoints the Chair as their proxy (or the Chair becomes their proxy by default) and the Shareholder does not direct the Chair how to vote on resolutions 4, 5 and/or 6, the Shareholder may authorise the Chair in respect of those resolutions to exercise the proxy notwithstanding those resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Further details are contained in the Proxy Form.

Where the Chair is appointed as proxy for a Shareholder entitled to vote, the Chair will (where authorised) vote all undirected proxies IN FAVOUR of resolutions 1, 2, 3, 4 and 5 and AGAINST resolution 6 (if that resolution is required to be considered at the Meeting). Accordingly, if you appoint the Chair as your proxy and wish to vote differently to how the Chair intends to vote on any of the resolutions, you must mark "For", "Against" or "Abstain" on the Proxy Form for the relevant resolution.

## ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company determines that members holding Shares at 10.00am (Perth time) on Sunday, 15 November 2020 will be entitled to attend and vote at the Annual General Meeting.

If you cannot attend the meeting in person, you are encouraged to date, sign and deliver the accompanying proxy and return it in accordance with the instructions set out above under the heading 'Proxies'.

## BODY CORPORATE REPRESENTATIVES

A body corporate member or proxy may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with, or presented to, the Company before the Meeting.

## RESOLUTIONS

A simple majority of votes cast are required to approve all ordinary resolutions to be submitted to Shareholders at the Meeting.

75% of votes cast are required to approve all special resolutions to be submitted to Shareholders at the Meeting.

## EXPLANATORY NOTES

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The following information is intended to provide Shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Annual General Meeting.

The Directors recommend that Shareholders read the Explanatory Notes in full before making any decision in relation to the resolutions.

### 1. FINANCIAL STATEMENTS AND REPORTS

The consolidated financial statements of the Company and its controlled entities and the reports of the Directors and auditor for the financial year ended 30 June 2020 will be presented for consideration.

### RESOLUTIONS

#### 2. RESOLUTION 1 – RE-ELECTION OF CLIFF LAWRENSON

The Constitution provides that at each Annual General Meeting one-third of the Directors or, if their number is not a multiple of three, then such number as is appropriate, shall retire from office to ensure that no Director holds office for a period in excess of three years or later than the third Annual General Meeting following the Director's appointment. Mr Lawrenson therefore retires from office in accordance with this requirement and submits himself for re-election.

Mr Lawrenson's qualifications are set out below.

***Cliff Lawrenson***

*Term in office:* Appointed as a Non-Executive Director on 29 October 2019

*Independent:* Yes

*Skills and experience:* Mr Lawrenson holds postgraduate qualifications in commerce and finance and has worked extensively in project development and investment banking around the world, including in Australia, USA and Singapore. Mr Lawrenson is an experienced mining executive and director with deep expertise in the minerals and energy sectors derived from his considerable global experience. He has a successful track record of leading strategic direction in companies and executing corporate transactions.

His previous executive roles include Atlas Iron Limited, where he led the company's stabilisation and the subsequent takeover by a wholly owned subsidiary of Hancock Prospecting Pty Ltd. Prior to this, he led several ASX listed companies through various stages of development. He held the position of Group Managing Director of GRD Group Limited (GRD) from 2006 to 2009. Prior to joining GRD, Mr Lawrenson was a senior executive and vice president of CMS Energy Corporation in the USA and Singapore for seven years.

The Board (other than Mr Lawrenson because of his interest in the outcome of resolution 1) recommends that Shareholders vote in favour of Mr Lawrenson's election.

#### 3. RESOLUTION 2 – REPLACEMENT OF CONSTITUTION

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

The Company's existing Constitution was adopted in November 2004 and has not been materially amended since November 2011. Since that time, there have been developments in Australian corporate law and practice, including a number of amendments to the Corporations Act, the ASX Listing Rules and other applicable laws and rules which impact on the Company which are not reflected in the existing Constitution.

The Company has conducted a review of its existing Constitution to bring it into line with current law and market practice and to ensure it reflects the amendments to the Corporations Act, ASX Listing



Rules and other applicable laws and rules since the existing Constitution was last amended. As the changes introduced affect numerous provisions in the existing Constitution, the Directors believe that it is preferable in the circumstances to replace the existing Constitution with a new proposed Constitution (**Proposed Constitution**) rather than to amend a multitude of specific provisions. The Board also considers this a good opportunity to modernise and simplify some of the existing language in the Constitution.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature. The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Notes; however, a summary of the proposed material changes is set out in Schedule A to these Explanatory Notes.

The Board considers resolution 2 to be in the interests of the Shareholders and unanimously recommend that Shareholders adopt the Proposed Constitution by voting in favour of Resolution 2.

Resolution 2 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website [www.paladinenergy.com.au](http://www.paladinenergy.com.au) and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

In accordance with the ASX Listing Rules, the Proposed Constitution has been approved by ASX.

#### **4. RESOLUTION 3 - APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS**

Resolution 3 proposes to approve the insertion of a new rule 7 ("Proportional takeovers") as set out in Schedule B to the Explanatory Notes (**Proportional Takeover Provisions**) in the Proposed Constitution and, failing approval of the Proposed Constitution under resolution 2, in the existing Constitution in place of clause 32.

The Proportional Takeover Provisions have the effect that transfers of shares acquired under a proportional takeover bid will not be registered unless a resolution approving the bid is passed by holders of the bid class securities. In accordance with the Corporations Act, the Proportional Takeover Provisions would cease to operate three years after their adoption unless members resolve by special resolution to renew them in accordance with the statutory procedure.

Under the existing Constitution, similar provisions were last approved by Shareholders at the annual general meeting of the Company in November 2018 by amending the Company's existing Constitution to adopt them. However, those provisions will cease to have any effect from the end of November 2021 and, by operation of section 648G(3) of the Corporations Act, shall be omitted from the existing Constitution.

If this resolution 3 is passed and:

- (a) resolution 2 is passed and the Proposed Constitution adopted, the Proportional Takeover Provisions will be incorporated into the Proposed Constitution as rule 7 and will operate for three years after their adoption under the Proposed Constitution; or
- (b) resolution 2 is not passed, the Proportional Takeover Provisions will be incorporated into the existing Constitution in place of clause 32, and will also operate for a period of three years after their adoption.

#### **Impact of the Proportional Takeover Provisions**

The Proportional Takeover Provisions will only apply to a proportional takeover offer - that is, to takeover offers for less than 100% of each holder's holding. The Proportional Takeover Provisions will have no application to takeover bids where an offer is made for all of the securities in a class of securities.

If the Proportional Takeover Provisions are approved and a proportional takeover bid is made for securities of the Company, the Directors will be required to call a meeting of holders of bid class securities to vote on a resolution to approve that bid. The Directors will breach the Corporations Act if

they fail to ensure the resolution is put to affected security holders. Each security holder affected will be entitled to vote (except for the bidder and persons associated with the bidder, who may not vote). Approval of the bid will require a simple majority of the votes cast.

The meeting must be held at least 14 days before offers close under the bid, so that holders should know the result of the voting before they have to make up their minds whether or not to accept for their own securities. However, if no resolution is voted on before that deadline, the resolution will be deemed to have passed.

In accordance with the Corporations Act, the Proportional Takeover Provisions will again cease to operate three years after their adoption unless members resolve by special resolution to renew them in accordance with the statutory procedure.

As at the date of this Notice, the Directors are not aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Further, no takeover bids for the Company were made, either proportional or otherwise, while the proportional takeover provisions were previously in effect. The Directors are not aware of any potential takeover bid that was discouraged by the previous inclusion of proportional takeover provisions in the Company's Constitution.

### **Advantages of the Proportional Takeover Provisions for Shareholders**

The Proportional Takeover Provisions would enable Shareholders to act in a cohesive manner and thereby avoid the coercion of Shareholders that arises where they believe the offer to be inadequate, but nevertheless accept through fear that other Shareholders will accept.

The Proportional Takeover Provisions would enable Shareholders, by combining together, to veto a change of control that would lock them into a minority position.

The existence of the approval machinery in the Company's Constitution would make it more probable that any takeover bid will be a full bid for the whole shareholding of each member, so that Shareholders may have the opportunity of disposing of all their shares rather than only a proportion of their shares.

If a proportional takeover bid should be made, the existence of the approval procedure will make it more probable that a bidder will set its offer price at a level that will be attractive to the Shareholders who vote.

### **Disadvantages of the Proportional Takeover Provisions for Shareholders**

By placing obstacles in the way of proportional takeover bids, the Proportional Takeover Provisions may tend to discourage proportional takeover bids, thereby reducing the opportunity for Shareholders to sell a portion of their holding.

It is possible (though, in the opinion of the Board, unlikely) that the existence of the Proportional Takeover Provisions might have an adverse effect on the market value of the Company's shares by making a proportional takeover bid less likely and thereby reducing any takeover speculation element in the share price.

An individual Shareholder who wishes to accept a proportional takeover bid will be unable to sell to the bidder unless a majority of Shareholders favour the proportional takeover bid.

### **Advantages and disadvantages of the Proportional Takeover Provisions for the Directors**

If the Directors consider that a proportional takeover bid should be opposed, they will be assisted in preventing the bidder from securing control of the Company if the bidder needs a majority of the votes cast by the independent Shareholders before it can succeed.

On the other hand, under the proposal, if a proportional takeover bid is commenced, the Directors must call a meeting to seek the Shareholders' views. The Directors must do so even though they believe that the bid should be accepted.

Under the approval procedure, the most effective view on the proportional takeover bid will become the view expressed by the vote of the Shareholders themselves at the meeting.

## Reasons for proposing the resolution

Given the advantages of the Proportional Takeover Provisions for Shareholders outlined above, the Directors consider that Shareholders should have the opportunity to consider including provisions (in the Company's Proposed Constitution) that require Shareholder approval for proportional takeover bids. Further, even if the adoption of the Proposed Constitution is not approved by Shareholders, the Directors consider it opportune that Shareholders consider adopting these provisions in the existing Constitution given that the existing equivalent provisions will otherwise lapse in November 2021.

The Directors consider that the advantages associated with having the Proportional Takeover Provisions included in the Company's Constitution outweigh the disadvantages. They consider that Shareholders should have the power to prevent the control of the Company from passing to a bidder without it making a bid for all the bid class shares. They believe that the approval procedure is the best available for Shareholders to ensure that they are not forced to accept a proportional offer even though they do not wish the bidder to obtain control of the Company.

Resolution 3 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

The Directors consider resolution 3 to be in the interests of the Shareholders and unanimously recommend that Shareholders adopt the proportional takeover provisions by voting in favour of resolution 3.

## 5. RESOLUTION 4 – ADOPTION OF PERFORMANCE SHARE RIGHTS PLAN

Resolution 4 seeks Shareholders approval for the adoption of the employee incentive scheme titled Paladin Energy Ltd Performance Share Rights Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 13(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

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

The Company has an existing Employee Performance Share Rights Plan and an existing Contractor Performance Share Rights Plan (**Existing Plans**), which were both renewed at the Company's Annual General Meeting in November 2018. The Company has decided to combine the Existing Plans into one plan (ie the Plan), for greater efficiencies in administration of the Existing Plans, and as an opportunity to update the Existing Plans to incorporate any amendments to the Corporations Act, the ASX Listing Rules and any other applicable law since the Existing Plans were adopted by the Company.

Shareholders should note that once the Plan is approved by the Board, the Company will not issue any additional Performance Rights under the Existing Plans. However, the terms of the Existing Plans will continue to apply to Performance Rights granted under the Existing Plans prior to the approval of the Plan.

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

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

If Resolution 4 is not passed, the Company may (subject to the Listing Rules and applicable law) still grant incentives under the Performance Share Rights Plan, but those incentives will be taken into

account when calculating whether the 15% limit under Listing Rule 7.1 has been reached. The Company may also need to consider alternative remuneration arrangements.

In accordance with the requirements of Listing Rule 7.2 (Exception 13(b)), the following information is provided:

- (a) A summary of the key terms and conditions of the Plan is set out in Schedule C. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.
- (b) Shareholders should note that no Performance Rights have yet been issued under the new Plan.
- (c) The maximum number of Shares that are issuable under the Plan, when combined with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 years pursuant to the Plan or any other incentive scheme for which the Company relied on ASIC Class Order 14/1000, but disregarding any offer made, or Performance Rights acquired or Shares issued by way of or as a result of:
- an offer to a person situated at the time of receipt of the offer outside Australia; or
  - an offer that did not need disclosure to investors because of section 708 of the Corporations Act (which includes offers to directors); or
  - an offer made under a disclosure document during the previous five years pursuant to the Plans or any other employee incentive scheme of the Company; but disregarding any offer made, or Share Rights acquired or Ordinary Shares issued by way of or as a result of (i) an offer to a person situated at the time of receipt of the offer outside Australia; or (ii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or (iii) an offer made under a disclosure document,

must not exceed 5% of the total number of issued Shares in the Company at the time of the offer of Performance Rights.

As at the date of this Notice, the Company has on issue the following incentives as a result of offers made during the previous 3 years pursuant to the Plan or any other incentive scheme for which the Company relied on ASIC Class Order 14/1000:

<b>Plan</b>	<b>Incentive</b>	<b>Number of incentives issued</b>	<b>Number of Shares if all incentives vest and are exercised</b>
Performance Share Rights Plan	Performance Rights	zero	zero
Employee Performance Share Rights Plan	Share Appreciation Rights (SARs)	7,002,500	344,231*
	Performance Rights	35,000,000	35,000,000
Contractor Performance Share Rights Plan	Performance Rights	zero	Zero

\* The Share Appreciation Rights on issue have different exercise prices, and a change in the current share price will impact the shares that are issued upon exercise. However if all the SARs on issue were exercised on the date of this notice, with the prevailing closing share price at the date of this notice, the number of shares as listed above would be issuable.

If all of the Performance Rights in the table above vest and are exercised, it will result in the issue of Shares representing approximately 1.71% of the Company's fully diluted Share capital. This means that the maximum number of Performance Rights proposed to be issued under the Plan over three years is 67,817,531 Performance Rights (being approximately 3.29% of the Company's fully diluted Share capital as at the date of this Notice).

However, it is likely that the vesting conditions attaching to any Performance Rights proposed to be issued under the Plan or the Existing Plans will result in no Shares being issued upon the vesting of any such Performance Rights within the next three years (subject always to any accelerated vesting pursuant to the terms of the Plan and the Existing Plans). Shareholders

should be aware that the maximum number of Performance Rights proposed to be issued under the Plan stated above is not intended to be a prediction of the actual number of securities to be issued under the Plan but is specified for the purposes of setting a ceiling on the number of securities approved to be issued for the purposes of Listing Rule 7.2 (Exception 13(b)).

It is not envisaged that the maximum number of Performance Rights for which approval is sought will be issued immediately following approval.

(d) A voting exclusion statement has been included in this Notice for the purpose of resolution 4.

Noting that each Director may have a personal interest in the outcome of this resolution 4 by virtue of them being eligible to participate in the Plan, the Board recommends that Shareholders vote in favour of resolution 4.

## 6. RESOLUTION 5 – ADOPTION OF REMUNERATION REPORT

The Board is submitting its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding resolution as required under the Corporations Act.

The Remuneration Report forms part of, and is clearly identified in, the Directors' Report included in the Company's 2020 Annual Report. The Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive Directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and members of the Key Management Personnel of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive Directors and members of the Key Management Personnel of the Company.

During the financial year ended 30 June 2020, the Company restructured and streamlined its Board and Executive Management Team, and restructured the remuneration paid to the Board and Executive Management Team. The Company changed its remuneration strategy for Non-Executive Directors and sought and obtained shareholder approval in February 2020 to issue Performance Rights to the Non-Executive Directors, in lieu of a portion of cash remuneration, in order to provide an equity based component to their respective remuneration packages.

The Board acknowledges that the grant and issue of Performance Rights to Non-Executive Directors is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition). However, the Board considered the proposed issue of the Performance Rights to all three Directors to be reasonable in the circumstances in order to further align their interests with that of Shareholders and to provide appropriate remuneration to the Non-Executive Directors for their ongoing commitment and contribution to the Company whilst minimizing the expenditure of the Company's cash resources. This position was supported by Shareholders with 87% of shares cast at the General Meeting held in February 2020, voting for the resolutions to issue Performance Rights to the three Non-Executive Directors.

The Board further notes that in connection with the change to the remuneration strategy, the fixed annual cash compensation payable to the Company's Chairman has been reduced from \$125,000 to \$110,000 and that the fixed annual cash compensation payable to the two remaining Non-Executive Directors has been reduced from \$80,000 to \$70,000. In addition, the number of Directors on the Company's Board has been reduced from four to three, reducing fixed annual cash compensation by a further \$80,000. The result of these changes is that fixed cash compensation payable to the Board has been reduced by \$115,000 per annum.

The Company has also currently ceased the provision of cash bonuses previously offered to the current the Executive Team, with the CEO and CFO instead granted and issued Performance Rights on the same terms and conditions as those issued to the Directors in February 2020. This further aligns the Executive Team's interests with that of Shareholders.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The vote on the adoption of the Remuneration Report resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Shareholders should note that whilst the vote on this resolution is advisory only, if 25% or more of the votes cast on this resolution are against adopting the Remuneration Report, a vote on resolution 6 (spill resolution) will be required to be put to the Meeting. This is because at the Company's 2019 Annual General Meeting, the Company received a "first strike" where more than 25% of the votes cast were cast against the adoption of the 2019 Remuneration Report. Under the "two strikes" rule, if 25% or more of the votes cast at the Meeting are cast against the adoption of the 2020 Remuneration Report, the Company will receive a "second strike" and the Company will be required to put resolution 6 to the 2019 Annual General Meeting. The operation and consequences of a spill resolution are set out under resolution 6 below.

Voting exclusions apply to this resolution as specified in the Notice and the Proxy Form.

The Chair intends to vote all available proxies in favour of adoption of the Remuneration Report, subject to any instructions of the Shareholder to the contrary included in the Proxy Form.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders vote in favour of resolution 5.

## 7. RESOLUTION 6 – HOLDING A SPILL MEETING

The Corporations Act was amended in June 2011 to introduce the "two-strikes" rule. The two strikes rule provides that if at least 25% of the votes cast on the adoption of the remuneration report at two consecutive AGMs are against adopting the remuneration report, members will have the opportunity to vote on a "spill resolution" (as described below).

At last year's AGM, more than 25% of the votes cast on the resolution to adopt the remuneration report were against adopting the report. This constitutes a "first strike".

If at least 25% of the votes cast on resolution 5 are against adopting the Remuneration Report at the Meeting, this will constitute a "second strike" and resolution 6 will be put to the Meeting and voted on as required by section 250V of the Corporations Act (the **spill resolution**). If put, the spill resolution will be considered as an ordinary resolution.

If less than 25% of the votes cast on resolution 5 are against adopting the Remuneration Report at the Meeting, then there will be no "second strike" and resolution 6 will not be put to the Meeting.

If the spill resolution is put to the Meeting and passed, a further special meeting of Shareholders must be held within 90 days (the **spill meeting**) of the spill resolution being passed. Immediately before the end of the spill meeting, with the exception of a managing director of the Company, all of the Directors who were Directors when the resolution to approve the Directors' Report for the year ended 30 June 2020 was passed, including Mr Lawrenson if he is re-elected under resolution 1, (the **Relevant Directors**) will cease to hold office immediately before the end of the spill meeting.

Each Relevant Director is eligible to seek re-election as a director of the Company at the spill meeting.

If the spill resolution is passed, members should note that each of the Relevant Directors intends to stand for re-election at the spill meeting.

If the Company does not receive a "second strike" or the spill resolution fails, then the Company has a "clean slate" and will enter the 2021 Annual General Meeting with no "strikes".

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, if resolution 6 is put to the Meeting, the Board recommends that Shareholders vote against resolution 6 on the basis that a spill meeting would be disruptive and costly and in the Board's view it would be inappropriate to remove all of the Relevant Directors in the circumstances.

## SCHEDULE A – SUMMARY OF MATERIAL PROPOSED CHANGES TO CONSTITUTION

<b>Material Change</b>	<b>Summary</b>
<b>Restricted Securities<sup>1</sup></b>	<p>On 1 December 2019, the ASX introduced a two-tier escrow regime where ASX can require certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to simply give a notice to the holder of restricted securities advising them of those restrictions.</p> <p>ASX Listing Rule 15.12 requires the constitution of listed entities to contain certain provisions in relation to restricted securities for so long as the entity has any restricted securities on issue. The Proposed Constitution contains provisions which reflect the current drafting of ASX Listing Rule 15.12.</p> <p>Although the Company does not presently have any Restricted Securities on issue, the Board considers it prudent to update its Constitution to ensure it complies with these new requirements.</p>
<b>Calls<sup>2</sup></b>	<p>The process regarding calls made by the Company in respect of any amount unpaid on a share has been set out in greater detail in the Proposed Constitution. Further, the Proposed Constitution treats any payment of calls in advance as a loan to the Company, rather than allowing the Directors to determine whether it should be treated as capital or a loan as is currently the case under the existing Constitution.</p>
<b>Fee for registration of paper-based instruments of transfer<sup>3</sup></b>	<p>Under the Proposed Constitution the Company is able to charge a reasonable fee for registering a paper-based instrument of transfer in registrable form subject to the Listing Rules. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to paper-based instruments of transfer.</p> <p>The existing Constitution does not contain a similar provision as the changes to the Listing Rules which allows for this fee being charged were introduced after the existing Constitution was initially adopted in November 2004.</p>
<b>Sale of non-marketable parcels<sup>4</sup></b>	<p>Greater clarity has been provided in the Proposed Constitution regarding the process to be followed regarding the sale of non-marketable parcels. The non-marketable parcel sale process in the Proposed Constitution is more closely aligned with the existing ASX Listing Rule requirements.</p>
<b>Notice and conduct of general meetings<sup>5</sup></b>	<p>The notice requirements for general meetings and the conduct of general meetings have been set out more clearly and succinctly in the Proposed Constitution.</p> <p>The Proposed Constitution provides that, unless the Corporations Act provides otherwise, no person may move any amendment to a proposed resolution the terms of which are set out in the notice calling the meeting or a document which relates to such a resolution except with the approval of the Directors or the chair. The existing Constitution is silent on this.</p> <p>Under the Proposed Constitution, the Board has the flexibility to determine that any notice regarding the change of venue or postponement or cancellation of a general meeting is to be provided to shareholders either:</p>

<sup>1</sup> Rule 3.10. References to rules are references to the rules in the Proposed Constitution.

<sup>2</sup> Rule 4.

<sup>3</sup> Rule 5.3

<sup>4</sup> Rule 6.

<sup>5</sup> Rules 8, 9.

Material Change	Summary
	<ul style="list-style-type: none"> <li>• through a notice given to ASX;</li> <li>• through a newspaper advertisement; or</li> <li>• in any other way subject to the Corporations Act and Listing Rules.</li> </ul> <p>The Proposed Constitution also provides that if any technical difficulty occurs which precludes a member from having a reasonable opportunity to participate in a general meeting at two or more places, the chair may either adjourn the meeting until the technology gives members a reasonable opportunity to participate or continue the meeting. No member may object to the meeting being held or continuing in that case. The existing Constitution is silent on this.</p> <p>Other minor amendments have been made in order to further facilitate the orderly and proper conduct of general meetings.</p>
<b>Quorum at general meetings<sup>6</sup></b>	<p>Quorum requirements have been further clarified in the Proposed Constitution. The clarifications include that:</p> <ul style="list-style-type: none"> <li>• where a member has appointed two proxies, only one of them counts for the purposes of determining quorum; and</li> <li>• a member placing a direct vote (i.e. by post, facsimile or other electronic means) is not taken into account in determining quorum.</li> </ul>
<b>Proxies<sup>7</sup></b>	<p>Provisions are included in the Proposed Constitution that allow the Company to seek clarification and, when authorised, amend proxy instructions received from a shareholder. The existing Constitution is silent on this.</p>
<b>Direct voting<sup>8</sup></b>	<p>The Proposed Constitution provides greater clarity regarding the process by which Shareholders can vote directly on resolutions by submitting their votes electronically or by other means at that general meeting. Direct voting allows Shareholders to vote on resolutions to be considered at a meeting without the need to physically attend the meeting or appoint a proxy or other representative. The Directors will have absolute discretion as to how such direct votes may occur.</p> <p>As noted above, under the Proposed Constitution, any Shareholder placing a direct vote is not taken into account in determining a quorum for that meeting. The existing Constitution is silent on this.</p>
<b>Directors<sup>9</sup></b>	<p>There are a number of differences between the existing Constitution and Proposed Constitution in relation to the provisions relating to Directors. These include that a person ceases to be a Director if they are convicted on indictment of an offence and the directors do not resolve to confirm that Director's appointment or election (as the case may be).</p> <p>In addition, rules relating to the election of Directors have been amended so that they are more closely aligned with the ASX Listing Rules. In particular:</p> <ul style="list-style-type: none"> <li>• directors who are appointed to fill a casual vacancy or as an addition to the Board (other than a managing director) must not hold office without re-election past the first annual general meeting after their appointment; and</li> </ul>

<sup>6</sup> Rule 9.1.

<sup>7</sup> Rule 10.4.

<sup>8</sup> Rule 11.5.

<sup>9</sup> Rule 12.



Material Change	Summary
	<ul style="list-style-type: none"> <li>other Directors must not hold office without re-election for more than three years or past the third annual general meeting after they were last elected (whichever is longer).</li> </ul> <p>In relation to the second bullet point above, the existing Constitution provides that, at the Company's annual general meeting each year, one-third of the Directors (except alternate directors and the Managing Director) for the time being, or, if their number is not a multiple of three, then such number as is appropriate to ensure that no director (except alternate directors and the Managing Director) holds office for a period in excess of three years or later than the third annual general meeting following their appointment, must retire. The amendments are aimed at simplifying Director rotation.</p>
<b>Removal of Directors<sup>10</sup></b>	<p>The Proposed Constitution is more comprehensive on the procedure for the removal of Directors.</p> <p>The existing Constitution provides that, when a person has been removed as a Director by a resolution of the Company and a person is appointed in their place, the person appointed holds office during such time only as the Director in whose place he or she is appointed would have held office and is subject to retirement at the same time as if he or she had become a director on the day on which the director in whose place he or she is appointed was last elected as a director. The Proposed Constitution does not contain an equivalent provision and therefore a director appointed in such circumstances will be treated in the same manner as any other Director who is appointed to fill a casual vacancy or as an addition to the Board.</p> <p>The Proposed Constitution clarifies that a person ceases to be a Director if the person is absent from Board meetings for a continuous period of six consecutive months without leave of absence from the Directors and a majority of the other Directors have not, within 10 business days of having been given a notice by the secretary giving details of the absence, resolved that a leave of absence be granted. In particular, the Proposed Constitution provides that a person will not be deemed to cease as a director if they are absent from the office of director by virtue of a Board approved leave of absence.</p> <p>The existing Constitution provides only that a person automatically ceases to be a Director if the Director is absent for more than six months, without permission of the Board, from Board meetings held during that period.</p>
<b>Director remuneration<sup>11</sup></b>	<p>The proposed rules relating to remuneration of Non-Executive Directors are broadly in line with the existing Constitution. As with the existing Constitution, under the Proposed Constitution, the total annual fees of Non-Executive Directors must not exceed the aggregate fixed by the Company in general meeting. The existing limit set at the Company's 2008 AGM of A\$1,200,000 per annum shall remain in place until determined otherwise.</p>
<b>Alternate directors<sup>12</sup></b>	<p>The rules in respect to the appointment and rights of alternate directors have been set out more clearly and succinctly in the Proposed Constitution.</p> <p>The Proposed Constitution also clarifies that:</p> <ul style="list-style-type: none"> <li>a person may act as an alternate director for more than one Director; and</li> <li>an alternate director is not entitled to receive any fee or other remuneration for services performed as an alternate, other than reimbursement for reasonable expenses incurred by attending Board meetings.</li> </ul>

<sup>10</sup> Rule 12.5.

<sup>11</sup> Rule 13.9.

<sup>12</sup> Rule 12.16.

Material Change	Summary
	The existing Constitution is silent on these matters.
<b>Dividends<sup>13</sup></b>	<p>Following amendments to the Corporations Act, companies are no longer restricted to paying dividends out of profits. The Proposed Constitution will give the Directors the flexibility to resolve to pay a dividend out of any available source permitted by law.</p> <p>Further, the Proposed Constitution provides that, if a dividend is paid but remains unclaimed for more than 11 months, the Company can, subject to compliance with applicable law, reinvest that amount, after deducting reasonable expenses, into shares in the Company on behalf of and in the name of the shareholder entitled to the dividend. The existing Constitution provides that any declared but unclaimed dividends can be invested for the benefit of the Company until claimed or until required to be dealt with in accordance with any law relating to unclaimed money.</p> <p>The Proposed Constitution expands the wording of the existing Constitution regarding ancillary powers of directors in relation to dividends.</p>
<b>Proportional takeover provision<sup>14</sup></b>	Rule 7 of the Proposed Constitution contains a proportional takeover provision. Resolution 2 does not include the approval of proposed rule 7. Instead, the proposed rule 7 will require a separate approval which is contained in resolution 3. The explanatory notes associated with this rule are set out below in section 4 of the Explanatory Notes.
<b>General</b>	<p>References to applicable legislation and rules have been updated.</p> <p>Relevant definitions have been updated to reflect current terminology and the various changes to the Corporations Act and ASX Listing Rules. Where possible the Proposed Constitution relies on terms defined in the Corporations Act and ASX Listing Rules.</p>

<sup>13</sup> Rule 17.

<sup>14</sup> Rule 7.

## SCHEDULE B – PROPORTIONAL TAKEOVER PROVISIONS

Set out below is the new rule containing the proportional takeover provisions which, subject to the approval of the Proposed Constitution under resolution 2, are proposed to be inserted in the Proposed Constitution as rule 7 if resolution 2 is approved.

If resolution 2 is not approved but resolution 3 is approved, then:

- (a) the below rule shall be incorporated into the existing Constitution in place of clause 32;
- (b) all references to “**rule 7**” in the below rule shall be taken to be a reference to “**clause 32**”; and
- (c) the number “7” shall be deleted from the heading of the rule and replaced with the number “32” and the paragraphs following shall be numbered consecutively commencing from the number “32.1”.

### **7 Proportional takeovers**

#### **7.1 Definitions**

In this **rule 7**:

- (a) **Approving Resolution** means a resolution of Eligible Shareholders approving a Proportional Takeover.
- (b) **Deadline** means the day which is the 14th day before the last day of the bid period for a Proportional Takeover.
- (c) **Proportional Takeover** means offers for securities made under a proportional takeover bid within the meaning of the Corporations Act.

#### **7.3 Approving Resolution**

- (a) Where offers have been made under a Proportional Takeover, the directors must, before the Deadline, convene a meeting of the Eligible Shareholders to vote on the Approving Resolution for the purpose of considering and, if thought fit, passing a resolution to approve the Proportional Takeover.
- (b) The provisions of this Constitution relating to general meetings apply, with such modification as is necessary, to a meeting convened under this rule 7.3 as if that meeting were a general meeting.
- (c) Any vote cast on an Approving Resolution by the bidder or any of its associates will be disregarded.
- (d) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (e) If an Approving Resolution is voted on in accordance with this rule 7.3 before the Deadline, a director or a secretary must, on or before the Deadline, give the bidder and the ASX (if required) notice stating that an Approving Resolution has been voted on and whether it was passed or rejected.
- (f) If no Approving Resolution has been voted on in accordance with this rule as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this rule 7, to have been passed in accordance with those provisions.

#### **7.4 Cessation of effect**

Rules 7.1 to 7.3 cease to have effect at the end of three years after:

- (a) where those rules have not been renewed since their adoption, the date on which those rules were adopted by the Company; or
  - (b) if those rules have been renewed since their adoption, the date on which they were last renewed.
-

## SCHEDULE C – SUMMARY OF INCENTIVE PERFORMANCE RIGHTS PLAN

The key terms of the Plan are as follows:

- (a) The Board may, from time to time, in its absolute discretion, make a written offer to a full time or permanent part-time employee (including a director) of a Group Company or a contractor engaged by Group Company to the extent permitted by ASIC Class Order 14/1000 (**Eligible Person**);
- (b) Under the Plan the Board may grant Performance Rights to Eligible Person with effect from the date determined by the Board, upon the terms set out in the Plan and upon such additional terms and vesting conditions as the Board determines. The vesting conditions may include one or more of work performance of a minimum period of time, achievement of specific performance objectives by the Eligible Participant and/or by the Company, payment of consideration for the issuance of Ordinary Shares, or such other performance objectives as the Board may determine and set out in the Offer. Except for a vesting condition that involves only the passage of a minimum period of time or the payment of money, the Board determines whether vesting conditions have been met and therefore whether Performance Rights have vested.
- (c) Upon Performance Rights becoming vested, the Performance Rights are exercisable subject to any Exercise Restrictions. Subject to the valid exercise of the Performance Rights, the Company shall either issue Shares to the participant or pay the participant the Cash Equivalent Value (provided such discretion was stated in the Offer), without any further action being required on the part of the participant.
- (d) The Board will advise each Eligible Person of the following minimum information regarding the Performance Rights:
  - (i) the date of the Offer;
  - (ii) the name of the Eligible Person to whom the Offer is made;
  - (iii) the number or value of Performance Rights which are capable of becoming vested, or the formula for determining the number or value of Performance Rights which will vest, upon the Performance Condition or Performance Conditions set out in the Offer being met;
  - (iv) the applicable Performance Condition(s), including, if applicable, any Cash Payment Performance Conditions, if any, in respect of the vesting or exercise of any of the Performance Rights and any relevant terms applicable to payment;
  - (v) the period or periods during which vested Performance Rights may be exercised and the manner of exercise of those Performance Rights (including whether Performance Rights may be automatically exercised at a specified time or event);
  - (vi) any applicable Exercise Restrictions;
  - (vii) a statement as to whether Performance Rights may be settled in cash by payment of the Cash Equivalent);
  - (viii) the approximate Measurement Date(s) in respect of the Performance Conditions;
  - (ix) the Expiry Time; and
  - (x) the time period in which to accept the Offer by returning a duly completed Application Form.
- (e) Offers may be made on a differential basis to Eligible Persons, different classes of Eligible Persons or to Eligible Persons within the same class, as the case may be.
- (f) Performance Rights will not be quoted on the ASX, except to the extent provided for by the Plan or unless the Offer provides otherwise.
- (g) The Company's "Policy for Trading in Company Securities" must be observed at all times with respect to the operation of the Plan. Performance Rights do not vest and may not be exercised, and Shares may not be issued, under the Plan, during a blackout period determined in accordance with the Company's "Policy for Trading in Company Securities". Any Performance

Rights that vest or are exercised during a blackout period will be deemed to have vested or become exercisable immediately after termination of the blackout period.

- (h) A Performance Right does not confer on a Participant the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.
- (i) “Specified Reason” means:
  - (i) in respect of an Eligible Person who is an Employee, Retirement, Total and Permanent Disablement, Redundancy or death of the Eligible Person; and
  - (ii) in respect of an Eligible Person who is a Contractor, death of the Eligible Person;
- (j) A Performance Right will lapse upon the earlier to occur of:
  - (i) in the case of a Performance Right the vesting of which depends only upon satisfaction of a Time-based Performance Condition, if the Time-based Performance Condition is not satisfied in accordance with its terms;
  - (ii) the date the Board makes a determination that Performance Conditions have not been satisfied on or before the applicable Measurement Date;
  - (iii) if an Eligible Person ceases to be an Eligible Person because of a Specified Reason and there is no Cash Payment Performance Conditions attached to any Performance Rights held by the Eligible Person, or if applicable, by their Permitted Nominee and they have not been exercised within two years of the vesting date ;
  - (iv) if an Eligible Person ceases to be an Eligible Person because of a Specified Reason and a Cash Payment Performance Condition is attached to any Performance Rights held by the Eligible Person, or if applicable, by their Permitted Nominee and they have not been exercised within two years of the vesting date;
  - (v) if an Eligible Person ceases to be an Eligible Person for any reason other than a Specified Reason;
  - (vi) the date the Board makes a determination of breach, fraud or dishonesty;
  - (vii) the date of lapse; and
  - (viii) five years after the grant of the Performance Rights
- (k) Unless the Board determines otherwise (in its absolute discretion), if an Eligible Person ceases to be an Eligible Person for a Specified Reason:
  - (i) all Performance Conditions, except for any Cash Payment Performance Condition, attached to all Performance Rights held by such Eligible Person, or if applicable, by their Permitted Nominee, are waived or deemed to be satisfied and the Performance Rights shall automatically and immediately vest as of the date the Eligible Person ceases to be an Eligible Person for a Specified Reason; and
  - (ii) any Exercise Restrictions in respect of the Performance Rights will cease to apply.
- (l) Unless the Board determines otherwise (in its absolute discretion), if an Eligible Person dies at any time prior to the Expiry Time of Performance Rights held by that Eligible Person, or if applicable, by their Permitted Nominee, the deceased Eligible Person’s Legal Personal Representative or Permitted Nominee, as applicable, shall be entitled to receive the Performance Rights and exercise any rights in respect of the Performance Rights.
- (m) Upon the occurrence of a Change of Control Event, a takeover bid, the approval of a merger by way of scheme of arrangement or a Winding Up Event, the Board may determine in its absolute discretion the treatment of the Participant’s vested and unvested Performance Rights and the timing of such treatment, which may include determining that some or all of the unvested Performance Rights vest, lapse or become subject to substitute or varied conditions,

and determine an earlier exercise date for vested Performance Rights, having regard to any matter the Board considers relevant.

- (n) The Board is empowered to make, without being required to seek Shareholder approval, appropriate adjustments to Performance Rights in the event of a variation of the share capital of the Company.
- (o) Subject to the requirements of any regulatory body having authority over the Company, the Plan or the Shareholders, and in particular, any restrictions or procedural requirements relating to the amendment of the terms and conditions of an employee incentive scheme imposed by the Listing Rules, the Board may exercise its discretion: (i) in accordance with the provisions of the Plans; or (ii) to correct any internal inconsistencies, grammar, spelling or punctuation without Shareholder approval. The Listing Rules generally require that all other amendments must be approved by the Shareholders and the votes of insiders who benefit from the relevant Plan being amended, and any other person who benefits from the relevant Plan being amended and such person's associates, must be excluded.
- (p) The Board may suspend or terminate the Plan at any time, without notice, but the suspension or termination will not affect any existing grants of Performance Rights already made.

Capitalised terms used but not defined in this Schedule C shall have the meaning given to them in the Plan.



**Paladin Energy Ltd**  
ACN 061 681 098

## Need assistance?



**Phone:**  
1300 259 129 (within Australia)  
+61 3 9415 4867 (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 **10:00 AM (Perth time) Sunday, 15 November 2020.**

# 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](http://www.investorcentre.com) under the help tab, "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: 184573**

**SRN/HIN:**

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.



**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.

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Paladin Energy Ltd 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 Paladin Energy Ltd to be held at Corrs Chambers Westgarth, Level 6, Brookfield Place, Tower Two, 123 St Georges Terrace, Perth, WA 6000 on Tuesday, 17 November 2020 at 10:00 AM (Perth time) 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 Items 4 to 6 (except where I/we have indicated a different voting intention in step 2) even though Items 4 to 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Item 6 where the Chairman of the Meeting intends to vote against.**

**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 Items 4 to 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
1 Re-election of Director - Mr Cliff Lawrenson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Adoption of Performance Share Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Spill Meeting Resolution	<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 with the exception of Item 6 where the Chairman of the Meeting intends to vote against. 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

