



**BIG RIVER INDUSTRIES LIMITED**  
**ACN 609 901 377**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of Big River Industries Limited (**Company**) will be held at BoardRoom Conference Centre, Level 12, Grosvenor Place, 225 George Street, Sydney NSW 2000 on Wednesday 24 October 2018 at 12:00 pm (AEDT) (**Meeting**).

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

**BUSINESS OF THE MEETING**

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**Item 1: Financial Statements and Reports**

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2018.

**Item 2 (Resolution 1): Remuneration Report**

To consider and, if thought fit, to pass the following as an advisory resolution of the Company:

*"To adopt the Remuneration Report of the Company for the year ended 30 June 2018 as set out in the Annual Report."*

Notes:

- (i) In accordance with section 250R of the Corporations Act 2001, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
- (ii) A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

**Voting Exclusion:** In accordance with sections 250BD(1) and 250R(4) of the Corporations Act, no member of the Key Management Personnel (KMP) of the Company details of whose remuneration are included in the Remuneration Report, or a member of the KMP of the Group at the date of the meeting acting as proxy or a Closely Related Party of any such member may vote on the Resolution.

However, in accordance with the Corporations Act, a person described above may vote on the Resolution if:

- a. it is cast by such person as proxy for a person who is permitted to vote, in accordance with the direction specified on the proxy form how to vote; or
- b. it is cast by the Chair of the Meeting as proxy for a person who is permitted to vote, in accordance with an express direction specified on the proxy form to vote as the proxy decides even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their proxy form the way the Chair must vote, in favour of the Resolution.

**Item 3 (Resolution 2): Re-election of Mr Greg Laurie**

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

*"That Mr Greg Laurie, being a Director, who retires by rotation in accordance with Rule 41.4 of the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a Director."*

**Item 4 (Resolution 3): Approval of Big River Industries Limited Rights Plan (BRIRP)**

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

*"That, for the purposes of Listing Rule 7.2 Exception 9 and for all other purposes, the Big River Industries Limited Rights Plan (**BRIRP**) and any grants of Rights (as defined in the BRIRP) and*

*Shares (ordinary shares in Big River Industries Limited) that result from the exercising of Rights under the BRIRP be approved.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 3 by

1. Jim Bindon, being the only Director who is eligible to participate in the BRIRP, and any associates Jim Bindon;
2. Any Employees who are eligible for the BRIRP, and any associates of such Employees;

However, the Company need not disregard a vote on Resolution 3 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Item 5 (Resolution 4): Approval for the Granting of Performance Rights to a Director – Mr Jim Bindon, Managing Director and CEO**

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

*“That approval is given for the issue of 154,024 Performance Rights to the Managing Director and CEO, Mr Jim Bindon, under the Big River Industries Limited Rights Plan (BRIRP) on the terms and conditions described in the Explanatory Notes to this Notice of Meeting, for the purposes of ASX Listing Rule 10.14, and all other purposes.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution by Mr Bindon or his nominee(s), and any of his associates. However, the entity need not disregard a vote on Resolution 4 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

#### **Item 6 (Resolution 5): Approval for the issue of Shares for MidCoast Timbers**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be and is hereby given for the issue of 153,059 fully paid ordinary shares in the capital of the Company to the vendors of MidCoast Timbers on the terms and conditions set out in the Explanatory Notes.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution by the Vendors of MidCoast Timbers, their associates and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares in the Company, if this resolution is passed. However, the entity need not disregard a vote on Resolution 5 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

#### **Item 7 (Resolution 6): Approval for the issue of Shares for Ern Smith Timber & Hardware (Hume, ACT)**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be and is hereby given for the issue of 298,883 fully paid ordinary shares in the capital of the Company to the Vendors of Ern Smith Timber & Hardware (Hume, ACT) on the terms and conditions set out in the Explanatory Notes.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution by the Vendors of Ern Smith Timber & Hardware and any of their associates, and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares in the Company.

However, the entity need not disregard a vote on Resolution 6 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

## **Item 8 (Resolution 7): Additional 10% Placement Capacity**

To consider and, if thought fit, pass the following as a special resolution of the Company:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to have the additional capacity to issue Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Notes.”*

*In accordance with the notice requirements of Listing Rule 7.3A.7 for approval under Listing Rule 7.1A and Listing Rule 14.11.1 the Company will disregard any votes in favour of Resolution 7 by:*

- (a) any person who may participate in the 10% placement facility;
- (b) any person who might obtain a benefit (other than a benefit solely in the capacity of a holder of Ordinary Shares); and
- (c) any associate of those covered in (a) and (b) above.

However, the entity need not disregard a vote on Resolution 7 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

However, notwithstanding the above, at the date of this Notice the Company has not approached any Member or an identifiable class of Members to participate in the issue of equity securities and therefore subject to any change, the Company does not intend to exclude any members from voting for Resolution 7.

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## **ENTITLEMENT TO VOTE**

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The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company as at 7.00pm (AEDT) on Monday 22 October 2018 (**Entitlement Time**).

This means that if you are not the registered holder of a Share in the Company at the Entitlement Time, you will not be entitled to vote at the Meeting.

## **ANNUAL REPORT**

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Copies of the Company's full Annual Report may be accessed at our website <http://bigriverindustries.com.au/investors/> by clicking on the “Results and Reports” tab and then the “ASX Announcements” tab.

## VOTING OPTIONS AND PROXIES

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If you do not plan to attend the Meeting in person, you are encouraged to complete and return the Proxy Form which accompanies this Notice of Annual General Meeting.

### Voting by Proxy

A Shareholder who is entitled to attend and vote at this Meeting is entitled to appoint not more than two proxies to attend and vote in place of the shareholder.

If the Shareholder appoints two proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Shareholder's votes. If the specified proportion or number of votes exceeds that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a Shareholder of the Company. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed unless it has previously been given to the Company.

Subject to the specific proxy provisions applying to Item 2 (see the Explanatory Notes below):

- if a Shareholder has not directed their proxy how to vote, the proxy may vote as the proxy determines; and
- if a Shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on an item of business, the Chairman will vote in accordance with the Chairman's voting intention as stated in this Notice of Meeting.

### Proxy Voting by the Chairman

For Item 2 (Remuneration Report), where the Chairman is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the Chairman is to vote on Item 2 the Shareholder is directing the Chairman to vote in accordance with the Chairman's voting intentions for these items of business, even though Item 2 is connected directly or indirectly with the remuneration of Key Management Personnel (**Key Management Personnel** or **KMP**).

The Chairman intends to vote all undirected proxies in favour of the resolutions in Item 2, in the Notice of Meeting.

### Proxy Forms

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy provided the proxy is signed by an attorney) with the Company's share registry, as an original or by facsimile, **no later than 12.00pm (AEDT) on Monday 22 October 2018 (Proxy Deadline)**.

Proxy forms may be submitted in one of the following ways:

- (i) **By mail** to Link Market Services Limited using the reply paid envelope or Locked Bag A14, Sydney South NSW 1235. Please allow sufficient time so that it reaches Link Market Services Limited by the Proxy Deadline;
- (ii) **By fax** to Link Market Services Limited on +61 2 9287 0309;
- (iii) **Online** via the Company's Share Registry website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). Please refer to the Proxy Form for more information; or
- (iv) **By hand delivery** to Link Market Services Limited at Level 12, 680 George Street, Sydney NSW 2000.

Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

## CORPORATE REPRESENTATIVES

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Where a shareholding is registered in the name of a corporation, the corporate Shareholder may appoint a person to act as its representative to attend the meeting by providing that person with:

- (i) a letter or certificate authorising him or her as the corporation's representative, executed in accordance with the corporation's constitution; or
- (ii) a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

## BY ORDER OF THE BOARD



**Julian Rockett**  
Company Secretary  
21 September 2018

## **Explanatory Notes**

### **ITEM 1 – Financial Statements**

As required by section 317 of the Corporations Act the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be presented to the meeting. The Financial Report contains the financial statements of Big River Industries Limited. There is no requirement for a formal resolution on this Item.

The Chairman of the Meeting will allow a reasonable opportunity at the Meeting for Shareholders to ask questions about the reports or about the Company generally. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor, Deloitte Touche Tohmatsu (**Deloitte**), questions about the Auditor's Report, the conduct of its audit of the Company's Financial Report for the financial year ended 30 June 2018, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Deloitte in relation to the conduct of the audit.

### **ITEM 2 – (Resolution 1) Adoption of the remuneration report**

#### **Reasons for Resolution**

In accordance with section 300A of the Corporations Act the Company has proposed a Remuneration Report for the consideration of Shareholders.

The Remuneration Report is found in the Annual Report for the year ended 30 June 2018.

As provided by section 250R(3) of the Corporations Act, the resolution on this item of business is advisory only and does not bind the Board or the Company.

#### **Directors' Recommendation**

The Board unanimously recommends that Shareholders vote in favour of this resolution.

#### **Voting Exclusion Statement**

As required by the Corporations Act, the Company will disregard any votes cast on Item 2 by any member of the Company's Key Management Personnel or a Closely Related Party of any such member unless the person:

- (i) votes as a proxy appointed by writing that specifies how the person is to vote on the resolutions; or
- (ii) is the Chairman of the Meeting and votes as a proxy appointed by writing that authorises the Chairman to vote on the resolutions, even though that resolution is connected with the remuneration of a member of the Company's KMP.

**What this means for Shareholders:** If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 2. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct her how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2 and give the Chairman your express authority to vote your undirected proxy (in which case the Chairman will vote in favour of this item of business).

### **ITEM 3 – (Resolution 2) Re-election of Director**

In accordance with the Company's Constitution and the ASX Listing Rules, an election of Directors must be held at each annual general meeting. In accordance with ASX Listing Rule 14.4, a director must not hold office (without re-election) past the third annual general meeting following the directors' appointment or 3 years, whichever is longer.

Normally, this would be the Director/s (other than the Managing Director) who have held office the longest since being appointed or last being elected. In the case where Directors were elected on the same day, the Directors to retire are determined by agreement between the Directors, or a ballot.

Mr Laurie has nominated himself to retire and, being eligible, offers himself for re-election under clause 41.4 of the Constitution.

Mr Laurie has been an Independent Non-Executive Director of the Company since March 2017, having formerly served as an Independent Non-Executive Director of Big River Group Pty Limited from September 2006 to February 2016. Mr Laurie was previously Finance Director of Crane Group Limited from 1989 to 2003.

Mr Laurie Chairs the Board and serves on the Audit & Risk Committee and the Nomination & Remuneration Committee.

Mr Laurie is also a Non-Executive Director and Chairman of the Audit and Risk Committee of Nick Scali Limited and Shiro Holdings Limited.

Mr Laurie holds a Bachelor of Commerce from UNSW and has completed an Advanced Management Programme at the University of Pittsburgh. Mr Laurie is a Fellow of the Australian Institute of Company Directors.

Having had regard to the ASX Corporate Governance Principles and Recommendations (3rd edition) (**ASX Principles**), the Board considers Mr Laurie to be an independent director.

#### **Directors' Recommendation**

The Board unanimously (other than Mr Laurie) supports the re-election of Mr Laurie and recommends that Shareholders vote in favour of this resolution.

#### **ITEM 4 (Resolution 3) Approval of Big River Industries Limited Rights Plan (BRIRP)**

Resolution 3 seeks Shareholder approval for the Big River Industries Limited Rights Plan (BRIRP) in order to preserve the 15% limit on new issues that may be made in each year without shareholder approval.

If passed the approval will exclude from the calculation of the utilisation of the limit, any fully paid ordinary shares in Big River Industries Limited (Shares) that are issued as the result of Rights (as defined in the BRIRP) that have been issued under the BRIRP being exercised, during the subsequent three (3) years (Listing Rule 7.2 exception 9).

Senior executive remuneration in Big River Industries Limited (BRI or the Company) is determined by the non-executive members of the board of BRI (the Board) as recommended by the Remuneration Committee, having consideration of relevant market practices and the circumstances of the Company on an annual basis.

It is the view of the non-executive members of the Board that it is in the interests of shareholders for selected executives (the Participants) to receive part of their total remuneration package (TRP) in the form of at-risk securities that will vest based on performance against indicators that are linked to shareholder benefit (Vesting Conditions) during a defined Measurement Period.

The BRIRP is therefore designed to form a significant component of at-risk remuneration and to create alignment between shareholder benefit and the remuneration of selected executives. If approved, grants under the BRIRP will facilitate BRI providing appropriate, competitive and performance-linked remuneration to the executives of the Company.

The non-executive members of the Board seek to ensure that grants to executives are made at a level that will appropriately position their TRPs in the market, in accordance with the Company's remuneration policies. The Board regularly reviews market positioning, the elements and mix of remuneration for executives to ensure remuneration remains reasonable, within the range of market practices, and is appropriate to the circumstances of the Company.

Non-executive directors are not eligible to participate in the BRIRP.

As at the date of this Notice of Meeting, no Rights have been issued under the BRIRP.

A summary of the main features of the BRIRP is set out in the table below:

Aspect	Details
<b>Instrument</b>	<p>The BRIRP uses indeterminate Rights which are entitlements to the value of Shares which may be satisfied either in cash and/or in Shares. Generally, it is expected that vested Rights will be satisfied in Shares. The price to exercise the Rights is nil, however, vesting is performance tested. The value that may be realised is then a function of performance against indicators (Vesting Conditions) and the market value of a Share at the time of vesting.</p> <p>The BRIRP allows for three kinds of Rights which may be appropriate forms of remuneration under various circumstances, being; Performance Rights which vest when performance conditions have been satisfied, Service Rights which vest after the completion of a period of service, and Restricted Rights which relate to amounts of deferred payments already earned and which are not subject to vesting conditions. It is currently intended to use Performance Rights, only.</p>
<b>Eligibility</b>	<p>Eligible Persons selected by the Board will be invited to participate in the Plan. Eligible Persons includes full time and part-time employees, directors and contractors. Non-executive directors are not eligible so as to ensure their independence with regards to the oversight of the BRIRP.</p>
<b>Term</b>	Rights will have a term of 5 years, and if not exercised within the term the Rights will lapse.
<b>Terms &amp; Conditions</b>	<p>The Board has the discretion to set the terms and conditions on which it will offer Rights under the BRIRP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensure the plan operates as intended. All Performance and Service Rights offered will be subject to Vesting Conditions and in the case of Performance Rights the conditions are intended to be challenging and linked to growth in shareholder value. The terms and conditions of the BRIRP include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Rights on termination of employment.</p>
<b>Number of Rights</b>	<p>The number of Rights to be offered will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Participant's Base Package, relevant market practices and the relevant policies of the Company regarding their remuneration.</p>
<b>The amount payable for Performance Rights</b>	No amount will be payable for Rights unless otherwise determined by the Board.
<b>Vesting</b>	<p>Performance Rights will be the main form of Right that will be used, and they will vest based on Company performance. Service Rights and Restricted Rights may also be used from time to time to retain key talent or defer short-term incentives. Upon the satisfaction of the Vesting Conditions, the value of Rights that vest will be evaluated and will either be paid in cash converted into Shares based on the then Share price, or a combination of cash and Shares. No exercise price is required to convert the Rights into Shares. Generally, it is expected that vested Rights will be converted into Shares. In the case of Restricted Rights, exercise will be automatic 90 days following grant.</p>
<b>Measurement Period</b>	<p>The Measurement Period may be determined by the Board as part of each Invitation but will initially be three years (starting from the beginning of the financial year in which a grant is made).</p>
<b>Vesting Conditions</b>	<p>Vesting Conditions are to be determined by the Board as part of each offer. However, the conditions selected are intended to create alignment with the experiences and expectations of shareholders over the Measurement Period. The initial Vesting Condition will be performed relative to a scale of outcomes related to growth in earnings per share.</p>
<b>Retesting</b>	<p>The Plan Rules do not allow retesting. Thus, the vesting achieved at the end of the Measurement Period may not be increased with subsequent performance improvement.</p>
<b>Exercise Price</b>	No amount will be payable to exercise Rights unless otherwise determined by the Board.
<b>Cessation of Employment</b>	<p>On termination of employment, a portion of Performance Rights granted in the financial year in which the termination occurs will be forfeited. The proportion is that which the remainder of the financial year following the termination represents of the full financial year. This provision recognises that grants of Performance Rights are part of the remuneration for the year of grant and that if part of the year is not served then some of the Performance Rights will not have been earned.</p> <p>Any unvested Performance Rights that remain held by a Participant will be tested for vesting at the end of the relevant Measurement Period.</p> <p>The treatment of Service Rights will be specified in Invitations and will relate to the purpose of such a grant.</p>



	If Performance Rights vest subsequent to a termination of employment and their value is less than the Share Price at the date of the termination, then such Rights will be settled in cash on exercise, unless otherwise determined by the Board.
<b>Change of Control of the Company</b>	In the event of a Change of Control, a portion of Performance Rights granted in the financial year in which the Change of Control occurs will be forfeited. The proportion is that which the remainder of the financial year following the Change of Control represents of the full financial year. Then unvested Rights would vest in the same proportion as the share price has increased since the beginning of the Measurement Period. Remaining Rights would either lapse, or some or all may vest at the Board's discretion. In relation to Shares that have resulted from the vesting of Rights, dealing restrictions, if any, specified in the Invitation would also be lifted, though the Company's securities trading policy and the Corporations Act would continue to apply.
<b>Major Return of Capital</b>	The BRIRP contains provisions that provide the Board with discretion as to the treatment of unvested Rights in the event of a major return of capital. Any Restricted Rights held at that time would be automatically exercised.
<b>Disposal Restriction Release at Taxing Point</b>	In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to such Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporation Act, will cease to apply to 50% of such Restricted Shares.
<b>Fraud, Gross Misconduct etc.</b>	In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the Participant will forfeit all unvested Rights.
<b>Competition and Other Actions that May Harm, the Company</b>	If a Participant engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board, then all unvested Rights held by the Participant will be forfeited, unless otherwise determined by the Board. If a Participant either directly or indirectly competes with the Company including becoming an employee of a competitor, supplier or customer, without the prior written consent of the Company, all unvested Rights held by the Participant will be forfeited, unless otherwise determined by the Board.
<b>Voting and Dividend Rights</b>	Rights do not carry voting or dividend entitlements. Shares issued when Rights vest carry all entitlements of Shares, including voting and dividend rights.
<b>No Transfer of Rights</b>	Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law. Any attempt to breach this Rule will result in forfeiture of the Rights.
<b>Specified Disposal Restrictions</b>	Invitations may include disposal restrictions that apply for a specified period to Restricted Shares. The Board will decide whether to include such conditions and the period for which they will apply.
<b>Quotation</b>	Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the BRIRP, in accordance with the ASX Listing Rules.
<b>Variation of Term and Conditions</b>	To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the BRIRP. This includes varying the number of Rights to which a Participant is entitled upon a reorganisation of the capital of the Company.
<b>Issue or Acquisition of Shares</b>	Shares allocated to a Participant when Rights vest under the BRIRP may be issued by the Company or acquired on or off-market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
<b>Cost and Administration</b>	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the BRIRP.
<b>Other Terms of the BRIRP</b>	The BRIRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the BRIRP.
<b>Hedging</b>	The Company prohibits the hedging of Rights or Shares subject to dealing restrictions by Participants.
<b>Lapse and Forfeiture of Rights</b>	Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed Measurement Period.

#### Voting Exclusion Statement – BRIRP

The Company will disregard any votes cast in favour of Resolution 4 by

1. Jim Bindon, being the only Director who is eligible to participate in the BRIRP, and any associates Jim Bindon;
2. Any Employees who are eligible for the BRIRP, and any associates of such Employees;

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 direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## Non-Executive Directors' recommendation

The Non-Executive Directors, being not eligible to participate in the BRIRP, unanimously recommend that Shareholders vote in favour of the resolution proposed in Items 5. Managing Director Jim Bindon abstains from making any recommendation on this resolution.

## ITEM 5: (Resolution 4) Approval of Granting Performance Rights to a Director – Mr Jim Bindon, Managing Director and CEO

ASX Listing Rule 10.14 requires Big River Industries Limited (BRI, the Company) to obtain from shareholders of BRI (Shareholders) approval for the issue of securities to a director under an employee incentive scheme. The Company is seeking Shareholder approval for the proposed grant of Performance Rights to Mr Jim Bindon, Managing Director and CEO, as set out below.

The Big River Industries Limited Rights Plan (BRIRP) has been designed to facilitate the Company moving towards best practice remuneration structures for executives. A key component of effective remuneration for executives is a long-term incentive to drive shared performance objectives and link remuneration to Company performance and sustainable shareholder value creation.

The features of the proposed 2019 financial year Invitation to apply for Performance Rights to the Managing Director and CEO are summarised below:

Aspect	Details
<b>Instrument</b>	The BRIRP uses indeterminate Rights which are entitlements to the value of Shares which may be satisfied either in cash and/or in Shares. Generally, it is expected that vested Rights will be satisfied in Shares. The price to exercise the Rights is nil, however, vesting is performance tested. The value that may be realised is then a function of performance against indicators (Vesting Conditions) and the market value of a Share at the time of vesting.
<b>Term</b>	Performance Rights will have a term of 5 years, and if not exercised within the term the Rights will lapse.
<b>Terms &amp; Conditions</b>	The Board has the discretion to set the terms and conditions on which it will offer Rights under the BRIRP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensure the plan operates as intended. All Performance and Service Rights offered will be subject to Vesting Conditions and in the case of Performance Rights the conditions are intended to be challenging and linked to growth in shareholder value. The terms and conditions of the BRIRP include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Rights on termination of employment.
<b>Number of Performance Rights</b>	<p>The Managing Director and CEO will be invited to apply for a total of 154,024 Performance Rights, in the 2019 financial year. The number of Performance Rights, when added to the other remuneration elements, will produce a total remuneration package that is market competitive and reasonable given the Company's circumstances.</p> <p>The number of Performance Rights was calculated by applying the following formula:</p> $\begin{aligned} \text{Number of Rights} &= \text{Stretch LTI Value} \div \text{Share Price} \\ &= \$290,500 \div \$1.88607383 \\ &= 154,024 \end{aligned}$ <p>Where</p> $\begin{aligned} \text{Stretch LTI Value} &= \text{Fixed Remuneration} \times \text{Target LTI \%} \div \text{Target Vesting\%} \\ &= \$415,000 \times 35\% \div 50\% \\ &= \$290,500 \end{aligned}$ <p>Share Price = \$1.88607383 being the volume weighted average price at which Shares were traded on the ASX over the 14 days (10 trading days) up to and including 30 June 2018</p> <p>As 100% of Rights to be granted will only vest when stretch performance goals are achieved it is expected that a lesser percentage will actually vest unless exceptional performance outcomes occur. The Target is 50% vesting.</p> <p>The maximum number of Rights to be granted to all persons subject to Shareholder approval is 154,024.</p>
<b>The amount payable for Performance Rights</b>	No amount will be payable by the Managing Director and CEO for the Performance Rights as they are part of the intended total remuneration package for the 2019 financial year.
<b>Exercise Price</b>	No amount will be payable by the Participant to exercise a Performance Right that has vested.

<b>Measurement Period</b>	The Measurement Period will be the three financial years from 1 July 2018 to 30 June 2021.		
<b>Vesting Conditions</b>	The vesting of the Performance Rights will be determined by reference to the compound annual growth rate (CAGR) applicable to achieving the EPS for the last year of the Measurement Period over the Measurement Period starting with the EPS for the year immediately prior to the commencement of the Measurement Period. The following vesting scale will be applied, subject to an overriding discretion held by the Board:		
	<b>Performance Level</b>	<b>BRI's EPS CAGR Over the Measurement Period</b>	<b>% Vesting of Grant</b>
	Stretch	≥10%	100%
	>Target & <Stretch	>5% & <10%	Pro-rata
	Target	5%	50%
	>Threshold & <Target	>3% & <5%	Pro-rata
	Threshold	3%	25%
	<Threshold	≤3%	Nil
<b>Vesting and Exercise of Performance Rights</b>	Following the satisfaction of the Vesting Conditions, the vested Rights will be automatically exercised. On exercise, the value of the vested Rights being exercised will be evaluated based on the then Share price and will be paid in Shares (including Restricted Shares), cash or a combination of cash and Shares as determined by the Board.		
<b>Disposal Restrictions</b>	Rights may not be disposed of at any time but will be exercised following vesting within their Term. Shares acquired on exercise of vested Rights (Restricted Shares) will be subject to disposal restrictions until all of the following cease to restrict disposals:  a) the Company's share trading policy, b) the Corporations Act insider trading provisions, and c) Specified Disposal Restrictions, if any.		
<b>Specified Disposal Restrictions</b>	No Specified Disposal Restriction additional to the above will apply to this grant of Performance Rights or the Restricted Shares that may flow from it.		
<b>Disposal Restriction Release at Taxing Point</b>	In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to such Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporation Act, will cease to apply to 50% of such Restricted Shares.		
<b>Cessation of Employment</b>	On termination of employment, a portion of Performance Rights granted in the financial year in which the termination occurs will be forfeited. The proportion is that which the remainder of the financial year following the termination represents of the full financial year. This provision recognises that grants of Performance Rights are part of the remuneration for the year of grant and that if part of the year is not served then some of the Performance Rights will not have been earned. Performance Rights that are not forfeited will be retained for testing for vesting at the end of the relevant Measurement Period. If Performance Rights vest subsequent to a termination of employment and their value is less than the Share Price at the date of the termination, then such Rights will be settled in cash on exercise.		
<b>Change of Control of the Company</b>	In the event of a Change of Control, a portion of Performance Rights granted in the financial year in which the Change of Control occurs will be forfeited. The proportion is that which the remainder of the financial year following the Change of Control represents of the full financial year. Then unvested Rights would vest in the same proportion as the share price has increased since the beginning of the Measurement Period. Remaining Rights would either lapse, or some or all may vest at the Board's discretion. In relation to Shares that have resulted from the vesting of Rights, dealing restrictions, if any, specified in the Invitation would also be lifted, though the Company's securities trading policy and the Corporations Act would continue to apply.		
<b>Major Return of Capital</b>	The BRIRP contains provisions that provide the Board with discretion as to the treatment of unvested Rights in the event of a major return of capital. Any Restricted Rights held at that time would be automatically exercised.		
<b>Fraud, Gross Misconduct etc.</b>	In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the Participant will forfeit all unvested Rights.		

<b>Competition and Other Actions that May Harm, the Company</b>	If a Participant engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board all unvested Rights held by the Participant will be forfeited, unless otherwise determined by the Board. If a Participant either directly or indirectly competes with the Company including becoming an employee of a competitor, supplier or customer, without the prior written consent of the Company, all unvested Rights held by the Participant will be forfeited, unless otherwise determined by the Board.
<b>Voting and Dividend Rights</b>	Performance Rights do not carry voting or dividend entitlements. Shares issued when Performance Rights vest carry all entitlements of Shares, including voting and dividend entitlements.
<b>Lapse and Forfeiture of Performance Rights</b>	Performance Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed Measurement Period.
<b>Issue or Acquisition of Shares</b>	Shares allocated to a Participant when vested Performance Rights are exercised may be issued by the Company or acquired on or off-market by the Company or the trustee of an employee share trust established to facilitate the operation of the Plan.
<b>Cost and Administration</b>	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying vested Performance Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the BRIRP.
<b>Other Terms of the BRIRP</b>	The BRIRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the BRIRP.
<b>Hedging</b>	The Company prohibits the hedging of Performance Rights by Participants.

Executive remuneration is determined by the non-executive members of the Board, having consideration of relevant market practices and the circumstances of the Company on an annual basis. It is the view of non-executive members of the Board that it is in the interests of Shareholders for selected executives (the Participants) to receive part of their total remuneration package (TRP) in the form of at-risk securities that will vest based on performance against indicators that are linked to Shareholder value creation (Vesting Conditions) during a defined Measurement Period. This is also considered best practice with regards to evident market practices. It should, therefore, be considered appropriate to provide some equity-based remuneration to executive directors of the Company instead of an equivalent in cash only.

#### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of the resolution in Item 5 by Jim Bindon and any associate. 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 direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Non-Executive Directors' recommendation**

The Non-Executive Directors unanimously recommend for Shareholders to vote in favour of the resolution proposed in Items 5. Managing Director Jim Bindon abstains from making any recommendation.

#### **ITEM 6 and 7: Ratification of the previous issue of Shares by the Company**

Item 6 (Resolution 5) seeks Shareholder ratification for the issue by the Company of 153,059 Shares to the vendors of MidCoast Timbers. The Company acquired MidCoast Timbers on 4 September 2017. The consideration for the acquisition included the issue of 153,059 Shares to the vendors, which will align interests and assist with the integration of the business.

Item 7 (Resolution 6) seeks Shareholder ratification for the issue by the Company of 298,883 Shares to the vendors of Ern Smith Timber & Hardware. The Company acquired Ern Smith Timber & Hardware on 1 December 2017. The Consideration for the acquisition included the issue of 298,883 Shares to the vendor, which will align interests and assist with the integration of the business.

The issue of the Ern Smith Timber & Hardware Shares and MidCoast Timber Shares were made in accordance with ASX Listing Rule 7.1.

The Resolutions proposed by items 6 and 7 are separate resolutions.

#### **ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

#### **ASX Listing Rule 7.4**

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a Company in general meeting ratifies the previous issue of securities made pursuant to ASX 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 made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

Ratification by the Shareholders of the Company is now sought pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital if required in the next 12 months without Shareholder approval.

The effect of Shareholders approving the Resolutions proposed by Items 4, 5 and 6 is that the Company will have the flexibility to issue further equity securities up to the 15% limit.

#### **Specific Disclosure of Information – MidCoast Timber**

in relation to Item 6 (Resolution 5), ASX Listing Rule 7.5 requires the following information is provided.

- (a) The total number of Shares issued by the Company was 153,059
- (b) The shares were issued at a price of \$1.96 per share;
- (c) The Shares rank equally in all respects with the Company's existing Shares;
- (d) The Shares were issued to the Vendors of MidCoast Timber;
- (e) No funds were raised from the issue of Shares; and
- (f) A voting exclusion statement is included below.

#### **Voting Exclusion Statement – MidCoast Timber**

The Company will disregard any votes cast in favour of the resolution in Item 6 by all persons or entities who participated in the issue of the Shares to the vendors of MidCoast Timber, and any associate of those persons. 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 direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Specific Disclosure of Information – Ern Smith Timber & Hardware**

In relation to Item 7 (Resolution 6), ASX Listing Rule 7.5 requires that the following information is provided.

- (a) The total number of Shares issued by the Company was 298,883;
- (b) The shares were issued at a price of \$2.01 per share;
- (c) The Shares rank equally in all respects with the Company's existing Shares;
- (d) The Shares were issued to the Vendors of Ern Smith Timber & Hardware;
- (e) No funds were raised from the issue of Shares; and
- (f) A voting exclusion statement is included below.

#### **Voting Exclusion Statement – Ern Smith Timber & Hardware**

The Company will disregard any votes cast in favour of the resolution in Item 7 by a person who participated in the issue of the Shares to the vendors of Ern Smith Timber & Hardware Shares and any associate of those persons. 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 direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Directors' Recommendation**

The Board unanimously recommend that Shareholders vote in favour of the resolutions proposed in Items 6 and 7.

**ITEM 8: Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A**

**Eligibility**

An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

The Company is not anticipated to be included in the S&P/ASX300 Index as at the time of the Annual General Meeting, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September. The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A.

In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholder approval pursuant to this Item 8, the approval obtained will not lapse and the Company will still be entitled to issue the Additional Placement Securities.

**Special Resolution**

Listing Rule 7.1A requires this Item 8 to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to Listing Rule 7.1A, no Additional Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

**Shareholder approval**

The ability to issue the Additional Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

**Formula for calculating Additional 10% Placement**

Listing Rule 7.1A.2 provides that Eligible Entities that have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where A is the number of ordinary securities on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (3) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4 (but note that this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without shareholder approval); and
- (4) less the number of fully paid ordinary securities cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

**(b) Listing Rules 7.1 and 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% capacity under Listing Rule 7.1.

At the date of this Notice of Meeting, the Company has on issue 53,043,949 Shares.

Subject to the other resolutions in this Notice being passed, the Company would have the capacity to issue the following Equity Securities immediately following the meeting:

- (A) 7,596,592 Equity Securities under Listing Rule 7.1; and
- (B) subject to Shareholder approval being obtained under this resolution, 5,304,394 Additional Placement Securities under Listing Rule 7.1A.

The actual number of Additional Placement Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Additional Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

**(c) Information to be given to ASX – Listing Rule 7.1A.4**

If this resolution is passed and the Company issues any Additional Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

- (1) a list of allottees of the Additional Placement Securities and the number of Additional Placement Securities allotted to each (this list will not be released to the market); and
- (2) the following information required by rule 3.10.5A, will be released to the market on the date of issue:
  - (A) details of the dilution to the existing holders of Shares caused by the issue;
  - (B) where the Shares are issued for cash consideration, a statement of the reasons why the Company issued the Shares as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
  - (C) details of any underwriting arrangements, including any fees payable to the underwriter; and
  - (D) any other fees or costs incurred in connection with the issue.

#### Specific information required by Listing Rule 7.3A

##### (a) Minimum price of securities issued under Listing Rule 7.1A - Listing Rule 7.3A.1

Pursuant to and in accordance with Listing Rule 7.1A.3, the Additional Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 trading days immediately before:

- (1) the date on which the price at which the Additional Placement Securities are to be issued is agreed; or
- (2) if the Additional Placement Securities are not issued within five trading days of the date in paragraph (1) above, the date on which the Additional Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Additional Placement Securities.

##### (b) Risk of economic and voting dilution - Listing Rule 7.3A.2

As provided by Listing Rule 7.3A.2, if Resolution 7 is passed and the Company issues the Additional Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 53,043,949 Shares and if the number of Shares on issue remain the same, the Company could issue 5,304,394 Additional Placement Securities on the date of the meeting (however, it is important to note that the exact number of Additional Placement Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, details of which are set out above). Any issue of Additional Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Additional Placement Securities than it is on the date of the Meeting; and
- (2) the Additional Placement Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue or the value of the Additional Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the Market Price of the shares has halved. Table 1 also shows additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the Market Price of the shares has:

- (1) decreased by 50%; and
- (2) increased by 100%.

Issued Share Capital	50% decrease in Market Price \$0.98		Current Market Price \$1.96		100% increase in Market Price \$3.92	
	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised
<b>Issued Share Capital 53,043,949</b>	5,304,394	\$ 5,198,306	5,304,394	\$10,396,612	5,304,394	\$20,793,224
<b>50% Increase in Share Capital – 79,565,923</b>	7,956,592	\$7,797,460	7,956,592	\$15,594,920	7,956,592	\$31,189,840

<b>100% Increase in Share Capital - 106,087,898 Shares</b>	10,608,789	\$ 10,396,612	10,608,789	\$20,793,224	10,608,789	\$ 41,586,452
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#### Assumptions and explanations

- The table assumes that there are 53,043,949 Shares on issue.
- Assumes a Market Price of \$1.96 based on the closing price of the shares on the ASX on 17 September 2018.
- The above table only shows the dilutionary effect based on the issue of the Additional Placement Securities (assuming only Shares are issued), and not any Shares issued under the 15% capacity under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue.
- The Company issues the maximum number of Additional Placement Securities.
- The issue price of the Additional Placement Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any).

#### (c) **Final date for issue – Listing Rule 7.3A.3**

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Additional Placement Securities during the 12 months after the date of this Meeting which the Company anticipates will end on 24 October 2019. The approval under for the issue of the Additional Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

#### (d) **Purpose – Listing Rule 7.3A.4**

As noted above, the purpose for which the Additional Placement Securities may be issued include to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of Additional Placement Securities, if undertaken, would be applied towards the continued exploration and further technical studies on the Company's current assets and general working capital.

#### (e) **Shares issued for non-cash consideration - Listing Rule 7.3A.4**

The Company may issue Additional Placement Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Additional Placement Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Additional Placement Securities complies with Listing Rule 7.1A.3.

#### (f) **Company's allocation policy - Listing Rule 7.3A.5**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Additional Placement Securities. The identity of the allottees of Additional Placement Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the Additional Placement Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Additional Placement Securities have not been determined as at the date of this Notice but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company.

Furthermore, if the Company is successful in acquiring new assets or investments for which Additional Placement Securities are issued as consideration, it is likely that the allottees of some of the Additional Placement Securities will be the vendors of the new assets or investments.

#### (g) **Company has not previously obtained shareholder approval under listing rule 7.1A**

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

#### (h) **Voting Exclusion Statement**

A voting exclusion statement is included in this Notice. At the date of the Notice, the proposed allottees of any 10% Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the 10% Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.



## Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Item 8.

## GLOSSARY

**A\$ or \$** means Australian dollars.

**AEDT** means Australian Eastern Daylight Savings Time as observed in Sydney, Australia.

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

**ASX** means ASX Limited ACN 008 624 691.

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

**ASX Principles** means the ASX Corporate Governance Principles and Recommendations (3rd edition).

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

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

**Company** means Big River Industries Limited.

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

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

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

**Entitlement Time** means 7.00pm (AEDT) on Monday 22 October 2018.

**Explanatory Notes** means the Explanatory Notes that accompany and form part of the Notice.

**Group** means the Company and subsidiaries of the Company.

**Big River Industries** means Big River Industries Limited (ACN 609 901 377) (ASX code: BRI).

**Items** mean the resolutions set out in the Notice, or any one of them, as the context requires.

**Key Management Personnel** (or **KMP**) has the meaning as defined in section 9 of the Corporations Act.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting and the Explanatory Notes accompanying the Notice and the Proxy Form.

**Proxy Deadline** means 12.00pm (AEDT) on Monday, 22 October 2018.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Body Corporate** has the meaning set out in section 50 of the Corporations Act.

**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 2018.

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

**Shareholder** means a holder of a Share.

### LODGE YOUR VOTE



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



#### BY MAIL

Big River Industries Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000



#### ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a member(s) of Big River Industries Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **12:00pm (AEDT) on Wednesday, 24 October 2018 at BoardRoom Conference Centre, Level 12, Grosvenor Place, 225 George Street, Sydney NSW 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Items 1, 3, 4 and 6:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Items 1, 3, 4 and 6, even though the Items are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Item	For	Against	Abstain*		For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval for issue of Shares for MidCoast Timbers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Greg Laurie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval for the issue of Shares for Ern Smith Timber & Hardware (Hume, ACT)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Big River Industries Limited Rights Plan (BRIRP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for the Granting of Performance Rights to a Director – Mr James Bindon, Managing Director and CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Item is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **12:00pm (AEDT) on Monday, 22 October 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Big River Industries Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**