



ACN 118 619 042

## Need assistance?



**Phone:**

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

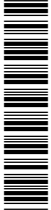


**Online:**

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

CHZ

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Chesser Resources Limited Annual General Meeting

The Chesser Resources Limited Annual General Meeting will be held on Tuesday, 30 November 2021 at 9.30am (Australian Western Standard time). You are encouraged to participate in the meeting using the following options:



### MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

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

For your proxy appointment to be effective it must be received by 9.30am (Australian Western Standard time) Sunday, 28 November 2021.



### ATTENDING THE MEETING VIRTUALLY

To watch the webcast, ask questions and vote on the day of the meeting, please visit:  
<https://web.lumiagm.com/393444382>

For instructions refer to the online user guide [www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide)



### ATTENDING THE MEETING IN PERSON

The meeting will be held at:  
Unit 12, 295 Rokeby Road, Subiaco, Western Australia



ACN 118 619 042

CHZ

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123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**

1300 368 218 (within Australia)  
+61 (3) 9415 4615 (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 **9.30am (Australian Western Standard time) on Monday, 29 November 2021.**

# Proxy Form

## How to Vote on Items of Business

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

### APPOINTMENT OF PROXY

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

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

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

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

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

## PARTICIPATING IN THE MEETING

### Corporate Representative

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

## Lodge your Proxy Form:

XX

### Online:

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

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

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

### By Mail:

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

### By Fax:

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



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

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



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



I 9999999999

I ND

## 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 Chesser Resources Limited hereby appoint



the Chairman  
of the Meeting

OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Chesser Resources Limited to be held physically at U12, 295 Rokeby Road, Subiaco, Western Australia and virtually via <https://web.lumiagm.com/393444382> on Tuesday, 30 November 2021 at 9.30am (Australian Western Standard 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 Resolutions 1, 4, 5, 6, 7 and 8 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 4, 5, 6, 7 and 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 4, 5, 6, 7 and 8 by marking the appropriate box in step 2.

### Step 2 Item 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                  |                         |                                                              | For                      | Against                  | Abstain                  |
|--------------|-------------------------------------------------------------|--------------------------|--------------------------|--------------------------|-------------------------|--------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of Remuneration Report (non-binding resolution)    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 7            | Approval to issue Options to Director – Mr Robert Greenslade | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Director, Mr Andrew Grove                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 8            | Approval to issue Options to Director – Mr Andrew Grove      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Re-election of Director, Mr Simon Taylor                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>SPECIAL BUSINESS</b> |                                                              |                          |                          |                          |
| Resolution 4 | Approval to issue Options to Director – Mr Mark Connelly    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 9            | Approval of additional 10% placement capacity                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Approval to issue Options to Director – Mr Simon O'Loughlin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 10           | Adoption of a New Constitution                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Approval to issue Options to Director – Mr Simon Taylor     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                         |                                                              |                          |                          |                          |

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

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

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

CHZ

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Computershare



**CHESSER RESOURCES LIMITED**

**ACN 118 619 042**

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**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**PROXY FORM**

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**Date of Meeting**

30 November 2021

**Time of Meeting**

9.30 am (Australian Western Standard time)

**Place of Meeting**

Shareholders may attend physically at the Company's head office situated at Unit 12, 295 Rokeby Road, Subiaco, Western Australia or virtually via the Lumi AGM platform following the instructions contained in this Notice of Meeting.

**Due to the COVID-19 pandemic, the Meeting will be held as a hybrid AGM – both in-person at the Company's head office and virtually through an online platform (at: [www.web.lumiagm.com](http://www.web.lumiagm.com)). Instructions on how to attend the meeting virtually are contained within this Notice of Meeting.**

**Shareholders are strongly encouraged to lodge their proxy form in accordance with the instructions within this Notice of Meeting even if they intend to participate in the Meeting online.**

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

## HOW TO PARTICIPATE IN THE 2021 AGM

Shareholders or proxies may physically attend the Meeting at the Company's head office situated at Unit 12, 295 Rokeby Road, Subiaco, Western Australia.

Consistent with the Corporations Act 2001 (Cth) (as modified by the *Treasury Laws Amendment (2021 Measures No.1 Bill) 2021*), and to facilitate shareholder participation, the Board has determined to also conduct the Meeting as a virtual meeting to provide Shareholders the opportunity to participate in the Meeting by electronic means through an online platform.

Shareholders who wish to participate in the Meeting online may do so from their computer by copying the link below to their web browser:

[www.web.lumiagm.com](http://www.web.lumiagm.com) and entering Meeting ID 393444382.

Instructions on how to log into the portal are provided in the Online User Guide appended to this Notice.

If you choose to participate in the Meeting, you will be able to view the Meeting live, lodge a direct vote in real time and ask questions online.

Shareholders participating virtually will be able to submit poll votes immediately after the Chair calls for a vote on each Resolution and up to the close of the Meeting.

More information regarding online participation in the Meeting (including how to vote and ask questions online during the Meeting) is available in the Online User Guide. The Online User Guide is attached to this Notice of Meeting, will be lodged with the ASX and will be available on our website.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that an Annual General Meeting (**Meeting**) of the Shareholders of Chesser Resources Limited ACN 118 619 042 (**Company**) will be held on 30 November 2021, commencing at 9.30am (Australian Western Standard Time). The Meeting will be conducted as a hybrid AGM – both in-person at the Company's head office and virtually via the Lumi AGM online platform.

An online version of the Company's 2021 Annual Report can be downloaded or viewed at [www.chesserresources.com.au](http://www.chesserresources.com.au). The 2021 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy.

This Notice of Meeting incorporates, and should be read together with, the Explanatory Memorandum and Proxy Form. Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in both this Notice of Meeting and the Explanatory Memorandum.

### ORDINARY BUSINESS

#### Receipt of financial statements and reports

To receive and consider the Directors' report, the Auditor's report, and the financial statements of the Company for the financial year ended 30 June 2021.

#### Resolutions

##### 1. Adoption of Remuneration Report (non-binding resolution)

To consider and if thought fit, pass, with or without amendment, the following Resolution as an ordinary Resolution under section 250R (2) of the Corporations Act:

*"That the Remuneration Report for the financial year ended 30 June 2021 as set out in the Company's 2021 Annual Report be adopted."*

**Note:** Under the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company. However, if 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at that second annual general meeting on an additional resolution on whether another meeting should be held at which all Directors, other than the Managing Director, must stand for re-election. Please see the Explanatory Memorandum for further information.

**Voting Exclusion:** A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any 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 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 person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair of the Meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on the Resolution; and

- (i) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

## **2. Re-election of Director, Mr Andrew Grove**

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

*"That, for the purpose of clause 9.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Andrew Grove, a Director who was appointed casually on 1 May 2021, retires, and being eligible, is re-elected as a Director."*

## **3. Re-election of Director, Mr Simon Taylor**

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

*"That Mr Simon Taylor, who retires as a Director of the Company pursuant to rule 6.1 of the Company's Constitution and being eligible and offering himself for re-election, be re-elected as a Director of the Company."*

## **4. Approval to issue Options to Director – Mr Mark Connelly**

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

*"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 376,164 Options to Mr Mark Connelly (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion Statement:**

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

- (a) Mr Mark Connelly (and his nominee); or
- (b) an associate of Mr Mark Connelly.

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

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

## 5. Approval to issue Options to Director – Mr Simon O’Loughlin

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 273,973 Options to Mr Simon O’Loughlin (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum.”*

### Voting Exclusion Statement:

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

- (a) Mr Simon O’Loughlin (and his nominee); or
- (b) an associate of Mr Simon O’Loughlin.

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

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

## 6. Approval to issue Options to Director – Mr Simon Taylor

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 273,973 Options to Mr Simon Taylor (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum.”*

### Voting Exclusion Statement:

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

- (a) Mr Simon Taylor (and his nominee); or
- (b) an associate of Mr Simon Taylor.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or

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

#### **7. Approval to issue Options to Director – Mr Robert Greenslade**

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 273,973 Options to Mr Robert Greenslade (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum.”*

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

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

- (a) Mr Robert Greenslade (and his nominee); or
- (b) an associate of Mr Robert Greenslade.

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

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

#### **8. Approval to issue Options to Director – Mr Andrew Grove**

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 2,226,027 Options to Mr Andrew Grove (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum.”*

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

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

- (a) Mr Andrew Grove (and his nominee); or
- (b) an associate of Mr Andrew Grove.

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

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

## SPECIAL BUSINESS

### 9. Approval of additional 10% placement capacity

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

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) (**10% Placement Capacity**) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”*

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

- (a) any person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (b) an associate of that person or persons.

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

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

## 10. Adoption of a New 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 of the Corporations Act and for all other purposes, the existing constitution of the Company be revoked, and the Proposed New Constitution be adopted as the Company’s constitution.”*

## ATTENDANCE AND VOTING AT THE MEETING

### COVID-19 and attendance at the Meeting

In light of the current global outbreak of the Coronavirus (COVID-19) and the implementation of social distancing requirements and the restriction imposed by State Governments on gatherings of individuals and inter and intra state travel, the Board of Chesser Resources Limited has decided that special arrangements will apply for the Meeting.

As it is unlikely that all Shareholders will be permitted to attend the Meeting in person should they choose to do so, the Meeting will be conducted virtually via a live webinar, further details of which are set out below. There will be no physical meeting where shareholders or proxies can attend in person.

### Questions

Shareholders may submit questions to the Company in advance of the Meeting. Questions must be submitted via email to the Company Secretary at [stephenk@chesserresources.com.au](mailto:stephenk@chesserresources.com.au). Shareholders will also have the opportunity to submit questions during the meeting in respect to the formal items of business to be conducted at the Meeting.

### Webinar

To register and access the Meeting by webinar, Shareholders should register by copying the link below to their web browser:

[www.web.lumiagm.com](http://www.web.lumiagm.com) and entering Meeting ID 393444382.

### Voting

Online voting registration will commence 30 minutes prior to the start of the meeting. For full details on how to log on and vote online, please refer to the user guide attached to this document, or it can be accessed at [www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide).

### Voting entitlement

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that Shareholders who are on the Company’s share register at 7.00pm (Australian Western Standard Time) on Friday 26 November, 2021 shall, for the purposes of the Meeting, be entitled to attend and vote at the Meeting.

If you are not the registered holder of a relevant Share at that time, you will not be entitled to vote at the Meeting.

### Voting at the Meeting

The passing of each Resolution arising at this meeting will be decided by a poll. Upon a poll, every person who is present in person or by proxy, corporate representative, or attorney, will have one vote for each Share held by that person.

Ordinary resolutions require the support of more than 50% of the votes cast. Special resolutions require the

support of at least 75% of the votes cast. Resolutions 9 and 10 are Special Resolutions; all other Resolutions are Ordinary Resolutions.

**Shareholders are strongly urged to vote by proxy prior to the meeting and to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how their vote is to be exercised on each Resolution. The Chair of the meeting MUST follow the Shareholder's instructions. Instructions for voting by proxy are set out below.**

Shareholders participating virtually will be able to submit poll votes immediately after the Chair calls for a vote on each Resolution and up to the close of the Meeting. This means that the outcome of each Resolution will not be able to be determined until after the conclusion of the Meeting to allow the Company Secretary sufficient time to finalise the counting of poll votes submitted.

### **Voting by proxy**

A Shareholder who is entitled to attend and vote at this Meeting may appoint a proxy to attend and vote on the Shareholder's behalf. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise.

A Proxy Form accompanies this Notice. To be valid, the Proxy Form must be received no later than 9.30am (AWST time) on 29 November 2021, being 24 hours prior to the commencement of the Meeting.

To record a valid proxy vote, a Shareholder will need to take the following steps:

- i. cast the Shareholder's vote online by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and entering the Shareholder's Control Number, SRN/HIN, and postcode, which are shown on the first page of the enclosed Proxy Form;
- (b) complete and lodge the Proxy Form at the share registry of the Company, Computershare Investor Services Pty Limited:
  - (i) by post at the following address:

Computershare Investor Services Pty Limited GPO Box 242  
MELBOURNE VIC 3001
  - OR
  - (ii) by facsimile on 1800 783 447 (within Australia) or +61 9473 2555 (outside Australia);
- (c) enter [www.investorvote.com.au](http://www.investorvote.com.au) directly into your smart phone and follow the instructions on your personalised proxy form or scanning the QR Code on the front of your proxy form. To scan the QR code you will have needed to download and installed a QR Code Scanner application for your smart phone; or
- (d) for Intermediary Online subscribers only (custodians), cast the Shareholder's vote online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com).

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each of the Resolutions by marking either **For**, **Against** or **Abstain** on the voting form for each item of business.

Pursuant to section 250BB of the Corporations Act, an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the Resolution, the proxy must only vote on a poll;
- (c) if the proxy is the Chair of the meeting at which the Resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy

must vote that way (i.e. as directed).

Under section 250BC of the Corporations Act, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at a meeting of a company's members;
- (b) the appointed proxy is not the Chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the Resolution; and
- (d) either of the following applies:
  - (i) the proxy is not recorded as attending the meeting;
  - (ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the Resolution at the meeting.

### **Voting prohibition by Proxy Holders**

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on resolutions related to the remuneration of Key Management Personnel if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel of the Company; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

Resolution 1 and Resolutions 4 to 8 inclusive are related to the remuneration of Key Management Personnel.

The Chair intends to vote undirected proxies in favour of each item of business.

### **Voting by corporate representative**

A Shareholder or proxy that is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative.

Evidence of the appointment of a corporate representative must be in accordance with section 250D of the Corporations Act and be lodged with the Company before the Meeting.

### **Voting by attorney**

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf.

An attorney need not be a holder of Shares.

An instrument conferring the power of attorney or a certified copy of the authority must be produced to the Company at least 24 hours prior to the commencement of the Meeting.

### **Enquiries**

Shareholders are encouraged to contact the Company Secretary on + 61 7 3854 2387 or by email at [stephenk@chesserresources.com.au](mailto:stephenk@chesserresources.com.au) if they have any questions regarding the special arrangements

applying to the Meeting.

DATED 28 October 2021

**BY ORDER OF THE BOARD  
CHESSEY RESOURCES LIMITED**

A handwritten signature in black ink, appearing to read 'Stephen Kelly', written in a cursive style.

**STEPHEN KELLY  
COMPANY SECRETARY**

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## EXPLANATORY MEMORANDUM

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### IMPORTANT NOTICE

This Explanatory Memorandum forms part of the Notice convening the hybrid Annual General Meeting of Shareholders of Chesser Resources Limited to be held in-person at the Company's head office and virtually on 30 November 2021 at 9.30 am (Australian Western Standard Time). This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the Resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by Shareholders to consider the Resolutions.

If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

Words or expressions used in the Notice of Meeting and in this Explanatory Memorandum are defined in the Glossary. Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency.

This Explanatory Memorandum is dated 28 October, 2021.

### BACKGROUND TO THE RESOLUTIONS

#### ORDINARY BUSINESS

##### Receipt of financial statements and reports

This item does not require voting by Shareholders. It is intended to provide an opportunity for Shareholders to raise questions on the financial statements and reports. The Company's auditor will be present at the Meeting and available to answer any questions.

In addition to asking questions at the Meeting, Shareholders may address written questions to the Chair of the Meeting about the management of the Company or to the Company's Auditor, Pitcher Partners, if the question is relevant to:

- i. the content of the Auditor's report; or
- ii. the conduct of its audit of the financial statements to be considered at the Meeting.

**Note:** Under section 250PA(1) of the Corporations Act a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

Written questions for Pitcher Partners must be delivered by 23 November 2021 to the address listed on the Proxy Form attached to this Notice of Meeting.

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### 1. Resolution 1 – Adoption of Remuneration Report (non-binding resolution)

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#### 1.1 Background

The Annual Report for the year ended 30 June 2021 contains a Remuneration Report that sets out the remuneration policy of the Company and the remuneration details for each Director and for each member of the Company's senior executive management team.

An electronic copy of the 2021 Annual Report is available to download or view on the Company's website at [www.chesserresources.com.au](http://www.chesserresources.com.au). The 2021 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy. In addition, the Company has also enabled online voting, details of which are explained on the Proxy Form.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Directors will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

## **1.2 Two strikes**

If 25% or more of votes that are cast on this non-binding Resolution are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of these annual general meetings on a resolution (a **Spill Resolution**) that another meeting be held within 90 days (**Spill Meeting**), at which:

- (i) all the Company's Directors (other than the Managing Director) cease to hold office immediately before the end of the Spill Meeting; and
- (ii) Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting.

The approval threshold for the Spill Resolution is 50% or more of votes that are cast on the Spill Resolution.

At the 2020 Annual General Meeting, over 75% of the votes cast were voted in favour of the Remuneration Report.

## **1.3 Board Recommendation**

As the Remuneration Report sets out the remuneration details for each Director, the Board does not wish to make a recommendation as to how Shareholders ought to vote on Resolution 1.

The Chair intends to vote undirected proxies in favour of Resolution 1.

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## **2. Resolution 2 – Re-election of Director, Andrew Grove**

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### **2.1 Background**

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

Pursuant to the existing constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election by Shareholders but shall not be considered in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Andrew Grove having been appointed a Director on 1 May 2021 pursuant to a resolution of Directors in accordance with Rule 9.2 of the existing constitution, will retire in accordance with the existing constitution and ASX Listing Rule 14.4 and, being eligible, seeks re-election from Shareholders.

### **2.2 Qualifications**

Mr. Grove has over 30 years technical, commercial, and financial experience in global resources including 14 years with Macquarie Bank's Mining Finance and Risk Management Group. Mr Grove has significant operational experience gained across all phases of resources projects such as the Sunrise Gold Dam project in Western Australia and has substantial African gold mining experience including his previous role as Group General Manager Business Development and Investor Relations at Perseus Mining Limited.

Mr Grove has a Bachelor of Engineering (Mineral Exploration and Mining Geology) and a Masters Degree in Mineral and Energy Economics.

### 2.3 *Board Recommendation*

The Board (with Mr Andrew Grove abstaining) recommends that Shareholders vote **FOR** Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2.

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## 3. Resolution 3 – Re-election of Director, Mr Simon Taylor

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### 3.1 *Background*

In accordance with ASX Listing Rule 14.4 and clause 6.1 of the Company's existing constitution, a Director must not hold office without re-election past the third annual general meeting following the director's appointment, or 3 years, whichever is the longer. A Director who retires in accordance with these requirements is eligible for re-election.

Mr Simon Taylor was re-elected to the Board in 2019. All other Directors subject to retirement by rotation were re-elected to the Board in 2020, accordingly Mr Taylor must retire at the end of the Meeting and, being eligible, offers himself for re-election.

### 3.2 *Qualifications*

Mr Taylor is a geologist with 20 years experience throughout Australia and overseas having held senior geologist and exploration manager positions for numerous ASX listed resource companies. He has gained considerable experience in exploration, project assessment and joint venture negotiations. His experience includes providing consulting services to resource companies and financial corporations as a resource analyst.

Mr Taylor's corporate experience includes project appraisal, advice on placements and fundraising. He is a member of the Australian Institute of Geoscientists and is the Managing Director of Oklo Resources Limited and Non-Executive Director of Stellar Resources Limited and Black Canyon Resources Limited.

### 3.3 *Independence*

If elected, the Board considers Mr Simon Taylor will be an independent director.

### *Board recommendation*

The Board (with Mr Taylor abstaining) recommends that Shareholders vote **FOR** Resolution 3.

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

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## 4. Resolution 4 to 9 – Resolutions relating to share capital

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Resolutions 4 to 9 (inclusive) are Resolutions relating to the Company's share capital.

The table below sets out the potential dilutionary impact of Resolutions 4 to 9 (inclusive) on the Share capital of the Company

## Potential Dilutionary Effect of Resolutions 4 to 9

| Resolution Number | Description                                                               | Shares (number) | Shares (cumulative) | % (at issue) | % (after issue of all Shares per Resolution) | Options and Performance Shares (number) | Options and Performance Shares (cumulative) | % (at issue) | % (fully diluted) | Total equities (number) | Total equities (cumulative) |
|-------------------|---------------------------------------------------------------------------|-----------------|---------------------|--------------|----------------------------------------------|-----------------------------------------|---------------------------------------------|--------------|-------------------|-------------------------|-----------------------------|
|                   | Current issued capital                                                    | 465,496,125     | 465,496,125         | 100%         | 91%                                          | 28,426,685                              | 28,426,685                                  | 100%         | 6%                | 493,922,810             | 493,922,810                 |
| 4                 | Approval to issue Director Options - Mark Connelly                        | -               | 465,496,125         | 0%           | 91%                                          | 376,164                                 | 28,802,849                                  | 1%           | 6%                | 376,164                 | 494,298,974                 |
| 5                 | Approval to issue Director Options - Simon O'Loughlin                     | -               | 465,496,125         | 0%           | 91%                                          | 273,973                                 | 29,076,822                                  | 1%           | 6%                | 273,973                 | 494,572,947                 |
| 6                 | Approval to issue Director Options - Simon Taylor                         | -               | 465,496,125         | 0%           | 91%                                          | 273,973                                 | 29,350,795                                  | 1%           | 6%                | 273,973                 | 494,846,920                 |
| 7                 | Approval to issue Director Options - Robert Greenslade                    | -               | 465,496,125         | 0%           | 91%                                          | 273,973                                 | 29,624,768                                  | 1%           | 6%                | 273,973                 | 495,120,893                 |
| 8                 | Approval to issue Director Options - Andrew Grove                         | -               | 465,496,125         | 0%           | 91%                                          | 2,226,027                               | 31,850,795                                  | 7%           | 6%                | 2,226,027               | 497,346,920                 |
| 9                 | Approval of additional 10% placement capacity under ASX Listing Rule 7.1A | 46,549,613      | 512,045,738         | 9%           | 100%                                         | -                                       | 31,850,795                                  | 0%           | 6%                | 46,549,613              | 543,896,533                 |

The above tables reflect the maximum number of equity securities that may be issued by the Company if the relevant Resolution is approved and assuming that no other equity securities are issued by the Company.

Please refer to the explanatory information for each of the Resolutions included in this Notice of Meeting for additional information.

## 5. Resolutions 4 to 8 – Issue of Options to Directors

### 5.1 Background

Resolutions 4 to 8 seek Shareholder approval for the grant of Zero Exercise Price Options (**ZEPOs**) to Directors under the Employee Incentive Plan (**EIP**) and on the terms and conditions detailed below (**ZEPOs**).

The Board proposes to award Options to Directors as part of their remuneration package which is designed to attract, motivate, and retain appropriately skilled and experienced Non-Executive and Executive Directors. These Options are performance based and subject to the satisfaction of the following vesting conditions that the Board considers, if achieved, will create value for shareholders:

- 75% of the Options issued to each participant will vest based on the 90 day VWAP as at 30 June 2024 as a percentage of the Grant Date VWAP which is deemed to be \$0.146 (**VWAP Tranche**) as follows:
  - 50% of the VWAP Tranche options will vest if the 90-day VWAP as at 30 June 2024 is 44 (being 140% of the Grant Date VWAP of \$0.146)
  - 100% of the VWAP Tranche vesting if the 90 day VWAP as at 30 June 2024 is \$0.292 (being 200% of the Grant Date VWAP of \$0.146).
  - If the 30 June 2024 90-day VWAP is less than \$0.2044 all the VWAP Tranche options will expire unvested.

The table below summarises the vesting schedule for the VWAP Tranche:

|                                               | 90 day VWAP as at 30 June 2024 |          |          |          |          |           |
|-----------------------------------------------|--------------------------------|----------|----------|----------|----------|-----------|
|                                               | \$ 0.2044                      | \$0.2216 | \$0.2392 | \$0.2568 | \$0.2744 | \$ 0.2920 |
| 30 June 90 day VWAP as a % of Grant Date VWAP | 140%                           | 152%     | 164%     | 176%     | 188%     | 200%      |
| % of VWAP Tranche options that vest           | 50%                            | 60%      | 70%      | 80%      | 90%      | 100%      |

- 25% of the Options issued to each participant will vest if the Group announces a positive Definitive Feasibility Study on or before 30 June 2024 (**DFS Tranche**).

The number and the terms and conditions of the Options proposed to be issued to Directors, subject to Shareholder approval, pursuant to Resolutions 4 to 8 inclusive, is as follows:

| Director                                    | Exercise Price | Expiry Date                              | 75% subject to VWAP vesting condition | 25% subject to DFS vesting condition | Total Options    |
|---------------------------------------------|----------------|------------------------------------------|---------------------------------------|--------------------------------------|------------------|
| Mark Connelly,<br>Non-Executive Chairman    | \$0 (ZEPOs)    |                                          | 282,123                               | 94,041                               | 376,164          |
| Simon O'Loughlin,<br>Non-Executive Director | \$0 (ZEPOs)    |                                          | 205,480                               | 68,493                               | 273,973          |
| Robert Greenslade<br>Non-Executive Director | \$0 (ZEPOs)    | All options<br>expire on 30<br>June 2025 | 205,480                               | 68,493                               | 273,973          |
| Simon Taylor,<br>Non-Executive Director     | \$0 (ZEPOs)    |                                          | 205,480                               | 68,493                               | 273,973          |
| Andrew Grove,<br>Managing Director          | \$0 (ZEPOs)    |                                          | 1,669,521                             | 556,606                              | 2,226,127        |
|                                             |                |                                          | <b>2,568,084</b>                      | <b>856,126</b>                       | <b>3,424,210</b> |

The Company considers that the Options represent a cost-effective form of remuneration, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were provided to the Directors.

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

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The issue of the Shares constitutes the giving of a financial benefit and each of the Directors to whom the Options are proposed to be issued, is a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issues of the Options the subject of Resolutions 4 to 8 inclusive, because the proposed issue of Options represents reasonable remuneration in the circumstances and forms part of the agreed remuneration package for each Director which has been negotiated on an arm's length basis, and are not more favourable than other commensurate agreements for persons in similar roles in entities similar to the Company.

## **5.3 ASX Listing Rule 10.14**

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinions, such that approval should be obtained.

Each of Mr Mark Connelly, Mr Simon O'Loughlin, Mr Simon Taylor and Mr Robert Greenslade (**Non-Executive Directors**) and Mr Andrew Grove (**Managing Director**) is a related party by virtue of being a Director of the Company. As each proposed issue of the Options involves the issue of securities under an employee incentive scheme to a Director or Related Party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.14 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.16 do not apply to the Options to be issued pursuant to Resolutions 4 to 8 inclusive.

## **5.4 Technical information required by ASX Listing Rule 10.15**

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Options pursuant to Resolutions 4 to 8 inclusive:

- (a) The Options are to be issued to Mr Mark Connelly, Mr Simon O'Loughlin, Mr Simon Taylor, Mr Robert Greenslade and Mr Andrew Grove, each of whom is a related party by virtue of being a director of the Company;
- (b) the maximum number of Options (being the nature of the financial benefit being provided) to be issued is 3,424,210 as set out in section 5.1;
- (c) the Options will be issued for nil cash consideration;
- (d) the terms and conditions of the Options are set out in Annexure 1;

- (e) the Options are being issued pursuant to the Employee Incentive Plan (EIP). A summary of the key terms of the EIP is set out in Annexure 2;
- (f) the remuneration and emoluments from the Company to the Directors for the previous financial year (**FY2021**) and the proposed remuneration and emoluments for the current financial year (**FY2022**) are set out below

| Director                                 | Remuneration <sup>1</sup> |              |
|------------------------------------------|---------------------------|--------------|
|                                          | FY2021<br>\$              | FY2022<br>\$ |
| Mark Connelly (appointed 10 July 2020)   | 160,416                   | 184,895      |
| Robert Greenslade                        | 76,674                    | 84,000       |
| Simon O'Loughlin                         | 82,312                    | 88,144       |
| Simon Taylor                             | 82,925                    | 88,259       |
| Andrew Grove (appointed 1 February 2021) | 253,511                   | 708,110      |

<sup>1</sup> Remuneration includes cash Director fees, superannuation and share based payments but excludes bonuses and the Non-Executive Director Options the subject of Resolutions 4 to 8.

- (g) the Company has estimated the value of the Director Options as follows :
- The VWAP Tranche Options have been valued using a trinomial option valuation model; and
  - The DFS Tranche Options have a non-market-based performance condition. Non-market conditions are considered by adjusting the number of Options included in the measurement of the transaction amount using a probability of vesting assumption so that, ultimately, the amount recognised shall be based on the number of rights that eventually vest.

The following table summarises the estimated value of the Director Options proposed to be issued:

| Director          | VWAP Tranche Options |                  |             | DFS Tranche Options |                  |             | Total value of all tranches |
|-------------------|----------------------|------------------|-------------|---------------------|------------------|-------------|-----------------------------|
|                   | Number of Options    | Value per Option | Total value | Number of Options   | Value per Option | Total value |                             |
| Mark Connelly     | 282,123              | \$0.03           | \$8,464     | 94,041              | \$0.065          | \$6,112     | \$14,576                    |
| Robert Greenslade | 205,479              | \$0.03           | \$6,164     | 68,493              | \$0.065          | \$4,452     | \$10,616                    |
| Simon O'Loughlin  | 205,479              | \$0.03           | \$6,164     | 68,493              | \$0.065          | \$4,452     | \$10,616                    |
| Simon Taylor      | 205,479              | \$0.03           | \$6,164     | 68,493              | \$0.065          | \$4,452     | \$10,616                    |
| Andrew Grove      | 1,669,521            | \$0.03           | \$50,086    | 556,607             | \$0.065          | \$36,179    | \$86,265                    |

- (h) Directors have previously been issued securities under the EIP. The table below sets out the number, acquisition price and value of the Salary Sacrifice Rights and ZEPOs previously issued to Directors. The Salary Sacrifice Rights issued to Directors represented part payment of Directors fees to preserve the Company's cash reserves.

| Director          | Number of Director Options | Class  | Acquisition Price | Value per security at grant date |
|-------------------|----------------------------|--------|-------------------|----------------------------------|
| Mark Connelly     | 1,400,000                  | ZEPOs  | \$nil             | \$0.21                           |
| Robert Greenslade | 500,000                    | ZEPOs  | \$nil             | \$0.21                           |
| Robert Greenslade | 64,524                     | Rights | \$0.085           | \$0.085                          |
| Robert Greenslade | 25,736                     | Rights | \$0.21            | \$0.21                           |
| Simon O'Loughlin  | 500,000                    | ZEPOs  | \$nil             | \$0.21                           |
| Simon O'Loughlin  | 58,926                     | Rights | \$0.085           | \$0.085                          |
| Simon O'Loughlin  | 23,503                     | Rights | \$0.21            | \$0.21                           |
| Simon Taylor      | 500,000                    | ZEPOs  | \$nil             | \$0.21                           |
| Andrew Grove      | 5,000,000                  | ZEPOs  | \$nil             | \$0.14                           |

- (i) the Options will be issued no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). It is anticipated the Options will be issued on one date and shortly after the Meeting;
- (j) details of any Shares issued to the Directors on exercise of the Options will be published in the annual report of the Company relating to the period in which the Shares have been issued and it will be disclosed that the approval for the issue of the Shares was obtained under ASX Listing Rule 10.14;
- (k) any additional person covered by Listing Rule 10.14 who becomes entitled to participate in an issue of securities under the EIP after the resolution is approved, and who was not named in the notice of meeting, will not participate until approval is obtained under Listing Rule 10.14;
- (l) no loans are being provided in connection with the issue of the Options

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Options as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Options to the Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

If any of Resolutions 4 to 8 inclusive are not passed, the Company will not be able to issue the Options to the relevant Director(s) as part of their remuneration and may be required to consider other forms of remunerating the relevant Director(s) including the payment of cash incentives in lieu of the Options.

### **5.5 Directors Recommendation**

The Board (with Mr Connelly abstaining) recommends that Shareholders vote **FOR** Resolution 4.

The Board (with Mr O'Loughlin abstaining) recommends that Shareholders vote **FOR** Resolution 5.

The Board (with Mr Taylor abstaining) recommends that Shareholders vote **FOR** Resolution 6.

The Board (with Mr Greenslade abstaining) recommends that Shareholders vote **FOR** Resolution 7.

The Board (with Mr Grove abstaining) recommends that Shareholders vote **FOR** Resolution 8.

The Chair intends to vote undirected proxies in favour of Resolutions 4 to 8.

### 6. Resolution 9 – Approval of additional 10% placement capacity

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#### 6.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**) without using the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$65.2 million as of 30 September 2021.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

This Resolution is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 9 for it to be passed. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

If Resolution 9 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1

#### ASX Listing Rule 7.1A

##### 6.2.1 Period

An approval under ASX Listing Rule 7.1A must be for a period commencing on the date of the Annual General Meeting at which the approval is obtained and expiring on the first to occur of the following:

- i. the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- ii. the time and date of the Company's next annual general meeting; or
- iii. the date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1 or 11.2.

##### 6.2.2 Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting.

##### 6.2.2 Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue 2 classes of Equity Securities, being Shares and Options. Only the Company's Shares are quoted.

### 6.2.3 Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities that have obtained Shareholder approval at an AGM may issue or agree to issue, during the 12-month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

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

Where:

**A** is the number of Shares on issue 12 months before the date of issue or agreement to issue:

- plus, the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- plus, the number of partly paid shares that became fully paid in the previous 12 months other than Exception 9, 16 or 17; plus, the number of Shares issued in the previous 12 months on the conversion of convertible securities within ASX Listing Rule exception 9 where:
  - there convertible securities were issued or agreed to be issued before the commencement of the 12 month period; or
  - the issue, or agreement to issue, the convertible securities was approved, or taken under the ASX Listing Rules to have been approved under ASX Listing Rule 7.1 or 7.4,
- plus, the number of Shares issued in the previous 12 months under an agreement to issue Shares within ASX Listing Rule 7.2 exception 16 where:
  - the agreement was entered into before the commencement of the 12 month period; or
  - the issue or agreement was approved, or taken under the ASX Listing Rules to have been approved under ASX Listing Rule 7.1 or 7.4,
- plus, the number of Shares issued in the previous 12 months with approval of Shareholders of Shares under Listing Rules 7.1 or 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without Shareholder approval;
- plus the number of partly paid equity securities that became Shares during the 12 month period,
- less the number of Shares cancelled in the previous 12 months.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 month period where the issue or agreement has not been subsequently approved by Shareholders under ASX Listing Rule 7.4.

### 6.2.4 Listing Rule 7.1 and Listing Rule 7.1A

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

15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 465,496,125 Shares. The Company therefore has a capacity to issue:

- i. 69,824,419 Equity Securities under Listing Rule 7.1 ; and
- ii. 46,549,613 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3(c) below).

#### **6.2.5 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 11:

##### **(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in paragraph 4.2(a)(i) the date on which the Equity Securities are issued.

##### **(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; or
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid), (10% Placement Capacity Period).

##### **(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 9 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

#### **Potential dilutionary impact of Resolution 9**

| Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2) | Dilution                            |                                             |                             |                                              |
|--------------------------------------------------------------------|-------------------------------------|---------------------------------------------|-----------------------------|----------------------------------------------|
|                                                                    | Issue Price (per Share)             | \$0.07<br><br>(50% decrease in issue price) | \$0.14<br><br>(issue price) | \$0.175<br><br>(25% increase in issue price) |
| 465,496,125<br><br>(Current Variable "A")                          | Shares issued - 10% voting dilution | 46,549,613<br>Shares                        | 46,549,613<br>Shares        | 46,549,613<br>Shares                         |
|                                                                    | Funds Raised                        | \$3,258,473                                 | \$6,516,946                 | \$8,146,182                                  |
| 698,244,188<br><br>(50% increase in Variable 'A')*                 | Shares issued - 10% voting dilution | 69,824,419<br>Shares                        | 69,824,419<br>Shares        | 69,824,419<br>Shares                         |
|                                                                    | Funds Raised                        | \$4,887,709                                 | \$9,775,419                 | \$12,219,273                                 |
| 930,992,250<br><br>(100% increase in Variable 'A')*                | Shares issued - 10% voting dilution | 93,099,225<br>Shares                        | 93,099,225<br>Shares        | 93,099,225<br>Shares                         |
|                                                                    | Funds Raised                        | \$6,516,946                                 | \$13,033,892                | \$16,292,364                                 |

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

The table above uses the following assumptions:

- (i) There are currently 465,496,125 Shares on issue as at the date of this Notice of Meeting.
- (ii) The current issue price set out above is the closing price of the Shares on the ASX on 30th September 2021, being \$0.14.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- (v) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vi) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- (vii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (viii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding

at the date of the Meeting.

Shareholders should note that there is a risk that:

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

(d) ***Purpose of Issue under 10% Placement Capacity***

The Company may issue Equity Securities under the 10% Placement Capacity as cash consideration in which case the Company intends to use funds raised for exploration on the Company's exploration projects located in Senegal and for general working capital purposes.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) ***Allocation under the 10% Placement Capacity***

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

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

(f) ***Previous Approval under ASX Listing Rule 7.1A and disclosure required by ASX Listing Rule 7.3A.6***

The Company has previously obtained approval from Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting held on 30 November 2020.

In accordance with ASX Listing Rule 7.3A.6, the Company discloses that during the 12-month period preceding the date of the Meeting, the Company issued NIL Equity Securities pursuant to ASX Listing Rule 7.1A:

**(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) state in its announcement of the proposed issue under rule 3.10.3 or in its application for quotation of the securities under rule 2.7 that the securities are being issued under rule 7.1A.

**6.3 Voting Exclusion**

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 9.

**6.4 Directors Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 9.

**7. Resolution 10 –Adoption of New Constitution**

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**7.1 Background**

A company may modify or repeal its constitution or a provision of its constitution by Special Resolution.

Resolution 10 seeks Shareholder approval for the revocation of the Company's existing constitution and the adoption of a new constitution in the form available at the following link on the Company's website [Corporate Governance • Chesser Resources](#) (**Proposed New Constitution**).

The existing constitution was adopted in 2006. Since that time, there have been a number of amendments to the Corporations Act and the ASX Listing Rules. For example, there have been recent changes to online meetings and Direct Voting, which are both now a common occurrence. Similarly, changes to the ASX Listing Rules now provide greater flexibility for the administration of restricted securities, which have also necessitated changes to the existing constitution.

While the Proposed New Constitution is broadly consistent with the provisions of the existing constitution, and many of the proposed changes are administrative or otherwise minor in nature, the Directors consider it preferable to replace the existing constitution with the Proposed New Constitution in its entirety, rather than to amend a multitude of specific provisions which is often confusing and can give rise to unintended inconsistency or errors.

A summary of the material differences between the existing constitution and the Proposed New Constitution is included in Annexure 3 to this Notice of Meeting.

A copy of the Proposed New Constitution is also available for review by Shareholders at the Company's website <https://www.chesserresources.com.au/> and at the office of the Company. A copy of the Proposed New Constitution will also be sent to Shareholders, upon a request being made to the Company's Company Secretary (+61 7 3854 2387).

**7.2 Directors Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 10.

## Glossary

In this Explanatory Memorandum and the Notice of Meeting:

**AUD, \$, AU\$** are references to the Australian Dollar;

**Annual General Meeting** or **Meeting** means the annual general meeting of the Company to be convened by this Notice of Meeting (unless the context otherwise requires);

**Associate(s)** has the meaning given in the Corporations Act;

**ASX** means the Australian Securities Exchange or ASX Limited ACN 008 624 691;

**Board** means the board of Directors of the Company at the date of this Notice; **Chair** means the chair of the Meeting;

**Closely Related Party** of a member of the Key Management Personnel for an entity, includes:

- (a) a spouse or child of the member; a child of the member's spouse;
- (b) a dependent of the member or of the member's spouse;
- (c) 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 dealings with the entity;
- (d) a company the member controls; or
- (e) a person prescribed as such by the *Corporations Regulations 2001* (Cth);

**Company** means Chesser Resources Limited ACN 118 619 042;

**Constitution** means the constitution of the Company in effect at the time of the Meeting;

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

**Directors** means the directors of the Company being as at the date of this Notice of Meeting, being Mark Connelly, Robert Greenslade, Simon Taylor, Simon O'Loughlin, and Andrew Grove;

**Explanatory Memorandum** means this explanatory memorandum that accompanies and forms part of the Notice of Meeting;

**Financial Report** means the 30 June 2021 financial report of the Company, a copy of which was lodged with ASX on 30 September 2021 under the announcement "Annual Report to shareholders";

**Key Management Personnel** means those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise);

**Listing Rules** means the official Listing Rules of ASX;

**Marketable Parcel** has the meaning given in the Listing Rules;

**Options** means the zero price options proposed to be issued to Mark Connelly, Robert Greenslade, Simon Taylor, Simon O'Loughlin, and Andrew Grove pursuant to Resolutions 4 to 8 inclusive;

**Notice of Meeting** means the notice of annual general meeting dated 28 October 2021 which this Explanatory Memorandum accompanies and in which the Resolutions are set out;

**Proposed New Constitution** means the constitution proposed to be adopted as the Company's constitution as referred to and described in this Notice of Meeting;

**Proxy Form** means a valid proxy form for this Annual General Meeting (unless the context otherwise requires);

**Remuneration Report** means the remuneration report of the Company for the year ended 30 June 2021 contained in the Financial Report;

**Resolution** or **Resolutions** means the resolutions referred to in the Notice of Meeting;

**Restricted Securities** has the meaning given in the Listing Rules;

**Share** means a fully paid ordinary share in the Company;

**Shareholder** means a holder of Shares;

**Special Resolution** means a resolution requiring that at least 75% of the votes cast on the resolution are cast in favour of the resolution in order for it to be passed;

**Spill Meeting** has the meaning given in Resolution 1; and

**Spill Resolution** has the meaning given in Resolution 1.

## ANNEXURE 1

### TERMS OF DIRECTOR OPTIONS

The Options (ZEPO) entitle the holders to subscribe for fully paid ordinary shares in the Company on the following terms:

**(a) Entitlement**

Subject to the satisfaction of the vesting conditions, each ZEPO entitles the holder to subscribe for one Share, issued under the Company's Employee Incentive Plan, at nil cost.

**(b) Expiry Date**

Each ZEPO will expire at 5.00pm (WST) on the date that is 5 years from the date of grant (Expiry Date).

**(c) Exercise Period**

The exercise period for ZEPOs will commence when the ZEPOs have vested and any exercise conditions have been satisfied (or waived by the Board or are deemed to have been satisfied under the terms and conditions of the Company's Employee Incentive Plan) and will end on the Expiry Date, subject to the terms and conditions of the Company's Employee Incentive Plan and the terms of the Company's Security Trading Policy.

**(d) Notice of Exercise**

A ZEPO is exercisable by the holder lodging a notice of exercise option and application for Shares in a form approved by the Company, together with any exercise price of each Share to be issued on exercise and the relevant ZEPO certificate, with the Company Secretary.

**(e) Timing of Issue of Shares on Exercise**

Within 15 business days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (e)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(f) *Partial Exercise***

A ZEPO holder may exercise only some of that person's ZEPOs, which does not affect that holder's right to exercise the remainder of their ZEPOs by the Expiry Date.

**(g) *Transferability***

The ZEPOs are not transferable.

**(h) *Shares Issued on Exercise***

All Shares issued upon exercise of the ZEPOs will, from the date they are issued, rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation to ASX of all shares issued upon exercise of the ZEPOs.

**(i) *Participation Rights***

If ZEPOs are exercised before the record date of an entitlement, the ZEPO holder can participate in a pro rata issue to the holders of the underlying securities in the Company. The Company must notify the ZEPO holder of the proposed issue at least nine (9) business days before the record date. ZEPO holders do not have a right to participate in new issues without exercising their options in accordance with Listing Rule 6.19.

**(j) *Reconstruction of Capital***

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the ZEPO holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

**(k) *Change of Control***

On the occurrence of a Change of Control event, the Board may determine that all or a percentage of unvested ZEPOs will vest and become exercisable with such vesting deemed to have taken place immediately prior to the effective date of the event, regardless of whether or not the employment or engagement of the Eligible Participant is terminated or ceases in relation to the Change of Control event.

**(l) *Conferral of Rights***

ZEPO holders will be sent all communications sent to Shareholders of the Company, but ZEPO holders do not confer any rights to attend or vote at meetings of Shareholders of the Company. Notice may be given by the Company to ZEPO holders in the manner provided by the Company's Constitution for the giving of notices to shareholders, and the relevant provisions of the Company's Constitution apply with all necessary modification to notices to ZEPO holders.

**(m) *Incentive Plan***

At all times, ZEPOs are subject to the full terms and conditions of the Company's Employee Incentive Plan including any vesting conditions.

## ANNEXURE 2

### SUMMARY OF TERMS OF THE EMPLOYEE INCENTIVE PLAN

#### **(a) Eligibility**

The Board has the discretion to determine which Directors, key management personnel, employees, contractors, and consultants are eligible to participate in the EIP.

#### **(b) Vesting conditions**

The vesting of any securities issued under the EIP, if any, may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to Participants in their individual personalised offer documents.

#### **(c) Exercise of securities**

Vested securities issued under the EIP will not automatically trigger the exercise of the securities, but a participant will be entitled to exercise in accordance with the terms contained in their individual personalised offer documents.

#### **(d) Price**

Securities issued under the EIP may be issued at no cost to the participants. Options, if offered, may be subject to payment of an exercise price by the participant which is determined by the Board and advised to the participant in their individual personalised offer documents.

#### **(e) Lapse/forfeiture**

Securities issued under the EIP will lapse or be forfeited on the earliest of:

- (a) the date that the Board determines in its absolute discretion that the vesting conditions for Securities which have not yet vested have not or cannot be met by the relevant date;
- (b) the date that the Board determines in its absolute discretion that the exercise conditions for Securities which have vested have not or cannot be met by the relevant date;
- (c) the Board determining that the Participant materially breached the rules of the EIP;
- (d) the insolvency of a participant;
- (e) the Board determining that the participant has acted fraudulently or dishonestly or has wilfully breached their obligations to any group company;
- (f) the Board determining that a participant is ineligible to hold the office for the purposes of Part 2D.6 of the Corporations Act, or is found to have acted in a manner that the Board considers to constitute gross misconduct; and
- (g) the date that is 15 years from the date the Securities are awarded under the EIP.

as set out in the individual personalised offer documents.

#### **(f) Board may elect to settle in cash**

If the Board determines that it is not appropriate for tax, legal, regulatory or compliance reasons to issue or transfer Shares upon satisfaction of its obligations under the plan, the Company may make a cash payment to the participant in accordance with the terms of the plan for equivalent value.

#### **(g) Waiving the restricted period**

The Board may waive or shorten the restriction period applicable to securities issued under the EIP to the participant in accordance with the terms of the EIP.

**(h) *Change of Control***

On the occurrence of a Change of Control of the Company (as defined in the terms of the EIP), or if in the Board's opinion a Change of Control will occur, the Board will determine, in its sole and absolute discretion, the manner in which vested and unvested securities issued under the EIP shall be dealt with.

**(i) *Cessation of employment***

Under the individual personalised offer documents, if a Participant ceases to provide services to the Company (or a related body corporate of the Company) prior to the vesting of any securities issued under the EIP:

- (a) they will retain all of their vested Awards; and
- (b) all of their unvested Awards will be forfeited on a date determined by the Board, unless the Board provides express written consent that the Participant may retain any or all of their unvested Awards. If the Board determines that the Participant may retain any or all of their unvested Awards, those Awards will be subject to the terms and conditions that the Participant held those Awards prior to becoming a Leaver, or such other terms and conditions as the Board sees fit.

**(j) *No dealing or hedging***

Dealing restrictions apply to securities issued under the EIP in accordance with the terms of the EIP, the individual personalised offer documents and the Company's share trading policy. Participants are prohibited from hedging or otherwise protecting the value of unvested securities issued under the EIP.

**(k) *Rights attaching to Shares***

Shares issued under the EIP (upon exercise of vested securities issued under the EIP) will be subject to any restrictions imposed under the terms of the EIP and otherwise rank equally with the existing Shares on issue at the time of allotment or transfer.

**(l) *Company may issue or acquire shares***

The Company may, in its discretion, either issue new Shares or acquire Shares already on issue, or a combination of both, to satisfy the Company's obligations under the EIP.

**(m) *Adjustments***

Prior to the allocation of Shares to an EIP participant upon exercise of vested securities issued under the EIP if the Company undergoes a reorganisation of capital, the terms of unvested securities will be changed to comply with the ASX Listing Rules. If the Company makes a pro rata bonus issue to Shareholders, the terms of any unexercised securities will change to entitle the participant to one Share plus the number of bonus Shares which would have been issued to the participant if the unexercised securities had been exercised prior to the bonus issue.

**(n) *Limits on securities issued***

The number of Shares that may be issued under the EIP is set regarding the limits prescribed under ASIC Class Order 14/1000 with respect to employee share scheme offers made without a prospectus. Currently these limits provide that the number of Shares that may be issued, when aggregated with the number of Shares issued during the previous 3 years from Share issues under all employee share schemes established by the Company (including as a result of exercise of options to acquire Shares granted to the previous five years under any such executive share scheme), must not exceed 5% of the total number of Shares on issue, disregarding certain unregulated offers. As of 30 September 2021, the Company had 465,496,125 Shares on issue and as such the maximum number of Shares that may be issued pursuant to ASIC Class Order 14/1000 is 23,274,806.

**(o)      *Loan funding***

Pursuant to the terms of the EIP, the Board will, where the loan funded shares are instituted, offer employees an interest free limited recourse loan to assist in the purchase of Shares, with the Shares acquired at their market value. The loan will be limited recourse so that at any time (subject to any restrictions) the employee may divest their Shares in full satisfaction of the loan balance.

**(p)      *Continued operation of the plan***

The EIP may be suspended, terminated, or amended at any time by the Board, subject to any resolution of the Company required by the ASX Listing Rules.

## SCHEDULE 3 – SUMMARY OF MATERIAL DIFFERENCES

### 1. Reduction of capital and buy-backs (Clause 8)

Clause 8 of the Proposed New Constitution includes additional provisions providing clarity and flexibility for distributing securities of another body corporate to Shareholders when implementing a return of capital. This includes providing discretionary powers to the Company to deal with fractions (due to proportionate interests and members technically having less than a whole share), disposing of those securities attributable to certain foreign shareholders where it would be impractical to transfer securities to those shareholders due to local securities laws and accounting to those shareholders for the net proceeds, and deeming Shareholders to have agreed to be bound by the constitution of the body corporate.

### 2. Restricted Securities (Clause 13)

In December 2019, the ASX amended the Listing Rules dealing with Restricted Securities. Clause 13.1 of the Proposed New Constitution seeks to align with the requirements of these amended Listing Rules, including by providing additional flexibility in dealing with smaller parcels of Restricted Securities in certain circumstances rather than entry into signed restriction deeds and that those holders of Restricted Securities will not be entitled to participate in capital returns from those securities during the applicable restriction period.

### 3. Shareholdings of less than a Marketable Parcel (Clause 14)

Clause 14 of the Proposed New Constitution makes changes to the 'Marketable Parcel' sale facility, whereby the Company is authorised to sell shares of less than a 'Marketable Parcel' in certain circumstances. Under the new clause 14.3, Shareholders are now given the option to:

- 3.1 increase their shareholding to the size of a Marketable Parcel;
  - 3.2 sell the shares; or
  - 3.3 give the company notice that they wish to retain such shares,
- before the Company is afforded the right to sell such shares.

A Marketable Parcel is a parcel of securities that is worth not less than \$500 based on the closing market price on the ASX.

In contrast, clause 149.2 of the existing constitution allows Shareholders of unmarketable parcels to retain their small holdings only by notifying the Company of their intention to retain the shares.

### 4. Fee (Clause 24)

Clause 24 of the Proposed New Constitution is a new provision which permits the Company to charge a reasonable fee to register a transfer or issue a new certificate for off-market share transfers. This provision seeks to offset the cost that the Company otherwise incurs to its Share registry for such paper-based transfers.

### 5. Meeting Procedures (Clause 33)

Clause 33 of the Proposed New Constitution outlines the provisions for convening meetings of Shareholders and the cancellation of such meetings.

Specifically, clause 79.2 of the existing constitution provides that the Company may not cancel a meeting of Shareholders where it has been requisitioned by Shareholders.

However, as the Corporations Act entitles such meetings to be cancelled where the relevant requisitioning Shareholder(s) has consented, the Company considers it preferable that these provisions be removed to align with the requirements of the Corporations Act and to avoid the Company incurring the cost of holding a meeting of Shareholders where the purpose for such requisitioned meeting no longer exists.

### 6. Direct Voting (Clause 45)

Clause 45 of the Proposed New Constitution is a new provision that provides that the Directors may determine that Shareholders may vote by way of 'Direct Vote'.

The purpose of this new clause is to enable the Company to use appropriate technology to facilitate the engagement of those Shareholders who wish to be involved in a meeting of Shareholders but cannot be seated in a single place at any one time. This is consistent with technological developments enabling such direct voting.

**7. Virtual Meetings (Clause 48)**

Clause 48 of the Proposed New Constitution is a new provision which provides clarity to ensure that, with respect to Shareholder meetings, any references to 'present' or 'present in person' shall be taken to include being physically present at a physical location or present by electronic means using the designated technology, to facilitate electronic meetings and avoid the opportunity for dispute

**8. Rotation of Directors (Clause 51)**

Clause 51.1(c) of the Proposed New Constitution provides additional clarity on the operation of the compulsory retirement process for Directors.

Specifically, new clause 51.1(c) makes it clear that, in calculating the 1/3 of Directors who are to retire at an annual general meeting, the Company's managing director and those who are required to be re-elected due to having been appointed by the other Directors to fill a casual vacancy shall not be counted.

For entities with a smaller number of Directors, this ensures that Directors are not continually standing for re-election every year.

**9. Procedures for Notices (Clause 102)**

Clause 102 of the Proposed New Constitution provides for amended timing provisions for the deeming of when 'notice' is taken to be provided to Shareholders, reducing the notice period for postage within Australian from 3 days after postal service (clause 73.1 of the existing constitution) to one Business Day after postal service (clause 102.1 of the Proposed New Constitution) (reflecting that mail is not delivered on the weekend) and extending the timeframe for notices being posted outside of Australia to three (3) business days after posting (reflecting the increasing prevalence of foreign persons holding shares in ASX Listed Entities).