



ASX ANNOUNCEMENT

16 August 2022

EXTRAORDINARY GENERAL MEETING – NOTICE OF MEETING & PROXY FORM

Enclosed is the Letter to Shareholders, Notice of Meeting and Proxy Form for an Extraordinary General Meeting (**EGM**) of TerraCom Limited (**TerraCom** or **Company**).

The EGM of the Company will be held on Tuesday, 13 September 2022 at 2:00pm (Sydney time) at the venue noted below:

The Fullerton Hotel Sydney
Meeting Room 1
No. 1 Martin Place
Sydney NSW 2000

This announcement has been approved by the Board for release.

For further enquiries please contact:

Megan Etccl
Company Secretary
P +61 7 4983 2038
E info@terracomresources.com

About TerraCom Limited

TerraCom Limited (ASX: TER) is an emerging company originating as a resource explorer with a large portfolio of operating assets in Australia and South Africa. We are currently enacting a growth strategy towards delivering a Mid-Tier diversified operating and trading business and have global focus on the development of a high yielding diversified asset portfolio for its investors. To learn more about TerraCom visit terracomresources.com.



TERRACOM

TerraCom Limited
PO Box 131
Clermont QLD 4721
info@terraresources.com
+61 7 4983 2038

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of TerraCom Limited (Company) will be held at The Fullerton Hotel Sydney, Meeting Room 1, No. 1 Martin Place, Sydney NSW 2000 at 2:00pm (Sydney time) on Tuesday, 13 September 2022.

Dear Shareholder

The full Notice of Meeting which sets out the Agenda (including details of the resolution being put to the meeting), important Voting Information and an Explanatory Statement can be found at [Investor Relations: Announcements \(listedcompany.com\)](#).

The meeting will be held at the above address, however, due to ongoing impacts of COVID-19, the Company is required to ensure compliance with the requirements for any social distancing and will seek to comply with any applicable requirements and limitations that are in force at the time of the meeting in respect of any persons who seek to attend the meeting.

Shareholders who choose to lodge a proxy should follow instructions on their personalised proxy form (**enclosed**). The proxy form can be submitted to the Company's share registry, Link Market Services, via the online investor portal at <https://investorcentre.linkmarketservices.com.au/Login/Login> or by return post.

Your continued support is greatly appreciated.

Yours faithfully

Megan Etccl
Company Secretary

TerraCom Limited

ACN 143 533 537

Notice of Extraordinary General Meeting and Explanatory Statement



TIME: 2:00pm (AEST)
DATE: 13 September 2022
LOCATION: The Fullerton Hotel Sydney
Meeting Room 1
No. 1 Martin Place
SYDNEY NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

If you are unable to attend the Meeting, please complete and return the enclosed proxy form in accordance with the specified instructions.

If you have any questions about the Resolution or other information contained in this Notice of Meeting or in the Explanatory Statement, please contact the Company Secretary on +61 7 4983 2038, Monday to Friday between the hours of 9.00am and 5.00pm.

VOTING ENTITLEMENTS

Time and place of meeting

Notice is given that the Extraordinary General meeting of Shareholders of TerraCom Limited (**Company**) will be held at 2:00pm (AEST) on 13 September 2022 at the Fullerton Hotel Sydney, Meeting Room 1, No. 1 Martin Place, Sydney NSW 2000.

This Notice of Meeting incorporates, and should be read together with, the Explanatory Statement and accompanying Proxy Form.

Voting entitlements

The Directors have determined that pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that, for the purposes of this Meeting, a Shareholder's voting entitlement will be taken to be the entitlement of the persons shown in the register of Shareholders as at 7.00pm (AEST) on 11 September 2022. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Voting procedure

Voting on the proposed Resolution at this Meeting will be conducted by poll. Under the Constitution, any poll will be conducted as directed by the Chair.

Shareholders can vote in one of two ways:

- (a) by attending the Meeting in person and voting; or
- (b) by appointing a proxy or attorney to attend and vote on their behalf.

Voting at the meeting

To vote in person, attend the Meeting at the time, date and place set out above.

Ordinary resolutions require the support of more than 50% of those Shareholders voting in person, by proxy, by representative or by attorney.

On a poll, every Shareholder present (in person, by proxy, attorney or representative) and entitled to vote, has one vote for every fully paid Ordinary Share held (subject to any voting restrictions that may apply).

Voting by proxy

Please note that:

- (a) every Shareholder entitled to attend the Meeting and vote has a right to appoint a proxy. A Shareholder entitled to attend and cast two or more votes at the Meeting is entitled to appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise;
- (b) a proxy appointed to attend and vote for a Shareholder has the same rights as the Shareholder to speak at the meeting, to vote (but only to the extent allowed by the appointment) and to join in a demand for a poll;

- (c) a proxy need not be a shareholder of the Company;
- (d) an instrument appointing a proxy may be in the form of the proxy attached to this Notice of Meeting;
- (e) if a Shareholder appoints two proxies, and the appointment does not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the Shareholder's votes;
- (f) a Shareholder may specify the manner in which a proxy is to vote in respect of a particular Resolution. In this instance, the proxy may only vote on a Resolution as directed by the Shareholder. If the Shareholder has directed the proxy how to vote on a particular Resolution and either the proxy fails to attend the meeting, or chooses not to vote on a poll for a Resolution, then the Chair of the meeting will be deemed to be the Shareholder's proxy and will vote the Shares as directed by the Shareholder;
- (g) if a Shareholder does not direct the proxy how to vote on a particular Resolution, the shareholder is authorising the proxy to vote as the proxy decides, subject to any applicable voting exclusions/prohibitions;
- (h) if a shareholder appoints the Chair of the Meeting as their proxy using the enclosed proxy form (or the Chair becomes proxy by default) without specifying the way the proxy is to vote on a particular Resolution, by completing and signing the proxy form from the Shareholder will be expressly authorising the Chair to exercise the proxy as he or she sees fit, even if the Resolution, is connected directly or indirectly with the remuneration of a member of the Company's key management personnel;
- (i) to be a valid appointment of a proxy, a proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be signed either under section 127 of the *Corporations Act 2001* (Cth) (**Corporations Act**) or in accordance with the Constitution of the corporation. In the case of joint holdings, at least one of the joint holders must sign the proxy form;
- (j) if a proxy form is signed by a person who is not the registered Shareholder, then the relevant authority (e.g. in the case of proxy forms signed by an attorney, the power of attorney or a certified copy of the power of attorney) must either have been provided previously to the Company or be enclosed with the proxy form;
- (k) if a body corporate is appointed as a proxy, please write the full name of that body corporate (e.g. Company X Pty Ltd). Do not use abbreviations. The body corporate will need to ensure that it:
 - a) appoints an individual as its corporate representative to exercise its powers at Meetings, in accordance with Section 250D of the Corporations Act; and

- b) provides satisfactory evidence to the Company or share registry of its corporate representative's appointment before the Meeting.

If no such evidence is received before the Meeting, then the body corporate (through its representatives) will not be permitted to act as a proxy; and

- (l) to be effective, proxy forms must be received no later than 2.00pm (AEST) on 11 September 2022 by the Company at the Company's registered address or at any of the following:

in person: TerraCom Limited
c/- Link Market Services Limited
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

online: www.linkmarketservices.com.au

by mail: TerraCom Limited
c/- Link Market Services Limited
Locked Bag 14
Sydney South NSW 1235

by facsimile: +61 2 9287 0309

BUSINESS OF THE MEETING - AGENDA

Resolution

Approval of Termination Benefits to Mr Craig Ransley

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

"That approval be given for the purposes of sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.19, clause 15.6 of the Company's Constitution and all other purposes, for the giving of the Termination Benefits to Mr Craig Ransley in connection with him ceasing to hold an office or position of employment in the Company, as set out in the Explanatory Notes".

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Ransley and any associates of Mr Ransley.

However, this does not apply to a vote cast in favour of the 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 of the Meeting on the proxy form to vote on the Resolution as the Chair of the Meeting 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 the directions given by the beneficiary to the holder to vote that way.

Voting Prohibition Statement:

A vote on the Resolution must not be cast (in any capacity) by, or on behalf of, Mr Ransley or an associate of Mr Ransley.

However, a person is entitled to cast a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of an associate of Mr Ransley.

Additionally, in accordance with section 250BD of the Corporations Act, as this Resolution is in connection with the remuneration of a member of the Company's Key Management Personnel, a person appointed as a proxy must not vote on the Resolution, on the basis of that appointment, if that person is:

- (a) a member of Key Management Personnel as at the date of the Meeting; or
- (b) a Closely Related Party of such a member (including spouses, dependents and controlled companies).

However, a person described above may cast a vote on the Resolution if the person does so as a proxy for a person who is entitled to vote where:

- (c) the proxy form specifies how the proxy is to vote on the Resolution; or
- (d) the proxy is the Chair, who may vote in favour of the Resolution in accordance with an express authorisation on the proxy form.

By Order of the Board

Dated: 12 August 2022



Megan Etccl
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement contains an explanation of, and information about, the Resolution to be considered at the Extraordinary General Meeting. Shareholders should read this Explanatory Statement in full.

The Explanatory Statement forms part of the accompanying Notice of Meeting and should be read with the Notice of Meeting.

Resolution - Approval of Termination Benefits to Mr Craig Ransley

Mr Ransley was engaged by the Company from April 2020 in the role of Non-Executive Chairman. On and from April 2021 Mr Ransley was employed in the role of Executive Chairman until his retirement on 8 July 2022, as announced on 8 July 2022.

This resolution is to seek shareholder approval for the provision of certain Termination Benefits to Mr Ransley as part of his employment with the Company.

Part 2D.2 of the Corporations Act

Part 2D.2 of the Corporations Act restricts the benefits that can be given without shareholder approval to individuals who hold, or have held in the last three years, a managerial or executive office (as defined in the Corporations Act) on leaving employment with the Company or its related bodies corporate.

Under section 200B of the Corporations Act, the Company may only give a person a 'benefit' in connection with ceasing to hold managerial or executive office in the Company if it is approved by shareholders or an exemption applies.

Additionally, clause 15.6(a)(i) of the Company Constitution provides that the payment or giving of any benefit to any Director in connection with their retirement, resignation from or loss of office or death while in office is subject to the Corporations Act.

Under the Corporations Act, termination benefits are defined to include a range of payments or benefits given in connection with a person ceasing to hold an office or position of employment including termination payments, the acceleration or automatic vesting of a share-based payment and entitlements at or due to retirement.

Deed of Separation and Release

On his retirement the Company entered into a Deed of Separation and Release with Mr Ransley dated 8 July 2022 (**Deed of Separation and Release**).

Shareholder approval is sought under this Resolution to allow the provision of those benefits under the Deed of Separation and Release which may be defined as termination benefits for the purposes of the termination benefits provisions of the Corporations Act and requiring Shareholder approval:

- a bonus in the amount of \$2,380,000 (**Euroclear Bond Bonus**); and

- an accelerated STI / LTI bonus for the 2022 financial year crystallised in cash in the amount of \$930,000 (**2022 Financial Year Bonus**),

(together, the **Termination Benefits**).

The Company aims to balance fair treatment of executives on cessation of employment and avoiding excessive termination payouts. Consideration was given to this when determining the payments to Mr Ransley, including the Euroclear Bond Bonus and the 2022 Financial Year Bonus.

The Euroclear Bond Bonus was awarded to Mr Ransley for his work over a period of time in finalising the repayment of the US\$167,000,000 Euroclear Bond which occurred in May 2022. Working with a number of key stakeholders, the repayment of the Euroclear Bond was a defining factor for the Company and resulted in a transformed balance sheet. Given its significance to the Company, the Euroclear Bond Bonus was discussed by the Board with a number of substantial shareholders and received preliminary support prior to being approved by the Board.

The Euroclear Bond Bonus was calculated in a similar manner to a previous bonus that was awarded to Mr Ransley and at the time was deemed by the Board to be a bonus for effort and work completed pursuant to his role as Executive Chairman of the Company. The quantum was deemed reasonable by both the Board and the substantial shareholders consulted on the matter.

The Euroclear Bond Bonus was provided by the Company to Mr Ransley on or about 6 June 2022, prior to his retirement on 8 July 2022.

The Board had considered that the payment did not require shareholder approval at the time but is now seeking it. Following his retirement, the Euroclear Bond Bonus has been deemed to be a Termination Benefit in accordance with the Corporations Act and therefore shareholder approval is being sought.

Pursuant to the Deed of Separation and Release, Mr Ransley must hold the Euroclear Bond Bonus less his accrued but untaken annual leave of \$51,923 and agreed payment of \$450,000 in lieu of notice (**Reduced Euroclear Bond Bonus**) in trust for the Company. Whilst the payment in lieu of notice was included in the calculation of the termination benefit threshold, the amount of \$450,000 falls below the threshold requiring Shareholder approval pursuant to section 200F(4)(d) of the Corporations Act.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" by a public company and entities controlled by the public company to related parties of the public company. Section 208(1) of the Corporations Act provides that a Company can only give a "financial benefit" to a "related party" of the Company if the Company:

- (a) obtains the approval of its Shareholders in accordance with sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

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

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

For the purposes of the Corporations Act, a "related party" of the Company includes the Directors of the Company and entities which they control. The Termination Benefits including the Euroclear Bond Bonus constitutes the giving of a "financial benefit" to a related party.

Section 211 of the Corporations Act provides an exception to the need to obtain Shareholder approval where the financial benefit would constitute reasonable remuneration in the circumstances of the company and the related party.

The Directors consider that the Termination Benefits are reasonable remuneration given the circumstances of the Company and the role and responsibilities of Mr Ransley with the Company. Accordingly, Shareholder approval for the purposes of section 208 of the Corporations Act has not been sought.

ASX Listing Rule 10.19

ASX Listing Rule 10.19 provides that, without the approval of ordinary shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to the ASX under the Listing Rules.

The value of the Termination Benefits exceeds 5% of the Company's equity interests as set out in the latest accounts given to ASX. Accordingly, Shareholder approval is being sought under ASX Listing Rule 10.19 in respect of the Termination Benefits.

ASX Listing Rule 14.1A

If the Resolution is passed, Mr Ransley will be entitled to the Euroclear Bond Bonus as he will no longer be required to hold the Reduced Euroclear Bond Bonus in trust for the Company. Mr Ransley will also be paid his accrued but untaken annual leave and payment in lieu of notice (subject to any adjustments), and he will also be paid the 2022 Financial Year Bonus.

If the Resolution is not passed, Mr Ransley will continue to hold the Reduced Euroclear Bond Bonus in trust for the Company. Mr Ransley will then be obliged to repay the Reduced Euroclear Bond Bonus to the Company in cleared funds no later than 10 days after the date of this Meeting. There will be no further payments made to Mr Ransley if the Resolution is not passed as the total amount of his accrued but untaken annual leave and payment in lieu of notice, both of which are not considered termination benefits for the purpose of the Corporations Act, have already been taken into account in determining the Reduced Euroclear Bond Bonus amount.

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



TERRACOM

TerraCom Limited
ABN 35 143 533 537

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
TerraCom Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

ALL ENQUIRIES TO
Telephone: +61 1300 554 474

PROXY FORM

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

APPOINT A PROXY

the Chairman of the Meeting (mark box)

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

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **2:00pm (AEST) on Tuesday, 13 September 2022 at Meeting Room 1, Fullerton Hotel, 1 Martin Pl, Sydney NSW 2000, Australia** (the Meeting) and at any postponement or adjournment of the Meeting.

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

VOTING DIRECTIONS

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

Resolutions

For Against Abstain*

1 Approval of Termination Benefits to Mr Craig Ransley

STEP 2

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

STEP 3

TER PRX2201A

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm (AEST) on Sunday, 11 September 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

TerraCom Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

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