



MURCHISON HOLDINGS LIMITED

ACN 004 707 260

NOTICE OF ANNUAL GENERAL MEETING
For the Forty-Seventh Annual General Meeting of the
Company to be held at 3.30 pm (AEDT) on
Friday 28 November 2014 at
Level 5, North Building, 333 Collins Street, Melbourne
Victoria Australia

The Annual Report is available online visit www.murchisongroup.com.au

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

Should you wish to discuss any matter please do not hesitate to contact the Company particulars of which are set out below.

Australia

Level 5, North Building,
333 Collins Street Melbourne
Victoria Australia 3000
Tel: (613) 8610 0400
Fax (613) 9620 5642

Hong Kong

1st Floor, Harbour Commercial Building,
122-124 Connaught Road Central,
Sheung Wan, Hong Kong
Tel: (852) 2877 6828
Fax: (852) 2596 0451

MURCHISON HOLDINGS LIMITED ABN 52 004 707 260
NOTICE OF ANNUAL GENERAL MEETING 2014

Notice is hereby given that the Forty-seventh Annual General Meeting of Murchison Holdings Limited (“Company”) will be held at the Level 5, North Building, 333 Collins Street, Melbourne Victoria Australia 3000 on Friday 28 November 2014 at 3:30 pm (Australian Eastern Daylight Time) (“Meeting”).

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

AGENDA

ORDINARY BUSINESS

Item 1. Financial Reports

To receive, consider and adopt the Financial Report, the Directors' Report and the Auditor's Reports for the year ended 30 June 2014.

Item 2. Adoption of Remuneration Report

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

“That for the purposes of section 250R(2) of the Corporations Act 2001 (Cth), the Remuneration Report of the Company for the financial year ended 30 June 2014 as disclosed in the 2014 Annual Report of the Company be adopted.”

This resolution is advisory only and does not bind the Directors of the Company.

Voting Exclusion Statement

1. In accordance with the Corporation Act 2001 (Cth), the Company will disregard all votes cast on the proposed resolution for the adoption of the Remuneration Report referred to in Item 2 by or on behalf of:
 - 1.1 a member of the Company's key management personnel, details of whose remuneration are included in the Remuneration Report for the year ended 30 June 2014 (“KMP”); or
 - 1.2 a closely related party of a KMP,whether the votes are cast as a shareholder, proxy or in any other capacity.



2. However, the Company will not disregard a vote cast on the resolution at Item 2 by a KMP, or a closely related party of a KMP, if:
 - 2.1 the vote is cast as a proxy;
 - 2.2 the proxy is appointed by writing that specifies how the proxy is to vote on the resolution proposed in Item 2; and
 - 2.3 the vote is not cast on behalf of a KMP or a closely related party of a KMP.
3. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of key management personnel include the Company's directors and certain senior executives.
4. A closely related party of a member of the key management personnel means any of the following:
 - 4.1 a spouse, child or dependant of the member;
 - 4.2 a child or dependant of the member's spouse;
 - 4.3 anyone else who is one of the member's family and may be expected to influence or be influenced by the member in the member's dealings with the Company;
 - 4.4 a company the member controls; or
 - 4.5 a person prescribed by regulations (as at the date of this Notice of Annual General Meeting no additional persons have been prescribed by regulation).
5. If you complete a proxy form that authorizes the Chairman of the Meeting to vote on your behalf as proxy holder or he is appointed as your proxy by default, and you do not make a voting direction so as to give him directions about how your vote should be cast, then your proxy will automatically become a directed proxy in favour of the resolution to adopt the Remuneration Report, and the Chairman of the Meeting will vote accordingly. If you wish to appoint the Chairman of the Meeting as your proxy holder but do not want him to cast your vote in favour of the Remuneration Report, you should complete the voting direction on the proxy form, directing him to vote against or abstain from voting on the resolution.
6. The Chairman of the Meeting intends to vote all undirected proxies in favour of the resolution at Item 2.

Resolutions 3 to 6 (both inclusive) - Re-Election of Directors**Item 3. Re-Election of Chiang Wee Tiong**

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

“That Mr. Chiang Wee Tiong, being due to retire, has tendered his resignation to take effect immediately prior to this motion but offers himself for re-election in order to satisfy Article 69 of the Constitution of Murchison Holdings Limited and Rules 14.4 and 14.5 of the Listing Rules of the ASX Limited, which effectively requires that there be an election of a director each year.”

Item 4. Re-Election of Grant Anthony Robertson

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

“That Mr. Grant Anthony Robertson has tendered his resignation to take effect immediately prior to this motion but offers himself for re-election in order to satisfy Article 69 of the Constitution of Murchison Holdings Limited and Rules 14.4 and 14.5 of the Listing Rules of the ASX Limited, which effectively requires that there be an election of a director each year.”

Item 5. Re-Election of Wong Hung Ngok

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

“That Mr. Wong Hung Ngok has tendered his resignation to take effect immediately prior to this motion but offers himself for re-election in order to satisfy Article 69 of the Constitution of Murchison Holdings Limited and Rules 14.4 and 14.5 of the Listing Rules of the ASX Limited, which effectively requires that there be an election of a director each year.”

Item 6. Re-Election of Dr Kim Chan Koh

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

“That Dr Kim Chan Koh has tendered his resignation to take effect immediately prior to this motion but offers himself for re-election in order to satisfy Article 69 of the Constitution of Murchison Holdings Limited and Rules 14.4 and 14.5 of the Listing Rules of the ASX Limited, which effectively requires that there be an election of a director each year.”

SPECIAL BUSINESS

Item 7. Approval of Placement Facility

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

“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 3,000,000 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such person) who may participate in the issue of the Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

1. it is cast by the person as proxy for a person who is entitled to vote in accordance with directions on the Proxy Form; or
2. it is cast by the Chairman as proxy by a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Item 8. Approval of 10% Placement Facility

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

“That, pursuant to and in accordance with 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) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such person) who may participate in the issue of the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

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

Resolutions 9 to 12 (both inclusive) - Approval to Issue Options to Directors

Item 9: Issue of Options to Director Chiang Wee Tiong

"THAT shareholders approve the issue of 460,000 unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 15.6 cents (\$0.156) each and expiring 5 years from date of issue to Chiang Wee Tiong (or his nominee), a Director of the Company as described in the Explanatory Memorandum which accompanied and formed part of the Notice of Annual General Meeting."

Item 10: Issue of Options to Director Grant Anthony Robertson

"THAT shareholders approve the issue of 430,000 unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 15.6 cents (\$0.156) each and expiring 5 years from date of issue to Grant Anthony Robertson (or his nominee), a Director of the Company as described in the Explanatory Memorandum which accompanied and formed part of the Notice of Annual General Meeting."

Item 11: Issue of Options to Director Wong Hung Ngok

"THAT shareholders approve the issue of 80,000 unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 15.6 cents (\$0.156) each and expiring 5 years from date of issue to Wong Hung Ngok (or his nominee), a Director of the Company as described in the Explanatory Memorandum which accompanied and formed part of the Notice of Annual General Meeting."

Item 12: Issue of Options to Director Kim Chan Koh

"THAT shareholders approve the issue of 40,000 unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 15.6 cents (\$0.156) each and expiring 5 years from date of issue to Dr Kim Chan Koh (or his nominee), a Director of the Company as described in the Explanatory Memorandum which accompanied and formed part of the Notice of Annual General Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast on the resolutions at Items 9 to 12 (both inclusive) by:

- *a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; or*
- *an associate of those persons.*

However, the Company need not disregard a vote on the resolutions at Items 9 to12 (both inclusive) if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the Chairman as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.*

Item 13. Resolution 13 - Adoption of Employee Retention Option Scheme (2014)

"THAT shareholders approve and adopt the Employee Retention Option Scheme (2014) on the terms described in the Explanatory Memorandum which accompanied and formed part of the Notice of Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast on the resolution at Item 13 by:

- *a Director of the Company (except for one who is ineligible to participate in any employee incentive scheme); or*
- *an associate of that person.*

However, the Company need not disregard a vote on the resolution at Item 13 if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the Chairman as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides*

Dated at Melbourne this 16 October 2014.

By order of the Board



GA Robertson
Company Secretary



MURCHISON HOLDINGS LIMITED ABN 52 004 707 260
NOTICE OF ANNUAL GENERAL MEETING 2014

Proxies

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the enclosed form.

1. A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies who need not be members of the Company, to attend and speak and vote instead of the member.
2. Where two or more proxies are appointed, each proxy must be appointed to represent a specified portion of the shares held by a member to the intent that every member may divide his holding into two or more parcels of shares and appoint a separate proxy in respect of each such parcel. A proxy may vote on a show of hands and on a poll provided that if a member appoints more than one proxy such proxies may not vote on a show of hands.
3. A proxy for a corporation must be executed under its common seal or as otherwise permitted in accordance with section 127 of the Corporations Act.
4. Proxy forms must be received by the company at its registered office at least 24 hours before the time for holding the meeting.
5. A proxy form is attached.

Voting Rights

In accordance with section 1074E(2)(g) of the Corporations Act 2001 (Cth), Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) and the Constitution of the Company, the Board of Directors has determined that shares in the Company will, for the purposes of the Annual General Meeting of the Company, be taken to be held by shareholders registered as such as at 3:30 pm on 26 November 2014 (Australian Eastern Daylight Time).



MURCHISON HOLDINGS LIMITED ABN 52 004 707 260
NOTICE OF ANNUAL GENERAL MEETING 2014
APPOINTMENT OF PROXY

The Secretary
Murchison Holdings Limited
Level 5, North Building, 333 Collins Street,
Melbourne Victoria, Australia 3000
Tel: (613) 8610 0400
Fax: (613) 9620 5642
www.murchisongroup.com

I/We

(full name(s) of shareholder(s) in block letters)

Of

(full address(es) of shareholder(s) in block letters)

being a member/members of Murchison Holdings Limited entitled to attend and vote hereby appoint:

(full name of proxy in block letters)

Of

(full address of proxy in block letters)

and (if you wish to appoint two or more proxies)

(full name of second and subsequent proxies in block letters)

Of

(full address of second and subsequent proxies in block letters)

or failing him/her, or if no person is named, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company, to be held on Friday 28 November 2014 at 3:30 p.m.(Australian Eastern Daylight Time), at Level 5, North Building, 333 Collins Street, Melbourne Victoria Australia 3000 and any adjournment of that meeting to act generally on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

**Important – If the Chairman of the Meeting is your proxy or is appointed your proxy by default**

If you complete a proxy form that authorizes the Chairman of the Meeting to vote on your behalf as proxy holder or he is appointed as your proxy by default, and you do not make a voting direction so as to give him directions about how your vote should be cast, then your proxy will automatically become a directed proxy in favour of the resolutions proposed at Items 1-13 (both inclusive) and the Chairman of the Meeting will vote accordingly. If you wish to appoint the Chairman of the Meeting as your proxy holder but do not wish him to cast your votes in favour of one or more of the aforesaid resolutions, you should complete the appropriate voting direction on the proxy form, directing him to vote against or abstain from voting on the relevant resolution. The Chairman of the Meeting will vote all undirected proxies in favour of the resolutions at Items 1-13 (both inclusive).

Signed this day of 2014

Signature(s) of Member(s)

A member is entitled to appoint one or more persons (whether members or not) to attend the meeting and on a poll, vote in place of the member. Where two or more such proxies are appointed, the portion of the member's voting rights given to each proxy must be specified. Where a proxy is appointed by the member's attorney evidence of non-revocation must be lodged with the proxy form.

A proxy by a corporation must be executed either under its Common Seal and Attestation Clause or in accordance with section 127 of the Corporations Act or under the hand of an officer or attorney duly authorized.

An instrument appointing a proxy shall not be treated as valid unless the instrument, and the power of attorney or other authority (if any) under which the instrument is signed or a notarially certified copy of that power or authority, is or are deposited, not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, at the registered office of the Company or at such other place in Australia as is specified for that purpose in the notice convening the meeting.



Should the member desire to direct the proxy how to vote, the member should complete the following section by “marking” each desired box in the manner in which he requires the proxy to vote, otherwise the proxy may vote in relation to those resolutions where a box has not been marked as he or she thinks fit or may abstain from voting.

Voting Instructions				
I/We desire to vote on the resolutions as indicated below:				
		For	Against	Abstain
Resolution 1	Adoption of Financial Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-Election of Chiang Wee Tiong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-Election of Grant Anthony Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-Election of Wong Hung Ngok	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Re-Election of Dr Kim Chan Koh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval to Issue Options to Director Chiang Wee Tiong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval to Issue Options to Director Grant Anthony Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Approval to Issue Options to Director Wong Hung Ngok	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Approval to Issue Options to Director Kim Chan Koh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Approval and Adoption of Employee Retention Option Scheme (2014)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(Unless otherwise instructed, the proxy may vote as he/she thinks fit)				
If you do not wish to direct your proxy how to vote, please place a mark in the box. <input type="checkbox"/>				
If you appoint the Chairman of the Meeting as your proxy or he is appointed as your proxy by default, by marking this box you will have directed the Chairman of the Meeting to vote in favour of all resolutions even though the Chairman might have an interest in the outcome of the said resolutions. If you do not mark this box and you have not directed the Chairman how to vote on the resolutions, the Chairman will not cast your votes on a resolution if he has an interest in the outcome of that resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.				



MURCHISON HOLDINGS LIMITED
ACN 004 707 260
("Company")
ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM

This Explanatory Memorandum ("Memorandum") is dated 16 October 2014 and accompanies and forms part of the Company's Notice of Annual General Meeting to be held at Level 5, North Building, 333 Collins Street, Melbourne Victoria Australia 3000 on Friday 28 November 2014 at 3:30 pm (Australian Eastern Daylight Time).

The Notice of Annual General Meeting incorporates, and should be read together with, this Memorandum.

ORDINARY BUSINESS

Item 1: Financial Reports

1. The Company's 2014 Annual Report, which includes the Financial Report, Directors' Report and Auditor's Reports for the financial year ended 30 June 2014, is available on the Company's website at www.murchisongroup.com (under "Murchison Holdings Announcements & Latest News"). A copy has been forwarded to all shareholders who elected to receive it.
2. The Executive Chairman will address the meeting. Shareholders will be given a reasonable opportunity as a whole to ask questions about or make comments on the management of the Company. A representative of the Company's auditors, ShineWing Hall Chadwick, will also attend the meeting and will be available to receive questions relevant to the conduct of the audit, the preparation and content of the Auditor's Reports, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Item 2: Adoption of Remuneration Report

1. Shareholders are asked to adopt the Company's Remuneration Report, which is set out on pages 17 to 23 (both inclusive) of the 2014 Annual Report.
2. Pursuant to section 250R(2) of the Corporations Act 2001, the Annual General Meeting of a listed company must propose a resolution that the Remuneration Report be adopted. Pursuant to section 250R(3) of the Corporations Act 2001,



the vote on the resolution set out at Item 2 is advisory only and does not bind either the Directors or the Company.

3. Pursuant to section 250U and 250Y of the Corporations Act 2001, if at least 25% of the votes cast on the resolution are voted against adoption of the remuneration report at an annual general meeting, then:
 - 3.1 if comments are made on the report at the annual general meeting, the Company's remuneration report for the financial year ending 30 June 2015 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
 - 3.2 if, at the Company's 2015 annual general meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are against its adoption, the Company will be required to put to shareholders at that meeting a resolution proposing that a general meeting ("Spill Meeting") be called to consider the election of directors of the Company ("Spill Resolution"). For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, the Spill Meeting must be held within 90 days of the date of the 2015 annual general meeting. All of the Directors (other than the managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.
4. The Remuneration Report has been unanimously adopted by resolution of the Board. The Directors recommend the Remuneration Report to shareholders for adoption.
5. An opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Item 3 to 6 - Re-Election of Directors

The Constitution of the Company requires an election of directors shall take place each year. No director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his appointment (whichever is the longer) without submitting himself for re-election. A director appointed to fill a casual vacancy or as an addition to the board shall hold office only until the next annual general meeting and shall then be eligible for re-election. In addition, Rule 14.4 and Rule 14.5 of the ASX Listing Rules has like provisions.

Item 3: Re-election of Director Chiang Wee Tiong

1. The resolution at Item 3 relates to the re-election of Mr Chiang Wee Tiong B.Sc (Hons), MBA – Executive Chairman of Murchison Holdings Limited and its subsidiary company Quest Investments Limited since 1991.
2. Mr Chiang is based in Hong Kong and has considerable experience in stock broking, investment banking and asset management gained in Singapore, Hong Kong and the People’s Republic of China (“PRC”). Mr Chiang has acted as an advisor to various governments in South East Asia and Africa.
3. The Directors other than Mr Chiang Wee Tiong recommend that shareholders vote in favour of the resolution at Item 3. Mr Chiang Wee Tiong, because of his interest, makes no recommendation in relation to the resolution at Item 3.

Item 4: Re-Election of Grant Anthony Robertson

1. The resolution at Item 4 relates to the re-election of Mr Grant Anthony Robertson B.Ec, LL.B, CPA – Executive Director of Murchison Holdings Limited and its subsidiary company Quest Investments Limited since 2009. Mr Robertson was a non-executive director of Murchison Holdings Limited and Quest Investments Limited from 1991 to 2008. Mr Robertson is an Executive Director of Quest Securities (Australia) Limited, the holder of an Australian Financial Services Licence and a wholly owned subsidiary of Quest Investments Limited. Mr Robertson has been the Company Secretary of both Murchison Holdings Limited and Quest Investments Limited since 1991.
2. Mr Robertson is based in Melbourne Australia and was a senior commercial partner of Melbourne law firm Abbott Stillman & Wilson from 1983 – 2001 and general counsel of its successor Dibbs Abbott Stillman from 2001 – 2007. Mr Robertson has considerable experience in property development, corporate and taxation matters. Mr Robertson was a director of Melbourne stock broking firm William Noall Limited during the 1990s and an executive director of his family’s property development and investment group.
3. The Directors, other than Mr Grant Anthony Robertson, recommend that shareholders vote in favour of the resolution at Item 4. Mr Grant Anthony Robertson, because of his interest, makes no recommendation in relation to the resolution at Item 4.

Item 5: Re-election of Wong Hung Ngok

1. The resolution at Item 5 relates to the re-election of Wong Hung Ngok MA FAIA as an Executive Director of the Company. Mr Wong is currently the Chief Financial Officer of the entities comprising the Murchison Holdings Limited Group and Quest Investments Limited Group - its subsidiary company group – and company secretary of Quest Marine Resources Limited. Mr Wong is also one of the two (2) responsible officers of Quest Stockbrokers (HK) Limited authorised under the Hong Kong Securities and Futures Ordinance. Mr Wong has held senior management roles with the Group since 1 November 2004. Mr Wong has over 20 years working experience in banking, accounting and auditing including at Hang Seng Bank Limited and Citibank Limited. Mr Wong is a fellow of the Association of International Accountants, associate member of the Hong Kong Securities Institute and holds a Masters Degree in Accounting bestowed by Curtin University Australia.
2. The Directors, other than Wong Hung Ngok, recommend that shareholders vote in favour of the resolution at Item 5. Wong Hung Ngok, because of his interest, makes no recommendation in relation to the resolution at Item 5.

Item 6: Re-election of Dr Kim Chan Koh

1. The resolution at Item 6 relates to the re-election of Dr Kim Chan Koh MBBS, MRCP, MRACP, DIH as a Non-Executive Director. Dr Koh has held the position of non-executive director of Murchison Holdings Limited and Quest Investments Limited since 2001. Dr Koh is a retired medical practitioner specialising in aviation medicine.
2. The Directors, other than Dr Kim Chan Koh, recommend that shareholders vote in favour of the resolution at Item 6. Dr Kim Chan Koh, because of his interest, makes no recommendation in relation to the resolution at Item 6.

SPECIAL BUSINESS**Item 7. Approval of Placement Facility****1. General**

- 1.1 Resolution 7 seeks Shareholder approval for the allotment and issue of up to 3,000,000 shares (“Placement Shares”) each at an issue price of not less than 80% of the average market price for Shares calculated over the last 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the Shares are recorded before the date the prospectus is signed (“Share Placement”).

- 1.2 None of the subscribers under the Share Placement will be related parties or associates of a related party of the Company.
- 1.3 The Directors of the Company believe that Resolution 7 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

2. Listing Rule 7.1

- 2.1 Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.
- 2.2 The effect of Resolution 7 will be to allow the Directors to issue the Placement Shares during the period of 3 months after the Meeting (or a longer period, if allowed by the ASX), without using the Company's 15% annual placement capacity.
- 2.3 Resolution 7 is an ordinary resolution.

3. Specific Information Required by Listing Rule 7.3

- 3.1 Pursuant to and in accordance with Listing Rule 7.3, information is provided in relation to the Share Placement as follows:
 - 3.1.1 The maximum number of Shares to be issued under the Share Placement is 3,000,000.
 - 3.1.2 The Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on the same date.
 - 3.1.3 The issue price of the Placement Shares will be not less than 80% of the average market price for Shares calculated over the last 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the Shares are recorded before the date the prospectus is signed.
 - 3.1.4 The Directors will determine the persons to whom the Placement Shares will be issued but these persons will not be related parties or associates of related parties of the Company. Subject to the aforesaid criteria, it is anticipated that clients of Quest Securities (Australia) Limited, Quest Stockbrokers (HK) Limited and corporate advisory firms with which each of them have dealings with procure the persons to whom the Placement Shares will be issued.



- 3.1.5 The Placement Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares.
- 3.1.6 The Company intends to use the funds raised from the issue of the Placement Shares towards an acquisition of new assets or investments (including expenses associated with such acquisition), expansion of the business activities of its subsidiaries and the continued financial support thereof and/or general working capital.
- 3.1.7 The allotment of the Placement Shares will occur progressively.
- 3.1.8 A voting exclusion statement is included in the Notice.

Item 8. Approval of 10% Placement Facility

1. General

- 1.1 Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting ("10% Placement Facility"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.
- 1.2 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 capitalization of \$300 million or less. The Company is an eligible entity.
- 1.3 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.
- 1.4 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 (refer below for details).
- 1.5 The Company actively continues to seek to acquire new assets and investments and to develop its existing businesses. The Company may use the 10% Placement Facility to acquire new assets or investments and to further develop existing businesses.
- 1.6 The Directors of the Company believe that Resolution 8 is in the best interests of the Company and unanimously recommend that Shareholder vote in favour of the Resolution.

2. Description of Listing Rule 7.1A

2.1 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.

2.2 Equity Securities

2.2.1 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.

2.2.2 The Company, as at the date of the Notice, has on issue one class of Equity Securities namely Shares.

2.3 Formula for calculating 10% Placement Facility

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

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

Where:

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

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

D is 10%

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

2.4 Listing Rule 7.1 and Listing Rule 7.1A

2.4.1 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.

2.4.2 At the date of this Notice, the Company has on issue 21,409,043 Shares and therefore has a capacity to issue:

- (a) 3,211,356 Equity Securities under Listing Rule 7.1; and
- (b) subject to Shareholder approval being obtained under Resolution 8, 2,140,904 Equity Securities under Listing Rule 7.1A.

2.4.3 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 above section headed "Formula for calculating 10% Placement Facility").

2.5 Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weight average price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- 2.5.1 the date on which the price at which the Equity Securities are to be issued is agreed; or
- 2.5.2 if the Equity Securities are not issued within 5 Trading Days of the date in paragraph 2.5.1 above, the date on which the Equity Securities are issued.

2.6 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- 2.6.1 the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- 2.6.2 the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (10% Placement Period).

3. Listing Rule 7.1A

- 3.1 The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.



- 3.2 Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).
4. **Specific information required by Listing Rule 7.3A**
- 4.1 Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:
- 4.1.1 The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.
- 4.1.2 If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:
- (a) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,
which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- 4.2 The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.
- 4.3 The table also shows:
- 4.3.1 two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under

a takeover offer) or future specific placement under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

4.3.2 two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.065 50% decrease in the Issue Price	\$0.13 Issue Price	\$0.26 100% increase in Issue Price
Current Variable "A" 21,409,0431 Shares	10% Voting Dilution	2,140,904 Shares	2,140,904 Shares	2,140,904 Shares
	Funds Raised	\$139,158.76	\$278,317.52	\$556,635.04
50% increase in current Variable "A" 32,113,564 Shares	10% Voting Dilution	3,211,356 Shares	3,211,356 Shares	3,211,356 Shares
	Funds Raised	\$208,738.14	\$417,476.28	\$834,952.56
100% increase in current Variable "A" 42,818,086 Shares	10% Voting Dilution	4,281,808 Shares	4,281,808 Shares	4,281,808 Shares
	Funds Raised	\$278,317.52	\$556,635.04	\$1,113,270.08

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
- (iii) 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%.
- (iv) 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 Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consist only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.13, being the closing price of the Shares on ASX on 30 September 2014.



- 4.3.3 The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- 4.3.4 The Company may seek to issue the Equity Securities for the following purposes:
- (a) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (b) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued development of the businesses conducted by the Company and/or general working capital.
- 4.3.5 The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon the issue of any Equity Securities.
- 4.3.6 The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (a) the methods of raising of the Equity Securities on the control of the Company;
 - (b) the effect of the issue of the Equity Securities on the control of the Company;
 - (c) the financial situation and solvency of the Company; and
 - (d) advice from corporate, financial and broking advisers (if applicable).
- 4.3.7 The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- 4.3.8 Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.



- 4.4 At the 2013 Annual General Meeting of the Company, the Company obtained Shareholder approval under Listing Rule 7.1A.
- 4.5 The Company issued 1,007,665 ordinary fully paid shares during the 12 month period preceding the date hereof representing 4.97% of the total number of Equity Securities on issue at the commencement of that 12 month period.
- 4.6 Details of all issues of Equity Securities by the Company during the 12 month period preceding the date of the meeting are as follows:
- 4.6.1 the number of Equity Securities issued: 1,007,665;
- 4.6.2 the class of Equity Securities issued: Ordinary fully paid shares that ranked equally in all respect from the date of issue with all then existing ordinary fully paid shares;
- 4.6.3 the name of the person to whom the Company issued the Equity Securities were: Zhang He;
- 4.6.4 the price at which the Equity Securities were issued: \$0.11 each
- 4.6.5 the Equity Securities were not issued at a discount to the closing market price on the date of issue;
- 4.6.6 the total cash consideration received was \$110,843.15, all of which has been fully expended on working capital purposes;
- 4.7 A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Resolutions at Items 9 to 12 (both inclusive) - Approval to Issue Options to Directors

- Listing Rule 10.11 requires a company to obtain the approval of shareholders before issuing securities to a related party of the Company. Related party includes a Director of the Company. Passing the resolutions at Items 9 to 12 (both inclusive) will permit the Directors named in the tables below (or their nominees) to acquire options in the Company.
- The resolutions at Item 9, 10, 11 and 12 are proposed to issue the following unlisted options to each of Chiang Wee Tiong, Grant Anthony Robertson, Wong Hung Ngok and Kim Chan Koh:

Name of Director	No. of unlisted Options
Chiang Wee Tiong*	460,000
Grant Anthony Robertson**	430,000
Wong Hung Ngok***	80,000
Kim Chan Koh****	40,000

- **Subject to the re-election of Chiang Wee Tiong as a Director in accordance with the resolution at Item 3.*
 - ***Subject to the re-election of Grant Anthony Robertson in accordance with the resolution at Item 4.*
 - ****Subject to the re-election of Wong Hung Ngok in accordance with the resolution at Item 5.*
 - *****Subject to the re-election of Kim Chan Koh in accordance with the resolution at Item 6.*
3. The terms of the options to be issued to the Directors named above are as follows:
Each of these unlisted options:
- (a) entitles the holder to acquire one ordinary share in the capital of the Company;
 - (b) will have a nil issue price and be issued in lieu of remuneration;
 - (c) has an exercise price of \$0.156;
 - (d) must be exercised within 5 years from date of issue;
 - (e) will be escrowed for 12 months from date of issue;
 - (f) will be issued no later than one month after the date of the Meeting; and
 - (g) will be otherwise issued on the terms set out in **Annexure A** attached to this Memorandum.
4. The total number of shares that may be issued pursuant to the options proposed to be granted under the resolutions at Items 9, 10, 11 and 12 represent about 5% of the shares on issue at the date hereof.
5. The last sale of ordinary shares occurred on 30 September 2014 at a price of \$0.13. Based on a Black-Scholes Option Pricing Model calculation, the indicative value of an option subject to the resolutions at Items 9, 10, 11 and 12 is \$0.015. The assumptions for this calculation are:

Option Exercise Price	\$0.156
Share Price	\$0.13
Expected Life (Months)	5 yrs
Volatility	15%
Risk Free Rate	2.78%
Resultant Option Value	\$0.015



6. ASX Listing Rule 7.1 requires the prior approval of shareholders in general meeting to issue securities if the number of those securities exceeds fifteen percent (15%) of the number of the same class of securities at the commencement of the relevant twelve (12) month period. This rule does not apply in respect of an issue made with the approval of holders of ordinary securities under ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.
7. Also by obtaining shareholder approval, the Company retains the ability to issue further shares or options of up to fifteen percent (15%) of its ordinary shares under Chapter 7 of the ASX Listing Rules to take advantage of opportunities to obtain further funds if required and available in the future.
8. No funds will be raised by the issue of the options the subject of the resolutions at Items 9, 10, 11 and 12. If the options are exercised the funds received will be applied to the working capital requirements of the Company at that time.
9. The issue of options under the resolutions at Items 9 to 12 (both inclusive) is to satisfy a term of engagement between the Company and the directors and are subject to shareholder approval.
10. The exercise price of options subject to these resolutions represents about a 20.0% premium to the Company's ordinary share price at 30 September 2014.
11. Under ASX Listing Rule 10.11 an entity may only agree to issue securities to a related party (including a director) if the agreement to issue the securities is conditional upon holders of ordinary securities approving the issue before the issue is made. Resolutions 9 to 12 (both inclusive) are proposed for the purpose of obtaining that approval.
12. The Directors, other than those subject to the resolutions described above, recommend that shareholders vote in favour of these resolutions. The Directors subject to these resolutions, because of their interest, make no recommendation in relation to these resolutions.

Resolution 13 - Adoption of Employee Retention Option Scheme (2014)

1. The Company seeks shareholder approval to adopt the Employee Retention Option Scheme (2014). The terms of the Employee Retention Option Scheme (2014) are outlined in **Annexure B**.
2. The purpose of the Employee Retention Option Scheme (2014) is to enable the Company to provide Directors and employees with an additional incentive to work to improve the performance of the Company, to attract and retain eligible persons essential for the continued growth and development of the Company, and to



enhance the relationship between the Company and eligible persons for the long term mutual benefit of all parties.

3. The total number of options which may be issued under the Employee Retention Option Scheme (2014) must not exceed 1,010,000 being about 5% of the shares on issue at the date hereof.
4. The last sale of ordinary shares occurred on 30 September 2014 at a price of \$0.13. Based on a Black-Scholes Option Pricing Model calculation, the indicative value of an option subject to Resolution 13 is \$0.015. The assumptions for this calculation are:

Option Exercise Price	\$0.156
Share Price	\$0.13
Expected Life (Months)	5 yrs
Volatility	15%
Risk Free Rate	2.78%
Resultant Option Value	\$0.015

5. As the Employee Retention Option Scheme (2014) is new, no options have been issued under it.
6. Resolution 13 is proposed to obtain approval for the issue of options under the Employee Retention Option Scheme (2014) under ASX Listing Rule 7.2, exception 9.
7. Under ASX Listing Rule 7.1 an entity must not issue, or agree to issue, more than 15% of its capital without the approval of its members. By obtaining shareholder approval under ASX Listing Rule 7.2 exception 9, options may be issued under the Employee Retention Option Scheme (2014), without the need to obtain approval pursuant to ASX Listing Rule 7.1 for a period of 3 years (subject to the provisions of the ASX Listing Rules). By obtaining shareholder approval to the issue of options under the Employee Retention Option Scheme (2014) pursuant to Resolution 13, the Company retains the ability to issue up to 15% of its capital to take advantage of any capital raising opportunities.

NOTE: Unless otherwise specified, all monetary amounts are expressed in Australian dollars.

ANNEXURE A
DIRECTORS' OPTIONS (2014)
TERMS AND CONDITIONS

RESOLUTIONS 9 TO 12 (both inclusive)

1. The Directors' Options (2014) ("the Options") shall expire at 5.00 pm Australian Eastern Standard Time 5 years from date of issue ("the Expiry Date") and may not be transferred unless to one of the following with the prior consent of the Company:
 - 1.1 the holder's spouse, children or other immediate family member;
 - 1.2 a corporation controlled by the holder and/or a person identified at sub-clause 1.1 hereof;
 - 1.3 a charitable institution; or
 - 1.4 a trust established for the benefit of the holder and/or the holder's immediate family.

Transfer of the Options will also be subject to any restrictions (escrow) that may be imposed by the ASX or the Company.

2. Vesting of options shall be subject to such conditions as the directors specify, (if any), at the time of issue.
3. Subject to clause 2 and clause 7 and any restrictions (escrow) that may be imposed by the ASX or the Company in relation to the Options, the Options may be exercised at any time from the date of issue up to and including the Expiry Date and shall be exercisable wholly or in part by executing and forwarding to the Company notice of the exercise of the Options ("an Exercise Form") and payment of the exercise price of 15.6 cents (\$0.156) for each Option.
4. There are no participating rights or entitlements inherent in the Options to participate in new issues of capital that may be offered to shareholders during the currency of the Options. However, subject to clause 2, Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the existing shareholders of the Company made during the currency of the Options and will be granted a period of at least nine (9) business days before books closing date to exercise the Options.



5. In the event of any reorganisation of the capital of the Company (including a reduction or return of capital, or a consolidation or sub-division of ordinary shares), the rights of an option holder will be amended to the extent necessary to comply with the Listing Rules of the ASX applying to a reorganisation of capital at the time of the reorganisation, and these terms and conditions (including the exercise price) shall be deemed amended accordingly. In all other respects the terms and conditions of the Options shall remain unchanged. Other than as provided for above upon a reorganisation of capital, the option holder has no rights to a change in the exercise price of an Option or to a change to the number of shares in respect of which an option can be exercised.

6. Shares allocated and issued pursuant to the exercise of the Options will be allocated and issued not more than fourteen (14) days after the receipt by the Company of a properly executed Exercise Form and the receipt of the exercise monies applicable thereto at the exercise price for each Option.

7. The Options will lapse and automatically be cancelled if before the first date the Options may be exercised under clause 3 above, the director to whom the Options were issued (or to a nominee of whom the Options were issued) if the director:
 - 7.1 is removed, becomes ineligible to act or resigns as a Director of the Company due to misconduct; or
 - 7.2 resigns as a Director of the Company voluntarily.

ANNEXURE B
MURCHISON HOLDINGS LIMITED
EMPLOYEE RETENTION OPTION SCHEME (2014)

1. PURPOSE OF THE PLAN

The Board of Directors of the Company has adopted the Option Scheme described in these Rules for the purpose of:

- 1.1 providing Eligible Persons with an additional incentive to work to improve the performance of the Company and/or any of its Associated Body Corporate(s);
- 1.2 attracting and retaining Eligible Persons essential for the continued growth and development of the Company;
- 1.3 to promote and foster loyalty and support amongst Eligible Persons for the benefit of the Company and/or any of its Associated Body Corporate(s); and
- 1.4 to enhance the relationship between the Company and Eligible Persons for the long term mutual benefit of all parties.

2. COMMENCEMENT

This Option Plan shall commence upon the day it is adopted by the Board, or such later date as the Board may determine.

3. INTERPRETATION

3.1 In these Rules, unless the context otherwise requires:

- 3.1.1 "**Associated Body Corporate**" means a body corporate (whether incorporated in Australia or elsewhere) in which the Company holds a relevant interest (as defined in the Corporations Act and as if the body corporate was incorporated in Australia) of at least 30%;
- 3.1.2 "**Acceptance**" means the endorsement by an Eligible Person of any Option offer successfully executed under this Option Scheme.
- 3.1.3 "**ASX**" means ASX Limited;
- 3.1.4 "**Offer**" means any official invitation to an Eligible Person to acquire, subscribe for or obtain an entitlement or other rights in respect of an Option(s);
- 3.1.5 "**Company**" means Murchison Holdings Limited ACN 004 707 260;
- 3.1.6 "**Board of Directors**" means the Board of Directors of the Company from time to time acting by resolution made in accordance with the Corporations Act and the Constitution of the Company;
- 3.1.7 "**Director**" means a director from time to time of the Company;

- 3.1.8 **"Eligible Person"** means a person who is:
- (a) an employee of; or
 - (b) a director or other officer of; or
 - (c) a consultant to;
- the Company or an Associated Body Corporate.;
- 3.1.9 **"Execute"** means the exercise of any Option(s).
- 3.1.10 **"Listing Rules"** means the Listing Rules from time to time of the ASX or other applicable stock exchange;
- 3.1.11 **"Option(s)"** means an option to acquire an ordinary fully paid share in Murchison Holdings Limited at an exercise price of \$0.156;
- 3.1.12 **"Option offer"** means any offer of any Option(s) under this plan to an Eligible Person;
- 3.1.13 **"Option Scheme"** means the Murchison Holdings Limited Employee Retention Option Scheme (2014) as contained in these Rules;
- 3.1.14 **"Rules"** means these rules as amended from time to time;
- 3.2 In these Rules, unless the context otherwise permits and requires:
- 3.2.1 A reference to "terms of issue" includes proposed terms of issue set out, described or incorporated in an Offer;
 - 3.2.2 the singular shall include the plural and vice versa;
 - 3.2.3 "person" and words importing persons includes bodies corporate; and
 - 3.2.4 a reference to an Act or other legislation includes a reference to that Act or legislation as amended, re-enacted or replaced from time to time, and in the case of an Act includes a reference to any applicable subordinate legislation.

4. NUMBER OF OPTIONS

The total number of Options which may be offered under this Option Scheme shall not exceed 1,010,000.

5. ELIGIBILITY, ENTITLEMENT AND GENERAL TERMS

- 5.1 Subject to the Listing Rules (if and where applicable) and these Rules, the Board of Directors or a sub-committee of the Board shall determine from time to time in its sole discretion the number of Options to be offered to any Eligible Person under this Option Scheme, including the terms and conditions associated with such offer and the expiry date.
- 5.2 Subject to Rule 8.1, Options may be escrowed and/or vest for a period from date of issue, in accordance with their terms of issue as determined by the Board of Directors or a sub-committee of the Board.
- 5.3 The Options shall not be listed for Official Quotation on ASX or other stock exchange.



- 5.4 Options may not be transferred, assigned or otherwise dealt with except in accordance with Rule 10 of these Rules.
- 5.5 The Company is not bound to recognise any transfer or assignment unless made in accordance with Rule 10 of these Rules and then only if a copy of the duly executed instrument of assignment or transfer is lodged with the Company.
- 5.6 Any Option(s) offered hereunder shall not grant any right to any Eligible Person to share in the dividends of the Company.
- 5.7 Options offered under this Option Scheme do not confer upon the Eligible Person a right to receive notices of general meetings (except as may be required by law), nor any right to attend, speak at or vote at general meetings of the Company.
- 5.8 Any Eligible Person who accepts an Option offer agrees to complete, execute and comply with any restriction agreement necessary to satisfy the requirements of the ASX.
- 5.9 The terms of an Option offer or the terms of issue of Options may provide for Option offers to be made, or Options to be issued, to either an Eligible Person or to a nominee of such an Eligible Person, the Company or a representative for the purpose of holding Options or rights to Options, and further may provide for the manner of holding or exercise of Offers as the Board of Directors considers desirable, subject always to Rule 6, ASX Listing Rules and the Corporations Act.
- 5.10 These Rules form part of and are deemed to be incorporated in the terms of any Options offer and the terms upon which Options are issued.

6. AMENDMENT OF THIS OPTION PLAN

This Option Scheme may only be amended in accordance with the Listing Rules of the ASX, with the prior approval by resolution of the shareholders of the Company in general meeting.

7. RIGHTS OF EMPLOYEES

This Option Scheme shall not form part of any contract of employment between the Company and any of its employees and shall not automatically confer directly or indirectly on any employee any rights.

8. EXERCISE PERIOD & LAPSE OF OPTIONS

- 8.1 Any Option(s) offered hereunder shall expire following a period of up to five (5) years from date of issue, as determined by the offer to the Eligible Person, or at such earlier date as may be provided for in these Rules or the terms of issue.
- 8.2 Options not executed shall automatically lapse on the expiry date.

9. CHANGES TO OPTION SCHEME UPON TAKEOVER

- 9.1 This Option Scheme shall prevail in its current format for a minimum period of five (5) years following a change in the effective control of Company and entitlements to Options shall not lapse or be cancelled solely as a result of a change in the effective control of Company.
- 9.2 Without limiting the foregoing, any Option offer made but not accepted prior to a change in the Board of Directors and/or the effective control of the Company shall remain open until the earlier of the date of expiry or lapsing specified in the offer, or five years after the date of the change in the Board of Directors and/or the effective control of the Company. The provisions of Chapter 6 of the Corporations Act are to be applied in the interpretation of this clause.

10. LIMITED TRANSFERABILITY & DEALINGS

- 10.1 Save as otherwise provided in this Rule 10, any Options offered are personal and attach to the Eligible Person and are not transferable or assignable and may only be exercised in accordance with these Rules and the terms upon which the Options are offered and issued. No Option (or any entitlement under or arising from an Option offer) under the Option Scheme shall be capable of being mortgaged, pledged or encumbered in any way whatsoever.
- 10.2 Provided that the prior written consent of the Board of Directors or a sub-committee of the Board is obtained (such consent not to be unreasonably withheld), Rule 10.1 shall not prevent any Option(s) earlier offered to any Eligible Person under this Option Scheme from being accepted and exercised by some other person than the Eligible Person, provided that such other person:
- (a) is the beneficiary of such Option offer or part thereof, by will or by operation of the laws of succession following the Eligible Person's death; or
 - (b) acts as a Curator Bonis on behalf of the Eligible Person upon the incapacity of the Eligible Person.

11. POWERS OF DIRECTORS

This Option Scheme shall ultimately be administered by the Board of Directors, who shall have the power to:

- 11.1 determine procedures from time to time for administration of the Option Scheme consistent with these Rules, including the delegation of the administration of this plan to a duly authorised committee;
- 11.2 subject to Rule 6, ASX Listing Rules and the Corporations Act, amend or modify these Rules;



- 11.3 subject to Rule 6, ASX Listing Rules and the Corporations Act, determine the manner in which offers are made, the terms upon which Options are offered or issued or how Option offers are to be accepted; and
- 11.4 resolve conclusively all questions of fact or interpretation arising in connection with the Option Scheme.

12. TERMINATION AND SUSPENSION OF OPTION PLAN

Subject to Rule 9, the Option Scheme may at any time be suspended or terminated by the Board of Directors. Suspension or termination of the Option Scheme shall not affect entitlements to Options existing at the time of suspension or termination of the Option Scheme (whether or not vested or escrowed) or Option offers which have not expired or lapsed at the time of suspension or termination of the Option Scheme.