



FRONTIER ENERGY LIMITED
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NOTICE OF ANNUAL GENERAL MEETING

For the annual general meeting of the Company to be held at Level 20, 140 St Georges Terrace, Perth WA 6000 on Tuesday, 31 May 2022 at 11:00 am (AWST)

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

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9200 3428

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Frontier Energy Limited (**Company**) will be held at Level 20, 140 St Georges Terrace, Perth WA 6000 on 31 May 2022 at 11:00 am (AWST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 29 May 2022 at 5:00pm (AWST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) will, unless the context requires otherwise, have the meaning given to them in Schedule 1.

AGENDA

1. Financial Statements and Reports

To receive and consider the Annual Report of the Company and its controlled entities for the financial year ended 31 December 2021, which includes the declaration of the Directors, the Financial Report, the Directors' Report and the Auditors Report.

2. Resolution 1 – Adoption of Remuneration Report

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2021 on the terms and conditions in the Explanatory Memorandum."

Note: The vote on Resolution 1 will be an advisory vote of Shareholders only and will not bind the Directors or the Company.

Voting Exclusion Statement

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast:

- (a) by, or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Further, in accordance with section 250BD of the Corporations Act, a vote on Resolution 1 must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution. In exceptional circumstances, the Chair may change his or her voting intention on this Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against this Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

3. Resolution 2 – Re-election of Director – Mr Grant Davey

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

“That, for the purposes Article 7.3 of the Constitution and for all other purposes, Mr Grant Davey, a Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.”

4. Resolution 3 – Appointment of Auditor

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

“That, for the purposes of section 327B(1) of the Corporations Act and for all other purposes, Ernst & Young, having consented to act as the company’s auditor, is appointed as the Company’s auditor on the terms and conditions in the Explanatory Memorandum.”

5. Resolution 4 – Approval of Employee Share Option Plan

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

“That, for the purposes of Listing Rule 7.2 (exception 13), and for all other purposes, the Shareholders of the Company approve the Employee Share Option Plan and the grant of up to

13,534,900 Employee Share Options and the issue of the underlying Shares of such Employee Share Options on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is eligible to participate in the Employee Share Option Plan or an associate of that person or those persons.

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

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

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

6. Resolution 5 – Grant of Options to Mr Mike Young

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

"That, subject to Resolution 4 being passed, pursuant to, and in accordance with, Listing Rule 10.14, chapters 2D and 2E of the Corporations Act and for all other purposes, Shareholders authorise and approve the grant of up to 5,331,000 Options to Mr Mike Young (and/or his nominees) under the Company's Employee Share Option Plan on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Share Option Plan or an associate of that person (or those persons).

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

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

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

7. Resolution 6 – Grant of Options to Mr Chris Bath

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

"That, subject to Resolution 4 being passed, pursuant to, and in accordance with, Listing Rule 10.14, chapters 2D and 2E of the Corporations Act and for all other purposes, Shareholders authorise and approve the grant of up to 1,662,000 Options to Mr Chris Bath (and/or his nominees) under the Company's Employee Share Option Plan on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Share Option Plan or an associate of that person (or those persons).

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

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

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

8. Resolution 7 – Approval of 10% placement capacity

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

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

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

At the date of the Notice, the Company has not approached any particular existing Shareholder to participate in the issue of such Equity Securities. No existing Shareholder's votes will therefore be excluded under this voting exclusion.

By order of the Board

A handwritten signature in blue ink, appearing to read 'CB', with a long horizontal flourish extending to the right.

Chris Bath
Company Secretary
Dated 29 April 2022

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of shareholders in connection with the business to be conducted at the Meeting to be held at Level 20, 140 St Georges Terrace, Perth WA 6000 on 31 May 2022 at 11:00 am (AWST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolution.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolution:

Section 1:	Introduction
Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Adoption of Remuneration Report
Section 5:	Resolution 2 – Re-election of Director – Mr Grant Davey
Section 6:	Resolution 3 – Appointment of Auditor
Section 7:	Resolution 4 – Approval of Employee Share Option Plan
Section 8:	Resolutions 5 and 6 – Grant of options to Mr Mike Young and Mr Chris Bath
Section 9:	Resolution 7 – Approval of 10% placement capacity
Schedule 1:	Definitions

A Proxy Form is located at the end of this Explanatory Memorandum.

1.1 Time and place of Meeting

Notice is given that the Meeting will be held at Level 20, 140 St Georges Terrace, Perth WA 6000 on 31 May 2022 at 11:00 am (AWST).

1.2 Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

1.3 Voting eligibility

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 29 May 2022 at 5:00pm (AWST).

1.4 Defined terms

Capitalised terms in this Notice of Meeting and Explanatory Memorandum are defined either in Schedule 1 or where the relevant term is first used.

1.5 Responsibility

This Notice of Meeting and Explanatory Memorandum have been prepared by the Company under the direction and oversight of its Directors.

1.6 ASX

This Notice of Meeting and Explanatory Memorandum has been lodged with ASX. Neither ASX nor any of its officers take any responsibility for the contents of this document.

1.7 No internet site is part of this document

No internet site is part of this Notice of Meeting and Explanatory Memorandum. The Company maintains an internet site (www.frontierhe.com). Any reference in this document to this internet site is a textual reference only and does not form part of this document.

2. Action to be taken by Shareholders

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

The Company advises that a poll will be conducted for all Resolutions.

2.1 Voting in person

A Shareholder that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please bring the enclosed Proxy Form to the Meeting to assist in registering your attendance and number of votes. Please arrive 20 minutes prior to the start of the Meeting to facilitate this registration process.

2.2 Voting by corporate representative

A shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with section 250D of the *Corporations Act 2001* (Cth). The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed. The appropriate "Appointment of Corporate Representative" form should be completed and produced prior to admission to the Meeting. This form may be obtained from the Company's share registry.

2.3 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;

- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and, if it does:

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

(c) Transfer of non-Chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at a Meeting of the Company's members;
- (ii) the appointed proxy is not the Chair of the Meeting;
- (iii) at the Meeting, a poll is duly demanded on the Resolution; and
- (iv) either the proxy is not recorded as attending the Meeting or the proxy does not vote on the Resolution,

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

2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of the Resolutions unless the Shareholder has expressly indicated a different voting intention.

2.5 Lodgement of proxy documents

To be valid, your Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11:00 am AWST on 29 May 2022. Any Proxy Form received after that time will not be valid for the scheduled meeting. Proxies should be returned as follows:

Online	At https://investor.automic.com.au/#/loginsah
By mail	Automic, GPO BOX 5193, Sydney NSW 2001
By fax	+ 61 2 8583 3040

By email meetings@automicgroup.com.au

In person Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.6 Voting exclusions

Pursuant to the requirements of the Listing Rules, certain voting exclusions apply in relation to certain Resolutions. Please refer to the Notice and to the discussion of the Resolutions below for details of the applicable voting exclusions.

3. Annual Report

In accordance with section 317(1) of the Corporations Act the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the opportunity to:

- (a) Discuss the Annual Report (which is available online at www.frontierhe.com);
- (b) Ask questions or make comments on the management of the Company; and
- (c) Ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) The preparation and the content of the Auditor's Report;
- (b) The conduct of the audit;
- (c) Accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) The independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five Business Days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of 2021 Remuneration Report

4.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the Directors of the company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the Annual Report and is set out in pages 10 to 15 of the Annual Report.

The Chair of the Meeting must allow a reasonable opportunity for its Shareholders to ask questions about or make comments on the Remuneration Report at the annual general meeting.

4.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors of the Company who were in office when the Directors' Report (as included in the Company's Financial Report for the most recent financial year) was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors of the Company is approved will be the Directors of the Company.

4.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for the Meeting.

4.4 Undirected proxies

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

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote your proxy in accordance with the Chair's intention even though Resolution 1 is connected directly or indirectly to the remuneration of Key Management Personnel.

5. Resolution 2 – Re-election of Director – Mr Grant Davey

5.1 General

Article 7.3 of the Constitution requires that at the Company's annual general meeting in every year one third of the Directors rounded down to the nearest whole number must retire.

The Directors to retire at an annual general meeting are those who have held their office as Director the longest period of time since their last election or appointment to that office and if two or more Directors have held office for the same period of time determined by lot unless those Directors agree otherwise.

Under Article 7.3 of the Constitution a Director who retires at an annual general meeting is eligible for re-election.

The clauses of the Constitution concerning retirement of Directors do not apply to the managing director of the Company.

Chris Bath and Dixie Marshall were re-elected at the general meeting of the Company held on 28 January 2022.

Mr Davey, who was re-elected at the annual general meeting on 26 May 2021 accordingly will retire, and being eligible, seeks re-election. Details of Mr Davey's background and experience are provided in section 5.2.

5.2 Background and experience

Mr Davey is a mining engineer with over 30 years of senior management and operational experience in the construction and operation of gold, uranium, base metals, platinum and coal mines in Africa, Australia, North and South America and Russia. More recently, he has been involved in venture capital investments in several exploration and mining projects and he has been instrumental in developing the Panda Hill niobium opportunity, the Honeymoon Uranium Project, as well as the Pick Lake Zinc and Cape Ray Gold Projects.

Mr Davey is currently a Director of Lotus Resources Limited (ASX: LOT), Cradle Resources Limited (ASX: CXX) and TSX-V listed Metallum Resources Inc. and is a member of the Australian Institute of Company Directors.

5.3 Interests in Frontier Energy securities

Mr Davey holds 26,373,244 fully paid ordinary shares and 5,000,000 unquoted options.

5.4 Independence

If elected, the Board considers Mr Davey will not be an independent director.

5.5 Board recommendation

The Board (excluding Mr Grant Davey) supports the re-election of Mr Davey and recommends that Shareholders vote in favour of Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2.

6. Resolution 3 – Appointment of Auditor

6.1 General

The previous auditor of the Company was Hall Chadwick WA Audit Pty Ltd (**Hall Chadwick**). Hall Chadwick resigned as auditor and as required by section 329 of the Corporations Act applied for consent from ASIC for such resignation. This consent was confirmed to the Company in writing by ASIC on 3 March 2022.

Section 327C(1) of the Corporations Act provides that if:

- (a) a vacancy occurs in the office of auditor of a public company; and
- (b) the vacancy is not caused by the removal of an auditor from office; and
- (c) there is no surviving or continuing auditor of the company,

the directors of the company must, within 1 month after the vacancy occurs, appoint an auditor to fill the vacancy unless the company at a general meeting has appointed an auditor to fill the vacancy.

Section 327C(2) of the Corporations Act further provides that any such auditor appointed to fill the vacancy holds office until the company's next annual general meeting. This is consistent with section 327B(1) of the Corporations Act, which provides that a public company must appoint an auditor of the company at its first annual general meeting and thereafter at each subsequent annual general meeting where an auditor is appointed by the company to fill any vacancy in the office of auditor.

Pursuant to section 327C(1) of the Corporations Act, the Directors appointed Ernst & Young to fill the vacancy in the office of auditor.

The Company has received:

- (a) a nomination under section 328B of the Corporations Act from a shareholder for Ernst & Young to be appointed as the Company's auditor, a copy of which is annexed as Annexure A to this Notice; and
- (b) a consent to act as auditor of the Company under section 328A of the Corporations Act, duly executed by Ernst & Young and Mr Pierre Dreyer, a registered company auditor.

The Company, pursuant to this Resolution 3, requests shareholder approval pursuant to section 327B(1) of the Corporations Act to appoint Ernst & Young as the Company's auditor.

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

7. Resolution 4 – Approval of Employee Share Option Plan

7.1 General

The employee incentive scheme operated by the Company entitled the "Employee Share Option Plan" (the **ESOP**) was last approved by Shareholders on 6 February 2018.

The Company wishes to continue to use the ESOP to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link reward of Eligible Participants to Shareholder value creation;
- (c) align interests of Eligible Participants with Shareholders by providing an opportunity to receive Shares;
- (d) provide Eligible Participants with an opportunity to share in any future growth in value of the Company; and
- (e) provide greater incentive for Eligible Participants to focus on the Company's longer term goals.

7.2 Background

Shareholder approval of the ESOP is sought pursuant to Listing Rule 7.2, Exception 13 to adopt of the ESOP and to enable Options and Shares upon exercise of those Options to be issued under the ESOP to directors, employees and contractors. The maximum number of securities that can be issued under Listing Rule 7.1 excludes an issue of securities under an employee incentive scheme if the issue of securities under the scheme has been approved by Shareholders within the 3 years prior to the issue.

A summary of the ESOP to be adopted pursuant to Resolution 4 is set out in Annexure C.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to convert to equity (such as an Option or Performance Right), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, Exception 13 provides an exception to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, Exception 13 is that any issues of securities under the ESOP are treated as having been made with the approval of shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 13 lasts for a period of three years.

If Resolution 4 is passed, the issue of Options (and the Shares issued upon the exercise of those Options) under the ESOP will not be included in the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 4 is not passed, the Company may still issue the Options (and the Shares issued upon the exercise of those Options) under the ESOP but the issue will reduce, to that extent, the Company's 15% placement capacity under Listing Rule 7.1.

7.3 Information required by Listing Rule 7.2

The following information is provided to Shareholders for the purpose of obtaining Shareholder approval for Resolution 4:

- (a) A summary of the terms of the ESOP is contained at Annexure C. A copy of the plan is also attached as Annexure B.
- (b) The number of options granted under the ESOP since it was approved on 6 February 2018 is 8,819,642. (This includes options granted prior to the consolidation of share capital approved by shareholders on 27 March 2020, the number here is adjusted for the effect of the consolidation).
- (c) The maximum number of options proposed to be issued under the ESOP following approval is 13,534,900.
- (d) A voting exclusion statement is included in the Notice for Resolution 4.

7.4 Board recommendation

As the Directors are excluded from voting on this Resolution pursuant to the ASX Listing Rules, the Directors decline to a recommendation to Shareholders on this Resolution.

8. Resolutions 5 and 6 – Grant of Options to Mr Mike Young and Mr Chris Bath

8.1 General

Resolutions 5 and 6 seek Shareholder approval in accordance with Listing Rule 10.14 and section 208 of the Corporations Act for the grant of Options to Messrs Mike Young and Chris Bath, who are Directors, under the ESOP. The Company is proposing to offer the Options under the ESOP as a component of remuneration for all staff and in order to provide incentives linked to performance of the Company.

Conditional upon the approval of the ESOP under Resolution 4, the Board wishes to be able to grant the following Options to Mr Young and Mr Bath:

- (a) Options expiring 31 December 2024, vesting 1 January 2023 subject to performance against Board approved vesting criteria (**Short Term Incentive Options** or **STIs**) – 1,777,000 to Mr Young and 554,000 to Mr Bath;
- (b) Options expiring 31 December 2026, vesting 1 January 2025 subject to performance against Board approved vesting criteria (**Long Term Incentive Options** or **LTIs**) – 3,554,000 to Mr Young and 1,108,000 to Mr Bath.

The Options proposed to be granted to Mr Young and Mr Bath are on the same terms and subject to the same vesting criteria as will apply to other Eligible Participants under the ESOP. Each STI and LTI Option entitles the holder to acquire one ordinary Share at exercise. The exercise price for all STI and LTI Options is nil.

Both the STI Options and LT Options are subject to vesting criteria based on key performance indicators for relevant aspects of the Company's business. The non-executive Directors will determine achievement of the vesting criteria against the following aspects.

- (a) Safety and environmental – zero fatalities, life changing events or major environmental incidents;
- (b) Solar and wind energy project implementation – achieving relevant land acquisition, project development milestones and planning and implementation steps for capacity expansion and energy storage;
- (c) H2 project development – government engagement, feasibility studies and commercial arrangements to support potential related hydrogen projects;
- (d) Corporate – market capitalisation, share register and ESG performance related objectives.

For both STIs and LTIs vesting is conditional upon a market price above \$0.13.

The Board considers that the grant of the STIs and LTIs to Mr Young and Mr Bath is consistent with the purposes of the Company's ESOP and will be proportionate and consistent with the grant of STIs and LTIs to other Eligible Participants to be approved by the Board.

The Board recognises the importance of retaining all key personnel and providing appropriate incentives to deliver the Company's objectives. The grant of Options is viewed as a cost effective and efficient reward and incentive as opposed to alternative forms of incentive such as additional cash compensation.

If Resolutions 5 and 6 are passed, the Company will be able to proceed with the issue of STIs and LTIs to Messrs Young and Bath together with the other Eligible Participants and pursuant to Listing Rule 7.2, exception 14, the Company will not be required to obtain approval under Listing Rule 7.1 and any options granted up to 6,993,000 Options will not be included in the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 5 and 6 are not passed, the Company will not be able to proceed with the issue of options in the form of STIs and LTIs to Messrs Young and Bath and the Company will need to alternative measures to appropriately incentivise their performance.

Resolutions 5 and 6 are ordinary resolutions. The Chair intends to exercise all available proxies in favour of Resolutions 5 and 6.

8.2 Section 208 of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Messrs Young and Bath, Directors, are related parties of the Company for the purposes of section 208 of the Corporations Act. The issue of STIs and LTIs to each of Messrs Young and Bath (and/or their respective nominees) constitutes the giving of a financial benefit for the purposes of section 208 of the Corporations Act and the Board has determined that the Company will seek Shareholder approval for the purposes of section 208 of the Corporations Act.

8.3 Information required by section 219 of the Corporations Act

Information provided for the purposes of obtaining Shareholder approval for Resolutions 5 and 6 is as follows:

- (a) The relevant STIs and LTIs the Board wishes to be able to grant to Mr Young and Mr Bath as follows:

Party	STIs	LTIs	Total
Mike Young	1,777,000	3,554,000	5,331,000

Chris Bath	554,000	1,108,000	1,662,000
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- (b) The options will be granted on the terms and conditions referred to in the plan attached at Annexure B including the form of invitation letter specified in the plan. The same form of invitation letter and terms and conditions applies for all Eligible Participants.
- (c) The Options are being granted in accordance with the Company's ESOP as part of incentivising the employees and consultants engaged by the Company. The number of Options to be granted to all Eligible Participants is proportionate to their remuneration. This was the basis to determine the number of STIs and LTIs to be granted to Mr Young and Mr Bath. The benefit will be received from the STIs and LTIs if the relevant vesting criteria are achieved.
- (d) Each of Mr Young and Mr Bath abstain from making a recommendation on Resolutions 5 and 6 as they believe it inappropriate to make a recommendation.

The value of the relevant STIs and LTIs has been determined at 11 April 2022. A technical valuation of STI Options is not possible on the basis that they are subject only to non-market vesting conditions. On that basis the value of the STI Options is treated as being the share price on the grant date. The Hoadley Trading & Investment Tools ESO5 valuation model has been used to value the LTIs based on a risk free rate of 2.51% and volatility of 100%.

- (e) Assuming all of the Options vest and, for the STIs based on a share price of \$0.24 being the closing price on 24 April 2022:

Director	STI/LTI	Number	Value per option	Total
Mike Young	STI	1,777,000	\$0.24	\$426,480
Mike Young	LTI	3,554,000	\$0.15	\$533,100
Chris Bath	STI	554,000	\$0.24	\$132,960
Chris Bath	LTI	1,108,000	\$0.15	\$166,200

This valuation imputes a total value of \$1,258,740 to the STIs and LTIs to be issued to Messrs Young and Bath (and/or their respective nominees). The value may go up or down after the date of valuation as it will depend on the future price of a Share. Under accounting standard AASB2 on share based payments the Company will recognise an expense in the income statement based on the fair value of the STIs and LTIs to be issued including to each of Messrs Young and Bath (and/or their respective nominees) over the period from the date of issue to the exercise date. The total of the fair value of the STIs and LTIs to be issued to each of Messrs Young and Bath is \$1,258,740 at the date of the Notice.

- (f) Mr Young's and Mr Bath's total remuneration packages are as follows:

Director	Current total remuneration per annum
Mike Young	\$350,000 plus 10% superannuation contribution
Chris Bath	\$120,000

- (g) Mr Young's and Mr Bath's interests in the securities of the Company are as follows:

Director	Shares	Options
Mike Young	1,538,461	4,999,000
Chris Bath	1,923,076	5,000,000

Other than the information detailed in this Notice, the Company believes there is no other information that would reasonably be required by Shareholders to pass Resolutions 5 and 6.

8.4 Listing Rule 10.14

Listing Rule 10.14 provides a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme without shareholder approval:

- 10.14.1 a director of the listed entity;
- 10.14.2 an associate of a person referred to in 10.14.1;
- 10.14.3 a person whose relationship with the company or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders.

The issue of STIs and LTIs to Messrs Young and Bath (and/or their respective nominees) falls within Listing Rule 10.14.1 as Messrs Young and Bath are Directors. It therefore requires the approval of the Shareholders under Listing Rule 10.14.

Resolutions 5 and 6 seek the required Shareholder approval to issue up to 6,993,000 Options in the form of STIs and LTIs to Messrs Young and Bath (and/or their respective nominees) under and for the purposes of Listing Rule 10.14.

8.5 Information required by Listing Rule 10.15

The following information is provided to Shareholders for the purpose of obtaining Shareholder approval for Resolutions 5 and 6:

- (a) the STIs and LTIs to which Resolution 5 and 6 relate would be granted to Mr Mike Young and Mr Chris Bath;
- (b) Mr Young and Mr Bath fall within Listing Rule 10.14.1 as both are Directors;
- (c) The number of STIs and LTIs to be issued is up to the following:

Director	STIs	LTIs	Total
Mike Young	1,777,000	3,554,000	5,331,000
Chris Bath	554,000	1,108,000	1,662,000

Each STI and LTI entitles the holder to acquire one ordinary Share in the Company on payment of the exercise price.

- (d) Mr Young's and Mr Bath's total remuneration packages are as follows:

Director	Current total remuneration per annum
Mike Young	\$350,000 plus 10% superannuation contribution
Chris Bath	\$120,000

- (e) No securities have previously been issued to Mr Young or Mr Bath under the Employee Share Option Plan.
- (f) The options have an exercise price of nil. The options are exercisable in the case of the STIs, after 31 December 2022 and in the case of the LTIs, after 31 December 2024, subject in each case to the Board's determination as to achievement of vesting criteria as set out at 8.1 above in this Explanatory Memorandum. The other terms and conditions are as described in the plan document contained in Annexure B to this Explanatory Memorandum including the form of invitation letter provided there. Options are being proposed as opposed to other types of securities to align with other staff and ensure through vesting conditions that the incentives are contingent on achieving objectives
- (g) The value of the relevant STIs and LTIs has been determined at 11 April 2022. A technical valuation of STI Options is not possible on the basis that they are subject only to non-market vesting conditions. On that basis the value of the STI Options is treated as being the share price on the grant date. The Hoadley Trading & Investment Tools ESO5 valuation model has been used to value the LTIs based on a risk free rate of 2.51% and volatility of 100. Assuming all of the Options vest and, for the STIs based on a share price of \$0.24 being the closing price on 24 April 2022:

Director	STI/LTI	Number	Value per option	Total
Mike Young	STI	1,777,000	\$0.24	\$426,480
Mike Young	LTI	3,554,000	\$0.15	\$533,100
Chris Bath	STI	554,000	\$0.24	\$132,960
Chris Bath	LTI	1,108,000	\$0.15	\$166,200

This valuation imputes a total value of \$1,258,740 to the STIs and LTIs to be issued to each of Messrs Young and Bath (and/or their respective nominees). The value may go up or down after the date of valuation as it will depend on the future price of a Share.

- (h) The Company will issue the Options within 3 years of the date of the Meeting.
- (i) The issue price of the Options is nil.
- (j) A copy of the rules of the ESOP is attached at Annexure B and a summary of the ESOP is attached at Annexure C.
- (k) No loans will be provide to the persons in relation to the acquisition of the Options under the ESOP.
- (l) The Company notes that:
- (i) Details of any securities issued under the ESOP will be published in the annual report of the Company relating to the period in which they were issued, along

with a statement that approval for the issue was obtained under Listing Rule 10.14; and

- (ii) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the ESOP after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

- (m) A voting exclusion statement is included in the Notice for Resolutions 5 and 6.

8.6 Board Recommendation

Mr Young has an interest in Resolution 5 and Mr Bath has an interest in Resolution 6 and they therefore believe it inappropriate to make a recommendation. The other Directors are in favour of the grant of the Options under Resolutions 5 and 6.

9. Resolution 7 – Approval of Additional 10% Placement Capacity

9.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$54,967,560.48 (based on the number of Shares on issue and the closing price of Shares on the ASX on 14 April 2022 and excluding any restricted securities that may be on issue).

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

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

As at the date of this Notice, the Company currently has 1 class of quoted Equity Securities on issue, being fully paid ordinary shares in the capital of the Company (Shares) (ASX Code: FHE).

If Shareholders approve Resolution 7, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2. The Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A. If Shareholders do not approve Resolution 7, the Company will not be able to access the additional 10% capacity to issue Equity Securities

without Shareholder approval under Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

9.2 ASX Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Capacity is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

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

The Company, as at the date of the Notice, has on issue one quoted classes of Equity Securities, being Shares.

(c) Formula for calculating 10% Placement Capacity

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 x D) – E

A is the number of Shares on issue at the commencement of the relevant period:

(A) plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

(B) plus the number of Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

(I) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

(II) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;

(C) plus the number of Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:

(I) the agreement was entered into before the commencement of the relevant period; or

(II) the agreement was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or 7.4

(D) plus the number of any other Shares issued in the relevant period with approval under Listing Rule 7.1 or 7.4;

- (E) plus the number of partly paid ordinary shares that became fully paid in the relevant period;
- (F) less the number of Shares cancelled in the relevant period.

Note that A is 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 Shareholder approval under Listing Rule 7.4.

(d) **Listing Rule 7.1 and 7.1A**

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

At the date of the Notice, the Company has on issue 270,698,169 Shares and therefore has a capacity to issue:

- (i) 40,605 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 7, 27,069,816 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 9.2(c)).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Capacity 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:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the entity's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking)

(the 10% Placement Period).

9.3 Effect of Resolution

The effect of Resolution 7 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.

9.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) 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 on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) 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
 - (ii) 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.
- (c) 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 the Notice.
- (d) The table also shows:
 - (i) 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 placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
 - (ii) 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		
		\$0.12, 50% decrease in Issue Price	\$0.24, Issue Price	\$0.48, 100% increase in Issue Price
Current Variable A 270,698,169 Shares	10% Voting Dilution	27,069,817 Shares		
	Funds raised	\$3,248,378	\$6,496,757	\$12,993,512
50% increase in current Variable A 406,047,254 Shares	10% Voting Dilution	40,604,725 Shares		
	Funds raised	\$4,872,567	\$9,475,134	\$19,490,268
100% increase in current Variable A 541,396,338 Shares	10% Voting Dilution	54,139,633 Shares		
	Funds raised	\$6,496,756	\$12,993,512	\$25,897,024

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
- (ii) No Options (including any Options issued under the 10% Placement Capacity) 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 Capacity, 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 Capacity consists only of Shares.
- (vii) The issue price is \$0.24, being the closing price of the Shares on ASX on 14 April 2022.
- (e) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 7 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)).
- (f) The Company may seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.
- (g) The Company will comply with the disclosure obligations under Listing Rules 3.10.3 and 7.1A(4) upon issue of any Equity Securities.

- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the subscribers of Equity Securities will be determined on a case by case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The subscribers under the 10% Placement Capacity have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.
- (j) In the 12 months preceding the date of the Meeting, the Company has not issued any Equity Securities pursuant to Listing Rule 7.1A.2.
- (k) A voting exclusion statement is included in the Notice for Resolution 7. However, 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.

9.5 Board recommendation

The Directors consider it prudent for the Company to have the opportunity to take advantage of the flexibility to be able to issue additional securities, as provided for under Listing Rule 7.1A. No decision has been made by the Board to undertake any issue of securities if Shareholders approve Resolution 7. The Directors believe that Resolution 7 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 7.

10. Enquiries

Shareholders are requested to contact Frontier Energy's company secretary, Mr Chris Bath on +61 8 9200 3248 if they have any queries in respect of the matters set out in this Notice.

SCHEDULE 1 – DEFINITIONS

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

A\$ means Australian dollars.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 31 December 2021.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Auditor's Report means the auditor's report on the Financial Report.

Board means the current board of directors of the Company.

Business Day means a day which is not a Saturday, Sunday or public holiday in Perth, Western Australia.

Chair means the chair of the Meeting.

Closely Related Party means a party related to Key Management Personnel as:

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

Company means Frontier Energy Limited (ACN 139 522 553).

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

Directors means the current directors of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Eligible Entity has the meaning given in section 9.1.

Eligible Participants has the meaning given in the Employee Share Option Plan.

Equity Security has the meaning given in the ASX Listing Rules.

Explanatory Memorandum means the explanatory statement which forms part of the Notice.

Financial Report means the annual financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

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

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

LTI has the meaning given in Section 8.1.

Notice or **Notice of Meeting** means this notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

Option means an option to acquire a Share in the Company.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution set out in the Notice.

Section means a section of this Explanatory Memorandum.

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

Shareholder means a registered holder of a Share.

STI has the meaning given in Section 8.1.

Proxy Voting Form

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.00am (AWST) on Sunday, 29 May 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking 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 SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Annexure A – Nomination for appointment of auditor

11 April 2022

The Secretary
Frontier Energy Limited
Level 20
140 St Georges Terrace
Perth WA 6000

Dear Mr Bath

For the purposes of Section 328B(1) of the Corporations Act 2001, I, Grant Davey, a director of Davey Holdings (Aus) Pty Ltd, being a member of Frontier Energy Limited, hereby nominate Ernst & Young as auditor of the Frontier Energy Limited at the Annual General Meeting to be held on 31 May 2022.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Grant Davey', with a large, loopy flourish above it.

Grant Davey
Director
Davey Holdings (Aus) Pty Ltd



FRONTIER ENERGY LIMITED
ACN 139 522 553
(Company)

EMPLOYEE SHARE OPTION PLAN

Last approved by Shareholders on 6 February 2018.

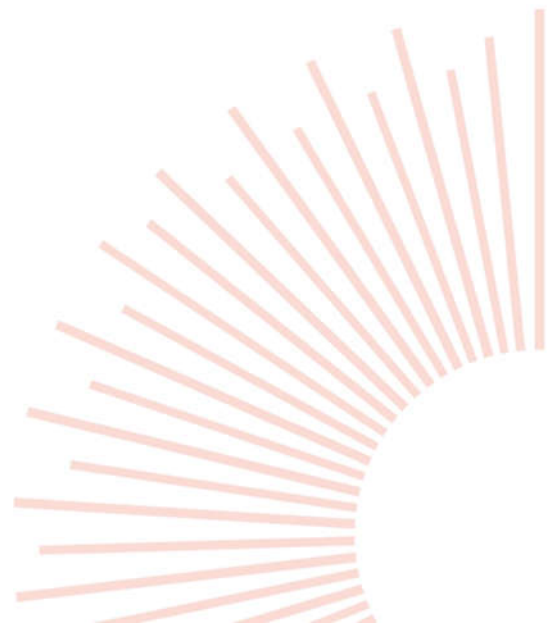


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FRONTIER ENERGY LIMITED EMPLOYEE SHARE OPTION PLAN

The Directors are empowered to operate the Frontier Energy Limited Employee Share Option Plan (**Plan**) on the following terms and in accordance with the ASX Listing Rules (where applicable).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

For the purposes of the Plan, the following words have the following meanings.

Acceptance Form means the Acceptance Form by which an Eligible Participant or Nominee (as applicable) accepts an Offer for Options, in substantially the same form as set out in Schedule 2 or as otherwise approved by the Company from time to time.

ASIC means the Australian Securities and Investments Commission.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the official Listing Rules of the ASX as they apply to the Company from time to time.

Blackout Period means a period when the Participant is prohibited from trading in the Company's securities by the Company's written policies.

Board means the board of Directors of the Company or committee appointed by the Board for the purposes of the Plan.

Business Day means those days other than a Saturday, Sunday or public holiday in Western Australia and any other day which the ASX shall declare and publish is not a business day.

Change of Control means:

- (a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- (b) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or

- (c) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

Class Order means ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order).

Closing Date means the date on which an Offer is stated to close.

Company means Frontier Energy Limited (ACN 139 522 553).

Corporations Act means the *Corporations Act 2001 (Cth)*, as amended from time to time.

Director means any person occupying the position of a director of any Group Company (including an alternate director or managing director appointed in accordance with the relevant constitution).

Eligible Participant means:

- (a) a Director (whether executive or non-executive) of any Group Company;
- (b) a full or part time employee of any Group Company;
- (c) a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
- (d) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under Rules (a), (b) or (c) above,

who is declared by the Board to be eligible to receive grants of Options under the Plan.

Expiry Date means, in respect of an Option, the date that the Option lapses, (if it has not already otherwise lapsed in accordance with the Plan).

Grant Date means, in relation to an Option, the date on which the Option is granted.

Group means the Company and each Associated Body Corporate.

Group Company means the Company or any Associated Body Corporate.

Holding Lock has the meaning given to that term in the ASX Listing Rules.

Marketable Parcel has the meaning given to that term in the ASX Listing Rules.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date, unless otherwise specified in an Offer Document.

Nominee means a nominee of an Eligible Participant that is one of the following:

- (a) an immediate family member of the Eligible Participant or (subject to

Board approval) a trustee of an Eligible Participant's family trust whose beneficiaries are limited to the Eligible Participant and/or the Eligible Participant's immediate family members;

- (b) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the participant; or
- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) where the Eligible Participant is a director of the trustee.

Offer means an offer made to an Eligible Participant to be granted one or more Options under the Plan as set out in an Offer Document.

Offer Document means an offer document in substantially the same form as set out in Schedule 2, or such other form as required by the Board from time to time consistent with the Corporations Act and the Class Order.

Option means an option granted pursuant to these Rules to subscribe for a Share upon and subject to the terms of these Rules and the terms of any applicable Offer.

Option Exercise Price means the exercise price of an Option, as determined in accordance with Rule 4.8.

Participant means an Eligible Participant to whom Options have been granted under the Plan or, if Rule 4.4 applies, a Nominee of the Eligible Participant to whom Options have been granted under the Plan.

Plan means the plan as set out in this document, subject to any amendments or additions made under Rule 14.

Redundancy means termination of the employment, office or engagement of a Relevant Person due to economic, technological, structural or other organisational change:

- (a) the Group no longer requires the duties and responsibilities carried out by the Relevant Person to be carried out by anyone; or
- (b) the Group no longer requires the position held by the Relevant Person to be held by anyone.

Relevant Person means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a Nominee of an Eligible Participant, that Eligible Participant.

Restriction Period means the period during which a Share issued on the exercise of an Option cannot be transferred or otherwise dealt with in accordance with Rule 9.1.

Restricted Shares means Shares issued on the exercise of an Option granted under the Plan that the Board has determined are subject to a Restriction Period.

Retirement means where a Relevant Person intends to permanently cease all gainful employment in circumstances where the Relevant Person provides, in good faith, a written statutory declaration to the Board to that effect.

Rules means the rules of the Plan set out in this document.

Severe Financial Hardship means the Relevant Person is unable to provide themselves, their family or other dependents with basic necessities such as food, accommodation and clothing, including as a result of family tragedy, financial misfortune, serious illness, impacts of natural disaster and other serious or difficult circumstances.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Special Circumstances means:

- (a) a Relevant Person ceasing to be an Eligible Participant due to:
 - (i) death or Total or Permanent Disability of a Relevant Person; or
 - (ii) Retirement or Redundancy of a Relevant Person;
- (b) a Relevant Person suffering Severe Financial Hardship;
- (c) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
- (d) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

Takeover Bid means a takeover bid (as defined in the Corporations Act).

Total and Permanent Disability means that the Relevant Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Relevant Person unlikely ever to engage in any occupation with the Company or its Associated Bodies Corporate for which he or she is reasonably qualified by education, training or experience.

Vesting Condition means, in respect of an Option, any condition set out in the Offer which must be satisfied (unless waived by the Board in accordance with this Plan) before that Option can be exercised or any other restriction on exercise of that Option specified in the Offer or in these Rules.

Voting Power has the meaning given to that term in Section 9 of the Corporations Act.

1.2 Interpretation

In this Plan unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this Plan;

- (b) any reference in the Plan to any enactment of the ASX Listing Rules includes a reference to that enactment or those ASX Listing Rules as from time to time amended, consolidated, re-enacted or replaced;
- (c) the singular includes the plural and vice versa;
- (d) any words denoting one gender include the other gender;
- (e) where any word or phrase is given a definite meaning in this Plan, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a document includes all amendments or supplements to that document;
 - (iii) a Rule is a reference to a Rule of this Plan;
 - (iv) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (v) an agreement other than this Plan includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (vi) a monetary amount is in Australian dollars; and
- (g) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.

2. PURPOSE

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to performance and the creation of Shareholder value;
- (c) align the interests of Eligible Participants more closely with the interests of Shareholders by providing an opportunity for Eligible Participants to receive Shares;
- (d) provide Eligible Participants with the opportunity to share in any future growth in value of the Company; and
- (e) provide greater incentive for Eligible Participants to focus on the Company's longer term goals.

3. COMMENCEMENT AND TERM

- (a) This Plan will commence on the date determined by resolution of the Board and will continue until terminated by the Board.
- (b) The Board may terminate the Plan at any time by resolution. Termination shall not affect the rights or obligations of a Participant or the Company which have arisen under the Plan before the date of termination and the provisions of the Plan relating to a Participant's Options shall survive termination of the Plan until fully satisfied and discharged.

4. OFFERS OF OPTIONS

4.1 Offer

- (a) The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an Offer) to apply for Options, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).
- (b) In exercising that discretion, the Board may have regard to the following (without limitation):
 - (i) the Eligible Participant's length of service with the Group;
 - (ii) the contribution made by the Eligible Participant to the Group;
 - (iii) the potential contribution of the Eligible Participant to the Group; or
 - (iv) any other matter the Board considers relevant.
- (c) For the avoidance of doubt, nothing in this document obliges the Company at any time to make an Offer, or further Offer, to any Eligible Participant.

4.2 Offer Document

An Offer must be made using an Offer Document.

4.3 Personal Offer

Subject to Rule 4.4, an Offer is personal and is not assignable.

4.4 Nominee

- (a) Upon receipt of an Offer, an Eligible Participant may, by notice in writing to the Board, nominate a Nominee in whose favour the Eligible Participant wishes to renounce the Offer.
- (b) The Board may, in its discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision.

4.5 Minimum Contents of Offer Document

An Offer Document must advise the Eligible Participant of the following minimum information regarding the Options:

- (a) the maximum number of Options that the Eligible Participant may apply for, or the formula for determining the number of Options that may be applied for;
- (b) the maximum number of Shares that the Participant is entitled to be issued on the exercise of each Options or the formula for determining the maximum number of Shares;
- (c) any applicable Vesting Conditions;
- (d) any Restriction Period the Board has resolved to apply to Shares issued on exercise of the Options;
- (e) when unvested Options will expire (**Expiry Date**);
- (f) the date by which an Offer must be accepted (**Closing Date**); and
- (g) any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Options or the Shares to be issued on the exercise of the Options.

4.6 Number of Options

- (a) Subject to Rule 4.13, the number of Options to be offered to an Eligible Participant from time to time will be determined by the Board in its discretion and in accordance with applicable law and the ASX Listing Rules.
- (b) Each Option will entitle the holder to subscribe for and be allotted one Share.

4.7 Consideration for grant of Options

Unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.

4.8 Option Exercise Price

- (a) Subject to Rule 4.8(b), in respect of any Offer, the Board may determine the Option Exercise Price (if any) for an Option offered under that Offer in its absolute discretion.
- (b) To the extent the ASX Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than any minimum price specified in the ASX Listing Rules.

4.9 Vesting Conditions

An Option may be made subject to Vesting Conditions as determined by the Board in its discretion and as specified in the Offer for the Option.

4.10 Share Restriction Period

A Share issued on exercise of an Option may be subject to a Restriction Period as determined by the Board in accordance with Rule 9 of this Plan.

4.11 Deferred Taxation

Subdivision 83A-C of the *Income Tax Assessment Act 1997* applies to the Plan except to the extent an Offer provides otherwise.

4.12 Quotation of Options

Options will not be quoted on the ASX, except to the extent provided for by this Plan or unless the Offer provides otherwise.

4.13 Limit on Offers

The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

5. ACCEPTANCE OF OFFER

5.1 Acceptance of Offer

An Eligible Participant (or permitted Nominee) may accept an Offer in whole or in part, by signing and returning an Acceptance Form to the Company no later than the Closing Date.

5.2 Board's right to reject

- (a) The Board may accept or reject any Acceptance Form in its absolute discretion.
- (b) Before accepting or rejecting the Acceptance Form, the Board may require the applicant to provide any information that the Board requests concerning the person's entitlement to lodge an Acceptance Form under this Plan.
- (c) The Board must promptly notify an applicant if an Acceptance Form has been rejected, in whole or in part.

5.3 Participant Agrees to be Bound

- (a) An Eligible Participant, by submitting an Acceptance Form, agrees to be bound by the terms and conditions of the Offer and the Acceptance Form, the Plan and the Constitution of the Company, as amended from time to time.
- (b) If the Board resolves to allow a renunciation of an Offer in favour of a Nominee, the Eligible Participant will procure that the permitted Nominee accepts the Offer made to that Eligible Participant and that both the Eligible Participant and the Nominee agree to be bound by the terms and conditions of the Offer and Acceptance Form, the Plan and the Constitution of the Company, as amended from time to time.

5.4 Lapse of Offer

To the extent an Offer is not accepted in accordance with Rule 5.1, the Offer will lapse on the date following the Closing Date, unless the Board determines otherwise.

6. GRANT OF OPTIONS

6.1 Grant of Options

- (a) Subject to Rule 6.2, once the Board has received and accepted a duly signed and completed Acceptance Form for Options, the Company must, provided the Eligible Participant to whom the Offer was made remains an Eligible Participant, promptly grant Options to the applicant, upon the terms set out in the Offer, the Acceptance Form and the Plan and upon such additional terms and conditions as the Board determines.
- (b) The Company will, within a reasonable period after the Grant Date of the Options, issue the applicant with a certificate evidencing the grant of the Options.

6.2 Approvals

The Company's obligation to grant Options is conditional on:

- (a) the grant of the Options complying with all applicable legislation and the ASX Listing Rules; and
- (b) all necessary approvals required under any applicable legislation and the ASX Listing Rules being obtained prior to the grant of the Options.

6.3 Restrictions on Transfers, Dealings and Hedging

- (a) Subject to the ASX Listing Rules, an Option granted under the Plan is only transferable, assignable or able to be otherwise disposed or encumbered:
 - (i) in Special Circumstances with the consent of the Board (which may be withheld in its absolute discretion); or
 - (ii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (b) A Participant must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Option.
- (c) Where the Participant purports to transfer, assign, mortgage, charge or otherwise dispose or encumber an Option, other than in accordance with Rule 6.3(a), or hedge an Option contrary to Rule 6.3(b), the Option immediately lapses.

7. VESTING AND EXERCISE OF OPTIONS

7.1 Vesting Conditions

- (a) Subject to Rules 7.2 and 7.3, an Option granted under the Plan will not vest and be exercisable unless the Vesting Conditions (if any) attaching to that Option have been satisfied and the Board has notified the Participant of that fact.

- (b) The Board must notify a Participant in writing within 10 Business Days of becoming aware that any Vesting Condition attaching to an Option has been satisfied.

7.2 Vesting Condition Exceptions

Notwithstanding Rule 7.1, the Board may in its absolute discretion, by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Options due to:

- (a) Special Circumstances arising in relation to a Relevant Person in respect of those Options;
- (b) a Change of Control occurring;
- (c) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company,

in which case Rule 7.3 applies.

7.3 Exercise on Vesting

A Participant (or their personal legal representative where applicable) may, subject to the terms of any Offer, exercise any vested Option at any time after the Board notifies that the Option has vested and before it lapses by providing the Company with:

- (a) the certificate for the Options or, if the certificate for the Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
- (b) a notice in the form of Schedule 3 addressed to the Company and signed by the Participant stating that the Participant exercises the Options and specifying the number of Options which are exercised; and
- (c) payment to the Company in cleared funds of an amount equal to the Option Exercise Price multiplied by the number of Options which are being exercised, unless there is no exercise price payable in respect of the Options to be exercised.

7.4 One or Several Parcels

Options may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Options in any parcel is not less than a Marketable Parcel.

7.5 Cashless Exercise of Options

- (a) An Offer Document may specify that at the time of exercise of the Options subject of the Offer Document, the Participant may elect not to be required to provide payment of the Option Exercise Price for the number of Options specified in a notice of exercise but that on exercise of those Options the Company will transfer or allot to the Participant that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise

Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

- (b) If the difference between the Option Exercise Price otherwise payable on the Options being exercised and the Market Value of Shares at the time of exercise is zero or negative, then a Participant will not be entitled to exercise Option in manner set out in clause 7.5(a).

8. ISSUE OF SHARES

8.1 Issue of Shares

If the items specified in Rule 7.3 are delivered in accordance with that Rule, the Company will, subject to the Corporations Act, the ASX Listing Rules, this Plan and any applicable Offer:

- (a) within 10 Business Days of delivery of the documents referred to in Rule 7.3 issue to the Participant the Shares credited as being fully paid in respect of which the Options are exercised, together with any additional Shares an entitlement to which has arisen under Rule 12 in consequence of the exercise of the Options; and
- (b) cancel the certificate delivered pursuant to Rule 7.3 and, if any Options which have not lapsed remain unexercised, deliver to the Participant a replacement certificate reflecting the number of those Options which remain unexercised.

8.2 Blackout Period, Takeover Restrictions and Insider Trading

If the issue of Shares on exercise of an Option would otherwise fall within a Blackout Period, or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue of the Shares until 10 Business Days following the expiration, as applicable, of the Blackout Period or the day on which the insider trading or takeover provisions no longer prevent the issue of the Shares.

8.3 Withholding

If a Participant is liable for tax, duties or other amounts on the vesting or exercise of their Options, and the Company is liable to make a payment to the appropriate authorities on account of that liability, unless the Participant and the Company agree otherwise, the Company must issue and sell such number of Shares which would otherwise be issued and allocated to the Participant so that the net proceeds of sale equal the payment the Company is required to pay to the appropriate authorities.

8.4 Rights attaching to Shares

A Participant will, from and including the issue date of Shares under this Plan, be the legal owner of the Shares issued in respect of them and will be entitled to dividends and to exercise voting rights attached to the Shares.

8.5 Share ranking

All Shares issued under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

8.6 Quotation on ASX

- (a) If Shares of the same class as those issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within the later of 10 Business Days after:
 - (i) the date the Shares are issued; and
 - (ii) the date any Restriction Period that applies to the Shares ends.
- (b) The Company will not apply for quotation of any Options on the ASX.

8.7 Sale of Shares

- (a) Subject to Rule 9 (Restriction on Dealing in Shares), there will be no transfer restrictions on Shares issued under the Plan unless the sale, transfer or disposal by the Participant of the Shares issued to them on exercise of the Options (or any interest in them) would require the preparation of a disclosure document (as that term is defined in the Corporations Act).
- (b) If a disclosure document is required, the Participant agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Shares in a manner that would require a disclosure document to be prepared.
- (c) The Company will issue, where required to enable Shares issued on exercise of Options to be freely tradeable on the ASX (subject to any Restriction Period), a cleansing statement under Section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will lodge a prospectus in relation to the Shares with ASIC which complies with the requirements of the Corporations Act and allows the Shares to be freely tradeable on the ASX (subject to any Restriction Period).

9. RESTRICTION ON DEALING IN SHARES

9.1 Restriction Period

Subject to clause 9.4, the Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Options (**Restricted Shares**), up to a maximum of seven (7) years from the Grant Date of the Options (**Restriction Period**).

9.2 Waiver of Restriction Period

Subject to clause 9.4, the Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period determined pursuant to Rule 9.1.

9.3 No disposal of Restricted Shares

A Participant must not dispose of or otherwise deal with any Shares issued to them under the Plan while they are Restricted Shares.

9.4 ASX Imposed Escrow

The Company must impose a Restriction Period on Shares to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules.

9.5 Enforcement of Restriction Period

- (a) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Restricted Shares for as long as those Shares are Restricted Shares.
- (b) The Participant agrees to:
 - (i) execute an ASX restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan;
 - (ii) the Company lodging the share certificates for Restricted Shares (where issuer sponsored) with a bank or recognised trustee to hold until the expiry of any Restriction Period applying to the Restricted Shares or until the Restricted Shares are otherwise released from restrictions (at which time the Company shall arrange for the share certificates to be provided to the Participant); and
 - (iii) the application of a Holding Lock over Restricted Shares until any Restriction Period applying to the Restricted Shares under the Plan has expired (at which time the Company shall arrange for the Holding Lock to be removed).

9.6 Lapse of Restriction Period

When a Share ceases to be a Restricted Share, all restrictions on disposing of or otherwise dealing or purporting to deal with that Share provided in or under these Rules will cease.

10. LAPSE OF OPTIONS

10.1 Lapsing of Option

Unless otherwise determined by the Board, an Option will lapse upon the earlier to occur of:

- (a) an unauthorised dealing in, or hedging of, the Option occurring, as governed by Rule 6.3(c);
- (b) a Vesting Condition in relation to the Option is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition and vest the Option under Rule 7.2 (Vesting Condition Exceptions) or clause 10.1(c)(ii) applies;
- (c) in respect of unvested Options only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
 - (i) exercises its discretion to vest the Option under Rule 7.2 (Vesting Condition Exceptions); or

- (ii) in its absolute discretion, resolves to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iii) in respect of vested Options only, a Relevant Person ceases to be an Eligible Participant and the Option granted in respect of that Relevant Person is not exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant;
- (d) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under Rule 10.2 (Fraud and Related Matters);
- (e) the Company undergoes a Change of Control or a winding up resolution or order is made, and the Option does not vest in accordance with Rule 7.2 (Vesting Condition Exceptions); and
- (f) the Expiry Date of the Option.

10.2 Fraud and Related Matters

Notwithstanding any other provision of this document, where a Relevant Person:

- (a) in the opinion of the Board, acts fraudulently or dishonestly, is grossly negligent, demonstrates serious and wilful misconduct, or causes a material adverse effect on the reputation of the Company;
- (b) has his or her employment or office terminated due to serious or wilful misconduct or otherwise for cause without notice; or
- (c) becomes ineligible to hold his or her office due to Part 2D.6 of the Corporations Act,

the Board may, by written notice to the Participant, deem any unvested, or vested but unexercised, Options of the Participant to have lapsed or require the Participant to do all such things necessary to cancel any Shares issued on exercise of the Participant's Options.

11. EXCHANGE DUE TO CHANGE OF CONTROL

If a company (**Acquiring Company**) obtains control of the Company as a result of a Change of Control and both the Company and the Acquiring Company agree, a Participant may, in respect of any vested Options that are exercised, be provided with shares of the Acquiring Company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Options.

12. PARTICIPATION RIGHTS AND REORGANISATIONS

12.1 Participation Rights

- (a) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

- (b) An Option does not confer the right to a change in Exercise Price or in the number of underlying Shares over which the Option can be exercised.
- (c) The Company will ensure that, for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (d) A Participant who is not a Shareholder is not entitled to:
 - (i) notice of, or to vote or attend at, a meeting of the Shareholders of the Company; or
 - (ii) receive any dividends declared by the Company,
 unless and until any Option is exercised and the Participant holds Shares that provide the right to notice and dividends.

12.2 Adjustments for Reorganisation

If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Options will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

12.3 Notice of Adjustments

Whenever the number of Shares to be issued on exercise of an Option or the Option Exercise Price is adjusted pursuant to these Rules, the Company will give notice of the adjustment to the Participant and ASX together with calculations on which the adjustment is based.

12.4 Cumulative Adjustments

Effect will be given to Rule 12.3 in such manner that the effect of the successive applications of them is cumulative, with the intention being that the adjustments they progressively effect will reflect previous adjustments.

13. OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE

Notwithstanding the Rules or the terms of any Option, no Option may be offered, granted or exercised and no Share may be issued under the Plan if to do so:

- (a) would contravene the Corporations Act, the ASX Listing Rules or any other applicable law; or
- (b) would contravene the local laws or customs of an Eligible Participant's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

14. AMENDMENTS

14.1 Power to amend Plan

Subject to Rule 14.2, the Corporations Act and the ASX Listing Rules:

- (a) the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, an Offer or the terms or conditions of any Options granted under the Plan; and
- (b) any amendment may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

14.2 Adjustment to Option Terms

No adjustment or variation of the terms of an Option will be made without the consent of the Participant who holds the relevant Option if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Options), other than an adjustment or variation introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) to enable a member of the Group to comply with the Corporations Act, the ASX Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or
- (d) to take into consideration possible adverse taxation implications in respect of the Plan, including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation.

14.3 Notice of amendment

As soon as reasonably practicable after making any amendment under Rule 14, the Board will give notice in writing of that amendment to any Participant affected by the amendment.

15. TRUST

- (a) The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Options, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust.
- (b) The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust.
- (c) The Board may at any time amend all or any of the provisions of this Plan to effect the establishment of a trust and the appointment of a trustee as detailed in this Rule.

16. MISCELLANEOUS

16.1 Rights and obligations of Participant

- (a) The rights and obligations of an Eligible Participant under the terms of their office, employment or contract with a Group Company are not affected by their participating in the Plan. This Plan will not form part of, and are not incorporated into, any contract of any Eligible Participant (whether or not they are an employee of a Group Company).
- (b) No Participant will have any rights to compensation or damages in consequence of:
 - (i) the termination, for any reason, of the office, employment or other contract with a Group Company of the Participant (or, where the Participant is a Nominee of the Eligible Participant, that Eligible Participant) where those rights arise, or may arise, as a result of the Participant ceasing to have rights under the Plan as a result of such termination; or
 - (ii) the lapsing of Options in accordance with this Plan.
- (c) Nothing in this Plan, participation in the Plan or the terms of any Option:
 - (i) affects the rights of any Group Company to terminate the employment, engagement or office of an Eligible Participant or a Participant (as the case may be);
 - (ii) affects the rights and obligations of any Eligible Participant or Participant under the terms of their employment, engagement or office with any Group Company;
 - (iii) confers any legal or equitable right on an Eligible Participant or a Participant whatsoever to take action against any Group Company in respect of their employment, engagement or office;
 - (iv) confers on an Eligible Participant or a Participant any rights to compensation or damages in consequence of the termination of their employment, engagement or office by any Group Company for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or
 - (v) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Participant or Participant.
- (d) If a Vesting Condition attached to an Option requires a Participant to remain an employee of a Group Company, then the Participant will be treated as having ceased to be an employee of a Group Company at such time the Participant's employer ceases to be a Group Company.
- (e) A Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the exercise of an Option under the Plan will be treated for those purposes as not having ceased to be such an employee.

16.2 Power of the Board

- (a) The Plan is administered by the Board which has power to:
 - (i) determine appropriate procedures for administration of the Plan consistent with this Plan; and
 - (ii) delegate to any one or more persons, for such period and on such conditions as it may determine, the exercise of any of its powers or discretions arising under the Plan.
- (b) Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion to act, or refrain from acting, under or in connection with the Plan or any Options under the Plan and in the exercise of any power or discretion under the Plan.

16.3 Dispute or disagreement

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Options granted under it, the decision of the Board is final and binding.

16.4 ASIC relief

- (a) Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan.
- (b) To the extent that any covenant or other provision deemed by this Rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

16.5 Non-residents of Australia

- (a) The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which rights offered under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the rights. Any additional rule must conform to the basic principles an Option of the Plan.
- (b) When is granted under the Plan to a person who is not a resident of Australia the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any securities, exchange control or taxation laws or regulation or similar factors which may apply to the Participant or to any Group Company in relation to the Option.

16.6 Communication

- (a) Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post or facsimile:

- (i) in the case of a company, to its registered office;
 - (ii) in the case of an individual, to the individual's last notified address; or
 - (iii) where a Participant is a Director or employee of a Group Company, either to the Participant's last known address or to the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office of employment.
- (b) Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile, it is deemed to have been received on completion of transmission. Where a notice is given by electronic transmission, the notice is taken to have been received at the time the electronic transmission is sent.

16.7 Attorney

Each Participant:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an attorney), severally, as the Participant's attorney to complete and execute any documents, including applications for Shares and Share transfers, and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of this Plan;
- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;
- (c) releases each Group Company and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule; and
- (d) indemnifies and holds harmless each Group Company and the attorney in respect thereof.

16.8 Costs and Expenses

The Company will pay all expenses, costs and charges in relation to the establishment, implementation and administration of the Plan, including all costs incurred in or associated with the issue or purchase of Shares for the purposes of the Plan.

16.9 Adverse Tax

Where a Participant may suffer an adverse taxation consequence as a direct result of participating in the Plan that was not apparent to the Participant or the Company at the time the Participant was issued Plan Shares under the Plan, the Board may, in its absolute discretion, agree to compensate the Participant in whole or in part.

16.10 Data protection

By lodging an Acceptance Form, each Participant consents to the holding and processing of personal data provided by the Participant to any Group Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participants' records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;
- (c) providing information to future purchasers of the Company or the business in which the Participant works; and
- (d) transferring information about the Participant to a country or territory outside Australia.

16.11 Error in Allocation

If any Options are provided under this Plan in error or by mistake to a person (**Mistaken Recipient**) who is not the intended recipient, the Mistaken Recipient shall have no right or interest, and shall be taken never to have had any right or interest, in those Options and those Options will immediately lapse.

16.12 No fiduciary capacity

The Board may exercise any power or discretion conferred on it by this Plan in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

16.13 ASX Listing Rules

While the Company remains admitted to the ASX, the provisions of the ASX Listing Rules of the ASX will apply to the Plan, and to the extent that the Plan and the ASX Listing Rules are inconsistent, the provisions of the ASX Listing Rules will prevail.

16.14 Enforcement

This Plan, any determination of the Board made pursuant to this Plan, and the terms of any Options granted under the Plan, will be deemed to form a contract between the Company and the Participant.

16.15 Laws governing Plan

- (a) This Plan, and any Options issued under it, are governed by the laws of Western Australia and the Commonwealth of Australia.
- (b) The Company and the Participants submit to the non-exclusive jurisdiction of the courts of Western Australia.

SCHEDULE 1 – EMPLOYEE SHARE OPTION PLAN – OFFER DOCUMENT

[Full Name]

Dear [Name]

FRONTIER ENERGY LIMITED – EMPLOYEE SHARE OPTION PLAN

The board of directors of Frontier Energy Limited (ACN 139 522 553) (**Company**) is pleased to make an offer to you of Options under its Employee Share Option (**Plan**) on the terms of this offer letter (**Offer**). Terms used in this Offer have the same meaning as used in the Plan.

The Company is pleased to advise you of the following:

- (a) this Offer is subject to the terms and conditions of the Plan, a copy of which is attached to this Offer;
- (b) subject to the following, the Company is willing to offer you the following Options, with the following Option Exercise Price and Expiry Date, and subject to the following Vesting Conditions:
 - 10 million Options with an Exercise Price of \$0.03 each and an Expiry Date 3 years after issue
- (c) the grant of the Options is subject to the terms of the Plan, including the Company obtaining any necessary Shareholder approvals and you remaining an Eligible Participant at the time the Options are to be granted and (subject to a number of exceptions), exercised and converted into Shares;
- (d) the Options under the Plan will be granted to you for nil cash consideration;
- (e) this Offer remains open for acceptance by you until 5pm WST on 22 February 2018 (**Closing Date**) at which time the Offer will close and lapse;
- (f) you may apply for the Options by filling out Acceptance Form below and returning to the Company Secretary before the Closing Date;
- (g) you may apply for the Options to be registered in your name, or in a Nominee's name. Examples of acceptable Nominees are set out in the Plan. Please discuss this with the Company Secretary if you have any queries;
- (h) unless the Plan provides otherwise, the Shares to which you are entitled on exercise of the Options will be issued to you as soon as practicable after the exercise date;
- (i) at the time of exercise of the Options, you may elect not to provide payment of the Exercise Price but that on exercise of the Options the Company will transfer or allot to you that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable as set out in the Plan;
- (j) Options are only transferrable in special circumstances as set out in the Plan;
- (k) the Company will apply for the Shares to be quoted on the ASX in accordance with the ASX Listing Rules within 10 Business Days of the later of the date the Shares are issued and the date any Restriction Period that applies to the Shares ends. The

Shares may be subject to restrictions on disposal in accordance with the Plan in which case the Company will impose a Holding Lock with the Company's share registry and the Shares will not be able to be traded until the Holding Lock is lifted by the Company;

- (l) the Company will issue, where required to enable Shares issued on exercise of Options to be freely tradeable on the ASX (subject to any Restriction Period), a cleansing statement under Section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will have a prospectus available in relation to the Shares which complies with the requirements of the Corporations Act;
- (m) the Company undertakes that, during the period commencing on the date of this Offer and expiring on the Closing Date, it will, within a reasonable period of you so requesting, make available to you the current market price of the underlying Shares to which the Options relate;
- (n) the current market price of the underlying Shares to which the Options relate can be found on the Company's ASX website at www.asx.com.au; and
- (o) Subdivision 83A-C of the *Income Tax Assessment Act 1997*, which enables tax deferral on Options, will not apply (subject to the conditions in that Act) to Options granted to you under this Offer.

You should be aware that the business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company, including Options offered under the Plan, and Shares issued on exercise of the Options.

Any advice given by the Company in relation to the Options, or underlying Shares offered under the Plan, does not take into account your objectives, financial situation and needs (including financial or taxation issues).

This Offer and all other documents provided to you at the time of this Offer contain general advice only and you should consider obtaining your own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice. You are advised to seek independent professional advice regarding the Australian tax consequences of the grant of Options and the acquiring and disposing of any Shares that are issued on exercise of Options under the Plan according to your own particular circumstances.

Please confirm your (or your Nominee's) acceptance of the Offer set out in this letter by completing the Acceptance Form below and returning it to the Company **by no later than [Insert Date]**.

Encl.

SCHEDULE 2 – EMPLOYEE SHARE OPTION PLAN ACCEPTANCE FORM

Frontier Energy Limited (ACN 139 522 553) (**Company**) has invited you (or your Nominee), by an offer contained in Schedule 1 (**Offer**), to apply for the grant under its Employee Share Option Plan (**Plan**) of certain Options.

The person below hereby applies for the Option under the terms of the Offer, this Acceptance Form and the Plan.

Full Name:			
Address:			
Ph:		Email:	

Tax file number(s) or exemption: _____

CHESS HIN (where applicable): _____

In applying for the grant of Option under the Offer, the person below acknowledges and agrees:

- (a) to be entered on the register of Option holders of the Company as the holder of the Option applied for, and any Shares issued on the exercise of the Option;
- (b) to be bound by the terms of the Constitution of the Company;
- (c) to be bound by the terms and conditions of the Plan;
- (d) to be bound by the terms and conditions of the Offer;
- (e) a copy of the full terms of the Plan has been provided to it;
- (f) that, by completing this Acceptance Form, it agrees to appoint the Company Secretary as its attorney to complete and execute any documents and do all acts on its behalf which may be convenient or necessary for the purpose of giving effect to the provisions of the Plan (if applicable);
- (g) that any tax liability arising from the Company accepting its application for Option under the Plan or the issue of Shares on exercise of the Option is its responsibility and not that of the Company; and
- (h) to the extent required by the terms of the Plan and the ASX Listing Rules, to enter into any necessary restriction agreement in relation to any Shares provided on the exercise of the Option and to the placing of a Holding Lock on those Shares.

EXECUTED by **[Name]**)
[ACN])
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Name of director

SCHEDULE 3 – NOTICE OF EXERCISE OF OPTIONS

To: The Directors
Frontier Energy Limited

I/ We _____ of _____
_____ being registered holder(s) of the options to acquire fully
paid ordinary shares in the Company set out on the certificate annexed to this notice,
hereby exercise _____ of the abovementioned options. I/We enclose my/our
cheque for \$ _____ in payment of the option exercise price due in respect of
those options calculated on the basis of \$ _____ per option.

I/ We authorise and direct the Company to register me/us as the holder(s) of the shares to
be allotted to me/us and I/we agree to accept such shares subject to the provisions of the
Constitution of the Company.

Dated:

Signature of Holder(s)

Note:

1. Each holder must sign.
2. An application by a company must be executed in accordance with section 127 of the *Corporations Act 2001* (Cth) and if signing for a company as a sole director/secretary – ensure “sole director” and “sole secretary” is written beside the signature.
3. Cheques should be made payable to **[insert]**.

Annexure C – Summary of the terms of the Employee Share Option Plan

The following is a summary of the key terms and conditions of the Plan to be adopted by the Company.

- (a) **(Eligibility and Grant of Plan Options):** The Board may grant options to acquire Shares under the Plan (ESOP Options) to any full or part time employee or director of the Company or subject to, and in accordance with, any necessary ASIC relief being obtained, a casual employee or contractor of the Company (Eligible Participant). Options may be granted by the Board at any time.
- (b) **(No Consideration):** Unless the ESOP Options are quoted on ASX, ESOP Options will be issued for nil cash consideration.
- (c) **(Conversion):** Each ESOP Option is exercisable into one Share ranking equally in all respect with the existing issued Shares.
- (d) **(Exercise Price and Expiry Date):** The exercise price and expiry date for ESOP Options granted under the Plan will be determined by the Board prior to the grant of the ESOP Options.
- (e) **(Exercise Restrictions):** The ESOP Options granted under the Plan may be subject to conditions on exercise as may be fixed by the Board prior to grant of the ESOP Options (Exercise Conditions). Any Exercise Condition imposed by the Board must be set out in the offer for the ESOP Options.
- (f) **(Cashless Exercise):** An offer may specify that at the time of exercise of the ESOP Options, the Eligible Participant may elect not to be required to provide payment of the exercise price for the number of ESOP Options specified in a notice of exercise, but that on exercise of those ESOP Options the Company will transfer or issue to the Eligible Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those ESOP Options. Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an offer.
- (g) **(Renounceability):** Eligible Participants may renounce their offer in favour of a nominee (the Eligible Participants and their nominees are each Participants).
- (h) **(Lapsing of ESOP Options):** Unless the Board determines otherwise, subject to the terms of the offer made to a Participant, an unexercised ESOP Option will lapse:
 - (i) on the Eligible Participant ceasing to be an Eligible Participant: (A) any Exercise Conditions have not been met by the date the relevant person ceases to be an Eligible Participant (Ceasing Date); or (B) where any Exercise Conditions have been met by the Ceasing Date or the ESOP Option is not subject to any Exercise Conditions, the Participant does not exercise the ESOP Option within a period of 6 months after the Ceasing Date (or a further date as determined by the Board after the Ceasing Date);
 - (ii) if any Exercise Condition is unable to be met; or 1838276_3_ISH - Notice of Meeting (Acquisition of Superior) (21_12_17) KC 37
 - (iii) the expiry date has passed.
- (i) **(Share Restriction Period):** Shares issued on the exercise of ESOP Options may, at the discretion of the Board, be subject to a restriction that they may not be transferred or otherwise dealt with until a restriction period has expired, as specified in the offer for the ESOP Options.
- (j) **(Disposal of Options):** ESOP Options will not be transferable and will not be quoted on the ASX, unless the offer provides otherwise or the Board in its absolute discretion approves.

- (k) **(Trigger Events):** The Company may permit ESOP Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
- (l) **(Participation):** There are no participating rights or entitlements inherent in the ESOP Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders of the Company during the currency of the ESOP Options.
- (m) **(Change in exercise price):** An ESOP Option will not confer a right to a change in exercise price or a change in the number of underlying Shares over which the ESOP Option can be exercised.
- (n) **(Reorganisation):** If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) **(Limitations on Offers):** The Company must have reasonable grounds to believe, when making an offer under the Plan that the number of Shares to be received on exercise of an ESOP Options, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme covered by an ASIC Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.