



# Notice of Annual General Meeting 2018

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**Time:** 11.00am (AWST)

**Date:** Friday, 23 November 2018

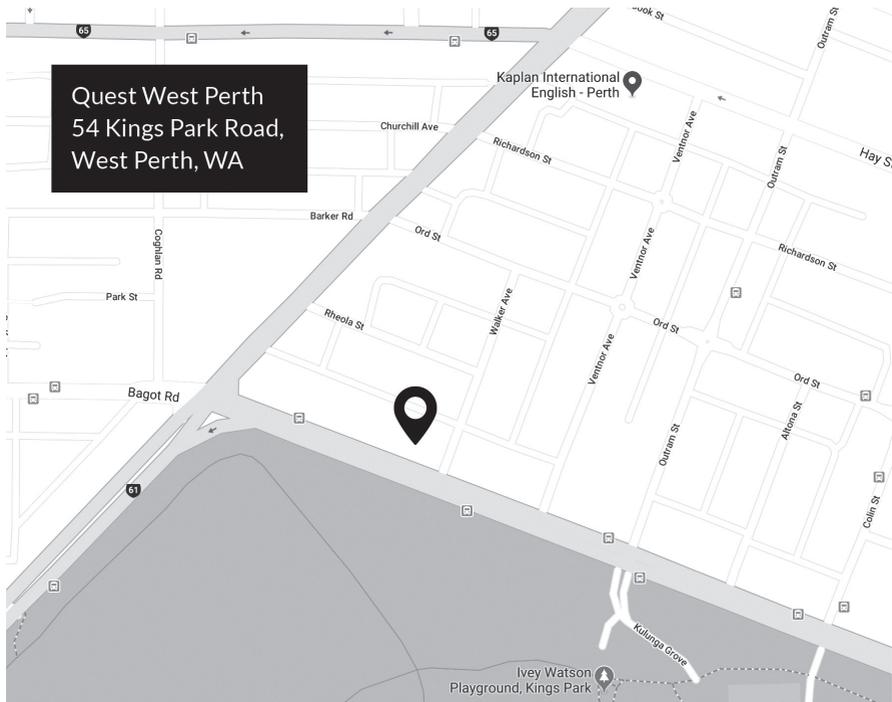
**Place:** Quest West Perth  
54 Kings Park Road  
West Perth, WA

**This is an important document. Please read it carefully and in its entirety. If you do not understand it or are in doubt as to how you should vote, you should consult your professional advisers.**

If you are unable to attend the Annual General Meeting, please complete the enclosed Proxy Form and return it in accordance with the instructions set out on that form.

The Annual Report is available for viewing at [baseresources.com.au](http://baseresources.com.au)

Base Resources Limited (**Company**) gives notice that its Annual General Meeting of members will be held on Friday, 23 November 2018 at 11.00am (AWST) (**Annual General Meeting or Meeting**) at:



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

Terms and abbreviations used in this Notice (including in the Explanatory Memorandum and the Proxy Form) are defined in **Schedule 1** (or elsewhere in the body of this Notice).

## Items of business

### Accounts and Reports

To receive and consider the financial report of the Company, the Directors' report and the auditor's report for the year ended 30 June 2018.

#### Item 1 – Adoption of the remuneration report

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

*“That the Remuneration Report, which forms part of the Directors' report for the financial year ended 30 June 2018, be adopted.”*

*Note: In accordance with section 250R(3) of the Corporations Act, the vote on Item 1 is advisory only and does not bind the Directors or the Company. A voting prohibition statement for Item 1 is set out below.*

#### Item 2 – Re-election of Mr Keith Spence as a director

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

*“That Mr Keith Spence, who retires in accordance with rule 3.6 of the Company's constitution, be re-elected as a Director of the Company.”*

#### Item 3 – Election of Ms Diane Radley as a director

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

*“That Ms Diane Radley, who retires in accordance with rule 3.3 of the Company's constitution, be elected as a Director of the Company.”*

#### Item 4 – Approval of the grant of performance rights to Mr Tim Carstens

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, members approve the grant of 2,806,452 Performance Rights by the Company to Mr Tim Carstens and the acquisition of Shares by Mr Carstens upon the vesting and exercise of any such Performance Rights, in accordance with the Base Resources Long Term Incentive Plan and otherwise in accordance with the terms and conditions summarised in the Explanatory Memorandum accompanying this Notice.”*

*Note: A voting prohibition statement and voting exclusion statement for Item 4 are set out below.*

## **Item 5 – Approval of the grant of performance rights to Mr Colin Bwye**

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, members approve the grant of 2,806,452 Performance Rights by the Company to Mr Colin Bwye and the acquisition of Shares by Mr Bwye upon the vesting and exercise of any such Performance Rights, in accordance with the Base Resources Long Term Incentive Plan and otherwise in accordance with the terms and conditions summarised in the Explanatory Memorandum accompanying this Notice.”*

*Note: A voting prohibition statement and voting exclusion statement for Item 5 are set out below.*

## **Item 6 – Approval of the revised Base Resources Long Term Incentive Plan**

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9), section 260C(4) of the Corporations Act and for all other purposes, members approve the Base Resources Long Term Incentive Plan and the issue of Performance Rights and Shares, pursuant to the vesting and exercise of those Performance Rights, under the Base Resources Long Term Incentive Plan, the terms and conditions of which are summarised in the Explanatory Memorandum accompanying this Notice.”*

*Note: A voting prohibition statement and voting exclusion statement for Item 6 are set out below.*

## **Other business**

To consider any other business brought forward in accordance with the Company's constitution or the law.

## Chairman's voting intention

The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies in **favour** of all Items.

## Voting prohibitions and exclusions

See the Notes to the Explanatory Memorandum for further details regarding voting prohibitions and exclusions applicable to key management personnel, as well as relevant considerations when appointing the Chairman or key management personnel as your proxy.

**Item 1:** The Company will disregard any votes cast (in any capacity) on Item 1 by or on behalf of a member of the Company's key management personnel named in the remuneration report or any of their closely related parties (such as close family members and any controlled companies), unless the vote is cast:

- by a person as proxy for a person entitled to vote on Item 1 in accordance with a direction on the proxy appointment; or
- by the Chairman of the Meeting as proxy for a person entitled to vote on Item 1 and the proxy appointment expressly authorises the Chairman of the Meeting to exercise the proxy even though the resolution is connected directly or indirectly with remuneration of a member of the Company's key management personnel.

**Items 4, 5 and 6:** The Company will disregard any votes cast:

- in favour of Items 4, 5 or 6 by, or on behalf of, Mr Tim Carstens and Mr Colin Bwye (being the only Directors eligible to participate in the Base Resources Long Term Incentive Plan) or their respective associates; or
- on Items 4, 5 or 6 by a member of key management personnel of the Company's consolidated group or their closely related parties acting as a proxy,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the proxy appointment, or by the Chairman of the Meeting as proxy for a person entitled to vote and the proxy appointment expressly authorises the Chairman of the Meeting to vote undirected proxies as the Chairman sees fit and exercise the proxy even though the resolution is connected directly or indirectly with remuneration of a member of key management personnel.

Dated 19 October 2018, by order of the Board.



**Chadwick Poletti**

Company Secretary

# Explanatory Memorandum

This Explanatory Memorandum has been prepared to provide members with information about the items of business to be considered at the Annual General Meeting.

This Explanatory Memorandum is important and should be read carefully, in its entirety, by all members.

## **Accounts and Reports**

The annual financial report, Directors' report and auditor's report for the Company for the year ended 30 June 2018 will be laid before the Annual General Meeting.

There is no requirement for members to approve these reports. However, the Chairman will allow a reasonable opportunity for members to ask questions or make comments about those reports and the management of the Company. Members will also be given a reasonable opportunity to ask the Company's 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 Annual General Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about the:

- preparation and content of the auditor's report;
- conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the date of the Annual General Meeting to the Company Secretary (that is, by 5.00pm (AWST) on 16 November 2018).

## **Item 1 – Adoption of the Remuneration report**

### **Overview**

Pursuant to the *Corporations Act*, the Directors have included a Remuneration Report in their Directors' report for the year ended 30 June 2018. Section 250R(2) of the *Corporations Act* requires that the Remuneration Report be put to the vote at the Annual General Meeting.

The Remuneration Report that forms part of the Directors' report for the year ended 30 June 2018 is set out in the Company's 2018 Annual Report. Members can view the Annual Report on the Company's website: [baseresources.com.au](http://baseresources.com.au) and on ASX's website: [asx.com.au](http://asx.com.au).

Section 250R(3) of the *Corporations Act* provides that the vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. Of itself, a failure of members to vote in favour of Item 1 will not require the Directors to alter any of the arrangements contemplated by the Remuneration Report, but the Board will take the outcome of the vote very seriously when considering the Company's future remuneration policy. However, the *Corporations Act* requires that, if a company's remuneration report receives an "against" vote of 25% or more at two consecutive annual general meetings, a resolution must be put at the later of the two annual general meetings that another meeting be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of that resolution must stand for re-election. In summary, members will be entitled to vote on whether a general meeting to re-elect the Board should be held if the Remuneration Report receives "two strikes".

By way of summary, the Remuneration Report:

- explains the Company's remuneration policy and the process for determining the remuneration of the Directors and executive officers;
- addresses the relationship between the Company's remuneration policy and the Company's performance; and
- sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2018.

The Company's Remuneration Report did not receive an "against" vote of 25% or more at the Company's previous annual general meeting held on 22 November 2017.

There will be a reasonable opportunity for members to comment on and ask questions about the Remuneration Report at the Annual General Meeting.

If you choose to appoint a proxy for the Meeting, you are encouraged to direct your proxy how to vote on Item 1 by marking either "For", "Against" or "Abstain" on the Proxy Form.

### **No Directors' recommendation on Item 1**

Because Item 1 deals with remuneration of the Company's key management personnel, and in light of the provisions in the *Corporations Act* relating to voting by key management personnel and their closely related parties on such remuneration related resolutions, the Directors do not make a recommendation to members about how to vote on Item 1.

## **Item 2 – Re-election of Mr Keith Spence as a Director**

Mr Keith Spence was appointed as a Director by the Board on 20 February 2015 and was subsequently appointed as Chairman on 19 May 2015. Mr Spence was then elected as a Director at the Company's 2015 annual general meeting. In accordance with rule 3.6 of the Company's constitution, Mr Spence automatically retires by rotation at the Annual General Meeting and, being eligible, offers himself for re-election.

Mr Spence has over 40 years of experience in the oil & gas industry with Shell and Woodside. He retired from Woodside in 2008 after 14 years in senior executive roles including Chief Operating Officer and Acting Chief Executive Officer. Upon his retirement, he took up several board positions, including Clough Limited, where he served as chairman from 2010 to 2013, Geodynamics Limited, where he served as a non-executive director from 2008 to 2016 (including as chairman from 2010 to 2016) and Oil Search Limited, where he served as a non-executive director from 2012 to 2017.

Mr Spence is Chairman of the Remuneration & Nomination Committee, is a member of the Risk Committee and is a member of the Audit Committee.

If re-elected, Mr Spence will continue to qualify as an independent director in accordance with the definition of independence adopted in the Company's Board Charter. Further details of Mr Spence's qualifications and experience can be found in the Company's 2018 Annual Report.

### **Directors' recommendation on Item 2**

Consistent with the recommendation of the Remuneration & Nomination Committee whose role it is to consider a Director's suitability for re-election, the Directors, other than Mr Spence whose re-election is the subject of Item 2, are of the view that the Board has greatly benefited and will continue to benefit from the skills, knowledge, experience and stewardship that Mr Spence brings to the Company and recommend the re-election of Mr Spence as a Director.

### **Item 3 – Election of Ms Diane Radley as a Director**

Ms Diane Radley was appointed as a Director by the Board on 1 February 2018. In accordance with rule 3.3 of the Company’s constitution, Ms Radley automatically retires at the Annual General Meeting and, being eligible, offers herself for election.

Ms Radley has over 25 years’ experience in senior leadership roles across multiple industries, most recently in financial services and investments. She served as Chief Financial Officer at Allied Electronics Corporation (JSE), Group Finance Director at Old Mutual South Africa, and Chief Executive Officer of Old Mutual Investment Group. Prior to this, Ms Radley advised on a variety of transactions, listings and due diligences for large corporate acquirers and private equity funds in her role as Partner-in-charge of Transaction Services at PricewaterhouseCoopers in South Africa. Ms Radley is currently a non-executive director of Murray & Roberts Holdings Ltd (JSE), Transaction Capital Ltd (JSE) and a trustee of the DG Murray Trust.

Ms Radley is a member of the Risk Committee and is a member of the Audit Committee.

If elected, Ms Radley will continue to qualify as an independent director in accordance with the definition of independence adopted in the Company’s Board Charter. Further details of Ms Radley’s qualifications and experience can be found in the Company’s 2018 Annual Report.

#### **Directors’ recommendation on Item 3**

Consistent with the recommendation of the Remuneration & Nomination Committee whose role it is to consider a Director’s suitability for election, the Directors, other than Ms Radley whose election is the subject of Item 3, are of the view that the Board has benefited and will continue to benefit from the skills, knowledge and experience that Ms Radley has brought to the Company since her appointment in February 2018 and recommend the election of Ms Radley as a Director.

## Items 4 and 5 – Approval of grant of performance rights to Mr Tim Carstens and Mr Colin Bwye under the Base Resources Long Term Incentive Plan

Member approval is sought for the grant of:

- a. 2,806,452 Performance Rights to Mr Carstens (and the acquisition of Shares by Mr Carstens upon the vesting and exercise of any such Performance Rights) (the subject of Item 4); and
- b. 2,806,452 Performance Rights to Mr Bwye (and the acquisition of Shares by Mr Bwye upon the vesting and exercise of any such Performance Rights) (the subject of Item 5),

under the Base Resources Long Term Incentive Plan, which, following a recent review, was updated and approved by the Company's Board on 24 August 2018. The approval is sought for the purposes of ASX Listing Rule 10.14 and for all other purposes. References to "**the Plan**" in this Explanatory Memorandum are to the Base Resources Long Term Incentive Plan as approved by the Company's Board on 24 August 2018, which, for the avoidance of doubt, incorporates all updates since it was first approved at the Company's 2012 annual general meeting.

The Plan is designed to attract executives and maintain a stable leadership team and explicitly align the interests of the Company's leadership team with that of members. The Plan primarily seeks to grant eligible employees the opportunity to share in the growth and value of the Company's business over the longer term by giving these employees an opportunity to be allocated Shares in the future, depending on the Company's corporate performance.

Generally, the Plan operates on the basis of a series of cycles (**Plan Cycle**). Each Plan Cycle commences annually on 1 October and consists of a three-year period (**Performance Period**), after which the Performance Rights will vest subject to their terms of issue (including achievement of specified Performance Criteria).

The Plan was first approved by members at the Company's 2012 annual general meeting and was subsequently re-approved, in an updated form, by members at the 2015 annual general meeting. The Plan, as updated since it was last approved at the 2015 annual general meeting, is the subject of shareholder consideration in Item 6, and will apply to future issues of Performance Rights under the Plan, including issues relating to the 2018 Plan Cycle.

The Performance Rights proposed to be granted to Mr Carstens (the subject of Item 4) and Mr Bwye (the subject of Item 5) are in respect of the 2018 Plan Cycle commencing on 1 October 2018 and will be issued in accordance with the terms of the Plan and as otherwise specified in this Explanatory Memorandum. A summary of the terms and conditions of the

Plan is set out in Schedule 2 of this Explanatory Memorandum. The Plan is, in all material respects, the same as the plan approved by members at the Company's 2015 annual general meeting. The terms of the Performance Rights proposed to be granted to Mr Carstens (the subject of Item 4) and Mr Bwye (the subject of Item 5) are consistent with the terms of issue of Performance Rights offered to other eligible employees of the Company under the 2018 Plan Cycle. The specific Performance Criteria (as defined below) that will apply to the Performance Rights to be granted to Mr Carstens and Mr Bwye are described below.

### **Performance Rights and applicable Performance Criteria**

A Performance Right as provided for by the Plan, is a right to be allocated a Share upon exercise and payment of the applicable exercise price (if any), subject to meeting any specified performance criteria and performance hurdles (**Performance Criteria**).

The Performance Rights that are proposed to be granted to Mr Carstens and Mr Bwye and which are the subject of Items 4 and 5 will have a nil exercise price and an expiry date of 30 September 2026. The Board further determined that the Performance Criteria described below will apply to grants of Performance Rights to Mr Carstens and Mr Bwye:

- a. 50% of the Performance Rights will be subject to a total shareholder return (**TSR**) hurdle, which ranks the TSR performance of the Company against a comparative group of companies (**Relative TSR Performance Rights**); and
- b. 50% of the Performance Rights will be subject to achievement of the Company's specific internal TSR targets over the three-year Performance Period (**Absolute TSR Performance Rights**).

Broadly, TSR is the return to shareholders over a period calculated by reference to capital value growth and dividends and distributions on the relevant shares.

Testing of the Performance Criteria will be conducted as at the last day of the Performance Period. To the extent that the Performance Criteria are not satisfied over the Performance Period, the Performance Rights are automatically forfeited.

## Relative TSR Performance Rights

The TSR of the Company will be compared to the TSR of each member of a selected comparative group of companies (**TSR Comparator Group**) for the purposes of determining the rank of the Company within that comparator group. The percentage TSR is converted to a percentile ranking, which is used to determine the proportion of the Relative TSR Performance Rights that will vest:

<b>TSR of the Company relative to TSRs of TSR Comparator Group</b>	<b>% of Relative TSR Performance Rights that vest</b>
Less than 40th percentile	Nil
40th percentile	25% (Threshold performance)
Between 40th and 50th percentile	Pro-rata between 25% and 50% vesting
50th percentile	50% (Target performance)
Between 50th and 75th percentile	Pro-rata between 50% and 100% vesting
75th percentile and above	100% (Stretch performance)

Notwithstanding the above, the Board has absolute discretion to determine that no Relative TSR Performance Rights vest if the Company's TSR is negative (despite the Company's relative placing within the TSR Comparator Group).

## Absolute TSR Performance Rights

The proportion of Absolute TSR Performance Rights which vest will be determined on the basis of the following scale:

<b>The Company's 3-year TSR</b>	<b>% of Absolute TSR Performance Rights that vest</b>
Less than 40.5%	Nil
40.5% (12% compound annual growth rate)	25% (Threshold performance)
Between 40.5% and 56%	Pro rata between 25% and 50%
56% (16% compound annual growth rate)	50% (Target performance)
>56% and <73%	Pro rata between 50% and 100%
73% or greater (20% compound annual growth rate or more)	100%

Further details of the Performance Rights can also be found in the Company's 2018 Annual Report.

## **Reasons member approval is being sought**

### **ASX Listing Rules**

Specific approvals for Mr Carstens' and Mr Bwye's respective grants under the plan are required in accordance with the ASX Listing Rules, which provide that the Company must not, without member approval, issue securities under an employee incentive scheme to a director or an associate of a director.

For the purposes of ASX Listing Rule 10.14 and for all other purposes, member approval is being sought so that Mr Carstens and Mr Bwye can be granted Performance Rights under the Plan and that Shares can be allocated (by way of newly issued Shares or the acquisition of existing Shares on-market) upon vesting of those Performance Rights, and subsequent exercise, in accordance with the Plan.

Approval under ASX Listing Rule 10.14 is an exception to the prohibition on a Company issuing shares to related parties without member approval under ASX Listing Rule 10.11, and is an exception to the Company's 15% placement capacity in ASX Listing Rule 7.1. If approval is given under ASX Listing Rule 10.14, further approval under ASX Listing Rule 7.1 is not required.

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

Chapter 2E of the *Corporations Act* also regulates the provision of "financial benefits" to "related parties" by a public company. For the purposes of Chapter 2E, Mr Carstens and Mr Bwye, being Directors, are "related parties" of the Company and the grant of Performance Rights pursuant to the Plan will constitute the giving of "financial benefits".

The Board (other than Mr Carstens and Mr Bwye, because of their interest in Items 4 and 5, respectively) considers that the grant of Performance Rights to Mr Carstens and Mr Bwye is an appropriate and reasonable component of their respective remuneration, and that the financial benefit represented by the grant of the Performance Rights falls within the "reasonable remuneration" exception in section 211 of the *Corporations Act*. For this reason, it is not necessary to seek specific member approval of Items 4 and 5 for the purposes of Chapter 2E of the *Corporations Act*.

### Specific information required by ASX Listing Rule 10.15

In accordance with ASX Listing Rule 10.15, the following information is provided in relation to Items 4 and 5.

- a. Mr Carstens and Mr Bwye are Directors.
- b. The maximum number of securities to be issued by the Company is:
  - i. **(Item 4)** 2,806,452 Performance Rights which, subject to vesting and subsequent exercise, will result in the allocation to Mr Carstens of 2,806,452 Shares; and
  - ii. **(Item 5)** 2,806,452 Performance Rights which, subject to vesting and subsequent exercise, will result in the allocation to Mr Bwye of 2,806,452 Shares.
- c. The Performance Rights will be granted to Mr Carstens and Mr Bwye for nil cash consideration and Mr Carstens and Mr Bwye will not be required to pay any amount on vesting, or any subsequent exercise following vesting, of the Performance Rights.
- d. The Performance Rights will be issued in accordance with the terms of the Plan (a summary of which is set out in Schedule 2 of this Notice). The key terms of the Performance Rights (including applicable Performance Criteria) are also summarised above.
- e. Since 13 November 2015 (the date the Plan was last approved by members):
  - i. Mr Carstens has been issued 10,803,429 Performance Rights under the Plan. These grants were approved by members at the Company's 2015, 2016 and 2017 annual general meetings and the Performance Rights were issued for nil cash consideration. Of these Performance Rights, 3,838,623 remain on foot and subject to vesting in accordance with their terms of issue (which will be tested as at the end of their 3 year Performance Period, being 30 September 2019 and 30 September 2020, respectively). 6,964,806 Shares were issued upon the full vesting of the Performance Rights issued pursuant to the 2015 Plan Cycle and which were tested as at 30 September 2018.

- ii. Mr Bwye has been issued 10,803,429 Performance Rights under the Plan. These grants were approved by members at the Company's 2015, 2016 and 2017 annual general meetings and the Performance Rights were issued for nil cash consideration. Of these Performance Rights, 3,838,623 remain on foot and subject to vesting in accordance with their terms of issue (which will be tested as at the end of their 3 year Performance Period, being 30 September 2019 and 30 September 2020, respectively). 6,964,806 Shares were issued upon the full vesting of the Performance Rights issued pursuant to the 2015 Plan Cycle and which were tested as at 30 September 2018.
- iii. No other person of the kind referred to in ASX Listing Rule 10.14 has been issued securities under the Plan since it was last approved by members at the Company's 2015 annual general meeting.
- f. Mr Carstens and Mr Bwye are the only persons of the kind referred to in ASX Listing Rule 10.14 who are entitled to participate in the Plan. Any future grants to Directors under the Plan will remain subject to member approval under ASX Listing Rule 10.14.
- g. No loans will be advanced to Mr Carstens or Mr Bwye in respect of the acquisition of the Performance Rights.
- h. Should Items 4 and/or 5 be approved by members, the relevant Performance Rights will be granted to Mr Carstens and/or Mr Bwye, respectively, as soon as possible after the date of the Annual General Meeting and in any event within 12 months of the date of the Annual General Meeting.

#### **Directors' recommendation on Items 4 and 5**

Subject to below, the Directors recommend that members vote in **favour** of Items 4 and 5.

Mr Carstens and Mr Bwye do not make a recommendation in relation to Item 4 and Item 5 given their respective interest in the outcome of Items 4 and 5.

## **Item 6 – Approval of the revised Base Resources Long Term Incentive Plan**

Pursuant to Item 6, member approval is sought for the purposes of ASX Listing Rule 7.2 (Exception 9), section 260C(4) of the *Corporations Act* and all other purposes of the Company's Long Term Incentive Plan and the grant of Performance Rights and Shares (upon the vesting and exercise of those Performance Rights) under the terms of that Plan.

As mentioned above, the Base Resources Long Term Incentive Plan was first approved by members at the Company's 2012 annual general meeting and was subsequently re-approved, in an updated form, by members at the 2015 annual general meeting. Following a recent review of the plan, certain updates have been made and such revised plan was approved by the Company's Board on 24 August 2018. The Company does not consider these updates to be material in nature. As referred to in the Explanatory Memorandum for Items 4 and 5 above, references to “**the Plan**” in this Explanatory Memorandum are to the Base Resources Long Term Incentive Plan as approved by the Company's Board on 24 August 2018, which, for the avoidance of doubt, incorporates all updates since it was first approved at the Company's 2012 annual general meeting.

The Plan (like earlier versions of the plan) is designed to attract executives and maintain a stable leadership team and explicitly align the interests of the Company's leadership team with that of members. The Plan seeks to grant certain eligible employees the opportunity to share in the growth and value of the Company's business over the longer term by giving these employees an opportunity to be granted Shares in the future, which be dependent on the Company's corporate performance.

### **ASX Listing Rule 7.2 (Exception 9)**

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares issued or transferred pursuant to the vesting or exercise (as the case may be) of performance rights or share options) that a company can issue or agree to issue without member approval. Generally, a company may not, without member approval, issue in any 12 month period, a number of equity securities which is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

ASX Listing Rule 7.2 (Exception 9) effectively provides that securities issued pursuant to an employee incentive plan are not included in the calculation of the 15% limit for ASX Listing Rule 7.1 purposes, provided that the employee incentive scheme and the securities to be issued pursuant to the scheme have been approved by members within the 3 years prior to the issue of the securities.

The approval of members is being sought to provide the Company with maximum flexibility to undertake equity raisings in the future without the need for further member approval.

The requirement to obtain member approval for an issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise. It should be noted that, notwithstanding any approval by members of Item 6, any future equity raising will remain subject to the 15% limit set out in ASX Listing Rule 7.1.

A summary of the terms and conditions of the Plan is set out in Schedule 2 of this Explanatory Memorandum. Since its last approval at the Company's 2015 annual general meeting, 71,281,661 Performance Rights have been issued under the Plan (not including those Performance Rights proposed to be issued to Mr Carstens and Mr Bwye the subject of Items 4 and 5, respectively, or the approximate 16,000,000 Performance Rights that are proposed to be offered to other eligible employees pursuant to the 2018 Plan Cycle after the date of this Notice but prior to the AGM), with 50,195,088 Shares being issued upon vesting of Performance Rights issued pursuant to the 2014 and 2015 Plan Cycles.

#### **Section 260C(4) of the *Corporations Act***

Under section 260A of the *Corporations Act*, the Company is prohibited from financially assisting the acquisition of its Shares except in certain limited circumstances, or if an exemption from this prohibition applies. Section 260C(4) of the *Corporations Act* provides an exemption from this prohibition for financial assistance provided under an approved employee share scheme.

If Item 6 is approved, the exemption will only apply where Shares are acquired by or for the benefit of employees or directors who hold a salaried employment or office in the Company or a related body corporate. The exemption will not apply to the extent that funds are used to acquire Shares, by or for the benefit of any other person.

The Plan includes a mechanism that allows the Company to contribute amounts to a trustee of a trust to fund the acquisition of newly issued Shares or existing Shares on-market – that is, financially assisting the acquisition of Shares in the Company. Accordingly, the Company seeks member approval of the Plan, for the purpose of obtaining the benefit of the exemption from the prohibition against the Company financially assisting the acquisition of Shares under the Plan pursuant to section 260C(4) of the *Corporations Act*.

Set out below is a summary of the key features of the Plan, which should be read in conjunction with the more fulsome summary of the terms of the Plan set out in Schedule 2 of the Explanatory Memorandum.

## **Performance Rights**

A Performance Right as provided for by the Plan, is a right upon vesting and exercise to acquire a Share, subject to meeting any specified Performance Criteria. Typically, there will be no exercise price payable to exercise vested Performance Rights, subject to Board discretion as specified in a relevant offer.

## **Performance Criteria**

The Board has discretion to determine the Performance Criteria (if any) that will apply to relevant offers of Performance Rights under the Plan, with such Performance Criteria subject to change from time to time to reflect prevailing circumstances. For the Performance Rights proposed to be granted to Mr Carstens and Mr Bwye, and the Performance Rights offered to other eligible employees under the 2018 Plan Cycle, however, the Performance Criteria described in the Explanatory Memorandum for Items 4 and 5 will apply to such grants. That is:

- a. 50% of Performance Rights are considered Relative TSR Performance Rights; and
- b. 50% of Performance Rights are considered Absolute TSR Performance Rights.

As was the case in the original version of the Plan, Performance Rights issued under the Plan typically operate on the basis of a series of Plan Cycles. Each Plan Cycle commences annually on 1 October and consists of a three year Performance Period, after which the Performance Rights will vest subject to their terms of issue (including the achievement of specified Performance Criteria) and will be capable of exercise.

Testing of the Performance Criteria is conducted on the last day of the Performance Period. To the extent that the Performance Criteria are not satisfied over the Performance Period, the Performance Rights are automatically forfeited.

### **Immediately vested rights**

The Board has the discretion under the Plan to make offers of immediately vested rights that would not be subject to any Performance Criteria at the time of grant. Upon valid exercise of such immediately vested rights, including payment of any applicable exercise price, the holder will have a right to acquire Shares. Such immediately vested rights will only be issued in circumstances considered appropriate by the Board. For example, eligible employees may be given the opportunity to elect to receive immediately vested rights in lieu of potential entitlements under the Company's short term incentive plan, subject to qualifying for the entitlement at the end of short term incentive performance period. The potential issue of immediately vested rights under the Plan is another mechanism for the Board to seek to achieve the intent of the Plan by aligning the interests of the Company's leadership team with that of members through share ownership (upon valid exercise of immediately vested rights).

### **Exercise and expiry**

A Performance Right may not be exercised unless and until that Performance Right has vested. Upon vesting, a Participant may exercise Performance Rights by paying any applicable exercise price prior to the specified expiry date. If a Participant does not validly exercise and pay the applicable exercise price by the requisite date that Performance Right will automatically be forfeited.

### **Directors' recommendation on Item 6**

The Directors recommend that members vote in favour of Item 6.

# Schedule 1:

## Terms and abbreviations

<b>Definition</b>	<b>Meaning</b>
Annual General Meeting or Meeting	The annual general meeting of the Company notified to members by this Notice.
ASX	ASX Limited (ABN 98 008 624 691) or the financial market conducted by it (the Australian Securities Exchange), as the context requires.
ASX Listing Rules	The official listing rules of ASX, as from time to time amended or waived in their application to a party.
Board	The Board of Directors.
Chairman	The Chairman of the Annual General Meeting appointed in accordance with the Company's constitution.
Closely related party	Closely related party of a member of the key management personnel means: <ul style="list-style-type: none"><li>• a spouse or child of the member;</li><li>• a child of the member's spouse;</li><li>• a dependant of the member or of the member's spouse;</li><li>• anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;</li><li>• a company that the member controls; or</li><li>• a person prescribed by the Corporations Regulations 2001 (Cth).</li></ul>
Company	Base Resources Limited (ABN 88 125 546 910).
<i>Corporations Act</i>	<i>Corporations Act 2001 (Cth).</i>
Director	A director of the Company.
Explanatory Memorandum	The explanatory memorandum enclosed with and forming part of this Notice.
Items	The items of business referred to in this Notice, and Item means any of the items of business referred to in this Notice (as the context requires).

<b>Definition</b>	<b>Meaning</b>
Key management personnel or KMP	Has the same meaning as in the accounting standards. The term broadly includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Director.
Notice	This notice of Annual General Meeting incorporating the Explanatory Memorandum and the Proxy Form.
Performance Rights	Performance rights issued in accordance with the Rules of the Company's Long Term Incentive Plan, as applies from time to time.
Proxy Form	The proxy form enclosed with and forming part of this Notice.
Remuneration Report	Has the meaning given to this term by the <i>Corporations Act</i> .
Shares	Fully paid ordinary shares in the Company.

# Schedule 2:

## Summary of terms and conditions of the plan

### 1. Purpose of the Plan

The purpose of the Plan is to attract executives and maintain a stable leadership team and explicitly align the interests of the Company's leadership team with that of members, by establishing a long term incentive plan for senior officers and employees of the Company (**Eligible Employees**). The Plan seeks to grant Eligible Employees the opportunity to share in the growth and value of the Company's business over the longer term by giving these employees an opportunity to be granted Shares in the future by the issue of:

- performance rights, with vesting subject to specified performance criteria (**Incentive Performance Rights**); or
  - immediately vested rights, which are immediately vested and not subject to any performance criteria (**Immediately Vested Rights** and, together with the **Incentive Performance Rights, Performance Rights**).
- 

### 2. Term of the Plan

The Base Resources Long Term Incentive Plan was originally approved by the Board on 30 June 2012, and was first approved by members at the Company's 2012 annual general meeting. A revised version of that plan was approved by the Board in September 2015, and was then approved by members at the Company's 2015 annual general meeting. Certain updates were then approved by the Board in October 2016 and August 2018, and such plan (as updated) will apply to offers of Performance Rights made after that Board meeting.

Other than for Immediately Vested Rights (the vesting of which will not be subject to any performance criteria (**Performance Criteria**), the Plan operates on the basis of a series of cycles (**Plan Cycle**). Each Plan Cycle commences annually on 1 October and consists of a three year period (**Performance Period**).

The Board has absolute and unfettered discretion in connection with the Plan and in the exercise of any power or discretion under the Plan.

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### 3. Securities offered

The type of securities that the Company may offer to Eligible Employees under the Plan are Incentive Performance Rights and Immediately Vested Performance Rights. Each Performance Right provides a contractual right to acquire one Share in the Company, subject to vesting by way of satisfying any applicable Performance Criteria and subsequent exercise.

#### 4. Eligibility and Participation

The Board may in its absolute discretion offer Eligible Employees the opportunity to be issued with Performance Rights having regard to (amongst other factors) their position in the Company. Eligible Employees are generally given a written offer (**Offer**) in or around October to participate in the Plan Cycle commencing 1 October.

Any Offer of Immediately Vested Rights will be at the discretion of the Board and will be on an adhoc basis as considered appropriate by the Board.

An Eligible Employee who wishes to accept an Offer must complete and sign the acceptance form attached to the Offer (**Acceptance Form**) and return this to the Company on or before the closing date of the Offer. After receipt of the Acceptance Form, the Company must grant the Performance Rights to the Eligible Employee, making the employee a Participant in the Plan.

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#### 5. Terms of the grant

A Performance Right will vest on a date provided for in the Offer letter (typically, in the case of an Incentive Performance Right, at the end of the Plan Cycle), subject to testing if the Performance Criteria and an Eligible Employee's employment conditions have been satisfied over the Performance Period.

A Performance Right may only be exercised once it has vested. The terms of the Offer will either:

- (automatic exercise) provide for the deemed exercise of a Performance Right on its vesting; or
- (manual exercise) require the relevant Participant to deliver an exercise notice and pay the applicable exercise price (if any) prior to the expiry date in order for such Performance Rights to be exercised.

The Participant will be allocated one Share for each validly exercised Performance Right.

The Performance Rights will not be quoted on ASX. The Performance Rights do not give Participants the right to attend or speak at the Company's general meetings or at class meetings. Unless the relevant dealing is effected by force of law on death or legal incapacity to the Participant's legal personal representative, a Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Performance Right that has been granted to them. Participants are not entitled to participate in any new issues of securities as a result of holding Performance Rights.

Once vested and validly exercised, Performance Rights will be settled by the transfer of Shares from the trustee of the Trust (**Trustee**). The Company will either issue the trustee with these Shares or ensure the Trustee acquires the requisite number of Shares (typically on market).

Each Share allocated on valid exercise of a Performance Right ranks equally with other fully paid Shares on issue, at the time.

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## **6. Purchase and exercise price**

Participants are not required to pay or give any monetary consideration for the grant of Performance Rights. To the extent specified in an Offer, an exercise price may be payable at the time of exercising vested Performance Rights.

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## **7. Limitation on issues**

The number of Performance Rights that may be issued under the Plan is affected by the ASIC prescribed limits concerning employee incentive scheme offers.

Currently these limits provide that the Board must not make an Offer of Performance Rights unless at the time of making the Offer there are reasonable grounds to believe that the number of Shares that have been or may be issued as a result of Offers made at any time in the previous three year period exceeds 5% of the total number of Shares on issue.

In complying with this 5% threshold, only financial products offered in reliance on ASIC relief are included in the 5% threshold. This means that the following may be disregarded for the purposes of calculating the 5% threshold if those Offers are made without reliance on ASIC relief:

- Offers received outside Australia (e.g. to employees in another jurisdiction);
  - Offers made in reliance on section 708 of the *Corporations Act* and therefore not requiring a disclosure document (i.e. share issues to senior managers, professional and sophisticated investors); and
  - Offers made under a disclosure document.
- 

## **8. Vesting and Performance Conditions**

An Immediately Vested Performance Right will have vested at the time of its issue.

An Incentive Performance Right will automatically vest, without any further action on by the Participant, provided any Performance Criteria are satisfied by the end of the applicable Period Performance.

The Performance Criteria used to determine the proportion of Incentive Performance Rights which vest will be as specified in the relevant Offer, as set by the Board in its absolute discretion.

To the extent that the applicable Performance Criteria are not satisfied over the Performance Period, the Incentive Performance Rights will be forfeited and no Shares will be provided subject to certain limited exceptions.

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### **9. Exercise and expiry**

A Performance Right may not be exercised unless and until that Performance Right has vested, or such earlier date on which a Participant is entitled to exercise that Performance Right in accordance with the Plan or the terms of an Offer.

If an Offer provides for the deemed exercise of a Performance Right, no further action is required from a Participant upon vesting of a Performance Right in order to exercise that Performance Right.

If an Offer provides for the manual exercise of a Performance Right, to exercise that Performance Right a Participant must:

- deliver a signed notice of exercise; and
- pay the exercise price (if any) to or as directed,

prior to the expiry date. Limited exercise windows may also be specified in the terms of an Offer.

If a Participant does not deliver a signed notice of exercise and pay the applicable exercise price (if any) by the requisite date that Performance Right will automatically be forfeited.

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### **10. Cessation of Employment – Qualifying Reasons**

If an Eligible Employee ceases to be employed by a member of the Company's group (each a Group Member) prior to the end of any applicable Performance Period, due to a "Qualifying Reason", the Board will determine in its absolute discretion, the number of unvested Performance Rights which will remain on foot and become capable of vesting. All remaining unvested Performance Rights, which the Board does not make a determination to remain on foot, are automatically forfeited.

A "Qualifying Reason" is one of the following:

- the death, total and permanent disablement, retirement or redundancy of the Eligible Employee;
- the Eligible Employee ceasing to be employed by a Group Member as a result of the relevant body corporate ceasing to be a Group Member; or
- any other exceptional reason as determined by the Board.

## 11. Non-transferable

Unless the relevant dealing is effected by force of law on death or legal incapacity to a Participant's legal personal representative, a Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Performance Right that has been granted to them.12. Forfeiture of Performance Rights

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## 12. Forfeiture of Performance Rights

Unvested Performance Rights will be forfeited upon the earliest to occur of:

- the end of the Performance Period if the Performance Criteria relating to the Performance Right have not been satisfied;
- the date an Eligible Employee ceases to be employed by a Group Member, other than for a Qualifying Reason;
- when an Eligible Employee holding these rights acts fraudulently or dishonestly or in breach of their obligation to any Group Member; or
- if a Participant purports to sell, assign, transfer, grant a security interest over or otherwise deal with a Performance Right that has been granted to them.

Vested Performance Rights will be forfeited upon the earliest to occur of:

- if that Performance Right is not validly exercised (including payment of any exercise price) by the specified expiry date;
  - when an Eligible Employee holding these rights acts fraudulently or dishonestly or in breach of their obligation to any Group Member; or
  - if a Participant purports to sell, assign, transfer, grant a security interest over or otherwise deal with a Performance Right that has been granted to them.
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## 13. Change of control

Subject to the Board determining otherwise, if a takeover bid for 50% or more of the Shares in the Company becomes unconditional or a compromise or scheme of arrangement is approved under which the Company is acquired or amalgamated with another entity, or a person (together with its associates) acquires a relevant interest in sufficient Shares to give it or them the ability, in a general meeting, to replace all or a majority of the Board (**Change in Control Event**), a test date will arise. The Board will be required to test the extent to which any Performance Criteria have been satisfied:

- on the basis of the offer price of the relevant transaction; and
- in the case of any Performance Rights that are subject to absolute TSR Performance Criteria, by reducing the TSR target pro rata to the unexpired portion of the Performance Period, as of the date of the Change in Control Event.

Notwithstanding any other provisions of the Plan, if a Change in Control Event occurs, or the Board determines such event is likely to occur, the Board may in its absolute discretion determine the manner in which any or all of the Participant's Performance Rights will be dealt with including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the Change in Control Event.

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#### **14. Dividends, voting rights and entitlement offers**

Performance Rights under the Plan have no voting rights in respect of general or class meetings. However, Shares issued on vesting of the Performance Rights will rank equally with other Shares then on issue.

Upon certain corporate actions (such as a pro rata issue of Shares, a major part of the Company's business or assets being sold and distributed to shareholders, or any other reorganisation effecting the Company's issued capital), the number of Performance Rights, the Performance Criteria or the number of Shares to which each Participant may be entitled, will be adjusted in the manner as determined by the Board and in accordance with the ASX Listing Rules and the AIM Rules for Companies (to the extent applicable for the Company). This will be done in order to minimise or eliminate any material advantage / disadvantage to a Participant resulting from a corporate action such as a capital raising or capital reconstruction.

Where additional Performance Rights are granted to the Participant, they will be subject to the same terms and conditions as the original Performance Rights, unless the Board determines otherwise.

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#### **15. Administration of the Plan**

The Board and the Trustee will manage and administer the Plan, with absolute and unfettered discretion, in accordance with the rules of the Plan and the relevant trust deed. The Board and the Trustee may decide to delegate the management and administration of the Plan to a committee.

The Board may in its absolute discretion amend the rules of the Plan, or instruct and consent to the Trustee to do so, by written instrument without member or Participant approval (subject to the requirement to obtain the consent of a Participant whose rights are adversely affected, unless the amendment is proposed for specified permitted purposes).

# Notes

These Notes form part of the Notice of Annual General Meeting.

## **Right to vote**

The Directors have determined that, for the purpose of voting at the Meeting, the members entitled to vote are those persons who are registered holders of Shares at 4.00pm (AWST) on 21 November 2018.

## **Chairman's voting intention**

The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies in favour of all Items.

## **Voting prohibitions application to KMP**

KMP and their closely related parties are prohibited under the *Corporations Act* from voting in a manner contrary to the voting exclusions for Items 1, 4, 5 and 6 described in the section "Voting Prohibitions and Exclusions" in the Notice.

## **Appointment of proxies**

Each member entitled to vote at the Meeting may appoint a proxy to attend and vote at the Meeting. A proxy need not be a member and can be an individual or a body corporate. A member 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.

A body corporate appointed as a member's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The appointment must comply with section 250D of the *Corporations Act*. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Sections 250BB and 250BC of the *Corporations Act* apply to voting by proxy. Members and their proxies should be aware of these provisions of the *Corporations Act*. Generally, these sections provide that:

- a. if proxy holders vote, they must cast all directed proxies as directed; and
- b. any directed proxies which are not voted will automatically default to the Chairman, who must vote the proxies as directed.

If the proxy has two or more appointments that specify different ways to vote on an Item, the proxy must not vote on a show of hands.

### **Proxies on Items 1, 4, 5 and 6**

If you appoint the Chairman as your proxy (or the Chairman is appointed by default) and you do not complete any of the boxes “For”, “Against” or “Abstain” opposite Items 1, 4, 5 or 6 on the Proxy Form, you will be expressly authorising the Chairman to vote on the relevant Item in accordance with the Chairman’s stated voting intention, even though the Item is connected directly or indirectly with remuneration of a member of KMP. The Chairman intends to vote (where appropriately authorised) all available undirected proxies in favour of all Items.

If you appoint the Chairman as your proxy and wish to direct him how to vote, you can do so by marking the boxes for the relevant Item (ie by directing him to vote “For”, “Against” or “Abstain”).

If you appoint a member of KMP (other than the Chairman) or any closely related party of a member of KMP as your proxy, you must direct that person how to vote on Items 1, 4, 5 and 6 if you want your Shares to be voted on those Items. If you appoint a member of KMP or any closely related party of a member of KMP and you do not direct them how to vote on Items 1, 4, 5 or 6, such a person will not cast your votes on the that Item and your votes will not be counted in calculating the required majority if a poll is called on that Item.

### **Lodgement of proxy documents**

For an appointment of a proxy for the Meeting to be effective:

- a. the proxy’s appointment; and
- b. if the appointment is signed by the appointor’s attorney – the authority under which the appointment was signed (eg a power of attorney) or a certified copy of it,

must be received by the Company at least 48 hours before the start of the Meeting. Proxy appointments received after this time will be invalid for the Meeting.

The following methods are specified for the purposes of receipt of proxies:

### Online

[investorvote.com.au](http://investorvote.com.au)

### By mobile

Scan the QR Code on your proxy form and follow the prompts

### Custodian voting

Intermediary Online subscribers only  
(custodians) [intermediaryonline.com](http://intermediaryonline.com)

### By mail

Computershare Investor  
Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001, Australia

### By fax

1800 783 447 (in Australia)  
+61 3 9473 2555 (outside Australia)

### Bodies corporate

A body corporate, which is a member, may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment must comply with section 250D of the *Corporations Act*. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

### United Kingdom (CREST voting instruction)

Depository Interest holders in CREST (DI Holders) may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (CREST Voting Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available at [euroclear.com/CREST](http://euroclear.com/CREST)).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (Computershare UK) no later than 19 November 2018 at 11.00am (GMT). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. DI Holders in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the DI Holder concerned to take (or, if the DI Holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time.

DI Holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

### **Form of instruction**

DI Holders are invited to attend the Meeting but are not entitled to vote at the Meeting. In order to have votes cast at the Meeting on their behalf, DI Holders must complete, sign and return the Forms of Instruction sent to them together with this Notice to the Company's agent, Computershare UK, by no later than 19 November 2018 at 11.00am (GMT).



Base Resources Limited  
Notice of Annual General Meeting 2018

50 Kings Park Rd  
West Perth WA 6005

+61 8 9413 7400  
[baseresources.com.au](http://baseresources.com.au)

ABN 88 125 546 910



# BASE RESOURCES

ABN 88 125 546 910

## Lodge your vote:



**Online:**

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



**By Mail:**

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

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

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

## For all enquiries call:

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

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



### Your access information that you will need to vote:

**Control Number:** 181739

**SRN/HIN:**

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



**For your vote to be effective it must be received by  
11:00am (Perth time) Wednesday, 21 November 2018**

### How to Vote on Items of Business

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

#### Appointment of Proxy

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

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

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

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

### Signing Instructions for Postal Forms

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

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

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

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

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

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

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Base Resources Limited hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Base Resources Limited to be held at Quest West Perth, 54 Kings Park Road, West Perth, Western Australia on Friday, 23 November 2018 at 11:00am (Perth time) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 4, 5 and 6 (except where I/we have indicated a different voting intention below) even though Items 1, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

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

## STEP 2 Items of Business

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

		For	Against	Abstain
Item 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Re-election of Mr Keith Spence as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Election of Ms Diane Radley as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Approval of the grant of Performance Rights to Mr Tim Carstens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Approval of the grant of Performance Rights to Mr Colin Bwyne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6	Approval of the revised Base Resources Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /