



PRIMERO GROUP LIMITED
ACN 149 964 045

NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held at
78 Hasler Road Osborne Park, Perth, WA 6018 on Monday, 25
November 2019 at 1.00pm (WST)**

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stock broker, investment advisor, accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 6500 9500.

Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.

PRIMERO GROUP LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Primero Group Limited (**Company**) will be held at 78 Hasler Road Osborne Park, Perth, WA 6018 on Monday, 25 November 2019 at 1.00pm (WST) (**Meeting**).

The Explanatory Memorandum 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 Saturday, 23 November 2019 at 1.00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. Resolution 1 – Remuneration Report

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

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

A vote on this Resolution 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 Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-election of Mr Brett Grosvenor as a Director

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

"That, pursuant to and in accordance with article 6.14 of the Constitution and for all other purposes, Mr Brett Grosvenor, retires and being eligible pursuant to article 6.17 of the Constitution, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

3. Resolution 3 – Re-election of Mr Luke Graham as a Director

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

"That, pursuant to and in accordance with article 6.14 of the Constitution and for all other purposes, Mr Luke Graham, retires and being eligible pursuant to article 6.17 of the Constitution, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

4. Resolution 4 – Re-election of Mr Cliff Lawrenson as a Director

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

"That, pursuant to and in accordance with Listing Rule 14.4, article 6.21 of the Constitution and for all other purposes, Mr Cliff Lawrenson, Director, who was appointed as a casual vacancy to the Board on 17 October 2019, retires and being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum."

5. Resolution 5 – Issue of Plan Options to Mr Cameron Henry

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

"That, subject to Resolution 10 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 approve the issue of up to 1,299,342 Plan Options to Mr Cameron Henry (and/or his nominee) under the Employee Incentive 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 Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company).

However, the Company need not disregard a vote if:

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

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 Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

6. Resolution 6 – Issue of Plan Options to Mr Dean Ercegovic

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

"That, subject to Resolution 10 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 approve the issue of up to 569,605 Plan Options to Mr Dean Ercegovic (and/or his nominee) under the Employee Incentive 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 Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company).

However, the Company need not disregard a vote if:

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

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 Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

7. Resolution 7 – Issue of Plan Options to Mr Brett Grosvenor

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

"That, subject to Resolution 10 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 approve the issue of up to 569,605 Plan Options to Mr Brett Grosvenor (and/or his nominee), under the Employee Incentive 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 Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company).

However, the Company need not disregard a vote if:

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

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 Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

8. Resolution 8 – Issue of Plan Options to Mr Luke Graham

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

"That, subject to Resolution 10 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 approve the issue of up to 39,474 Plan Options to Mr Luke Graham (and/or his nominee) under the Employee Incentive 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 Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company).

However, the Company need not disregard a vote if:

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

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 Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

9. Resolution 9 – Issue of Plan Options to Mr Mark Connelly

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

"That, subject to Resolution 10 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 approve the issue of up to 52,632 Plan Options to Mr Mark Connelly (and/or his nominee) under the Employee Incentive 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 Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company).

However, the Company need not disregard a vote if:

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

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 Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

10. Resolution 10 – Section 195 Approval

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

"That, pursuant to and in accordance with subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolutions 5 to 9 (inclusive)."

11. Resolution 11 – Approval of Employee Incentive Plan Buy-Back of Shares

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

"That, pursuant to and in accordance with section 257D of the Corporations Act and for all other purposes, Shareholders approve the buy-back by the Company of 530,000 Shares from the Former Employees under the Employee Incentive Plan on the terms of the Buy-Back Agreement, 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) the Former Employees; or
- (b) an associate of the Former Employees.

The Company will not disregard a vote if:

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

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to be 'R. McFarlane', with a horizontal line drawn across the middle of the signature.

Mr Ryan McFarlane
Chief Financial Officer and Company Secretary
Dated: 23 October 2019

PRIMERO GROUP LIMITED

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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.

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 to pass the Resolutions.

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

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Remuneration Report
Section 5:	Resolution 2 – Re-election of Mr Brett Grosvenor as a Director
Section 6:	Resolution 3 – Re-election of Mr Luke Graham as a Director
Section 7:	Resolution 4 - Re-election of Mr Cliff Lawrenson as Director
Section 8:	Resolutions 5 to 7 (inclusive) – Issue of Plan Options to Executive Directors
Section 9:	Resolutions 8 and 9 – Issue of Plan Options to Non-Executive Directors
Section 10:	Resolution 10 – Section 195 Approval
Section 11:	Resolution 11 - Approval of Employee Incentive Plan Buy-Back of Shares
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Employee Incentive Plan & Plan Options

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

2. Action to be taken by Shareholders

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

2.1 Proxies

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 thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) 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. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 1.00pm (WST) on Saturday, 23 November 2019, being at least 48 hours before the Meeting.

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

2.2 Voting Prohibition by Proxy holders (Remuneration Report)

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel 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 Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

2.3 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)

A vote on Resolutions 5 to 9 (inclusive) 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 persons if the vote is not cast on behalf of a person who is excluded from voting on these Resolutions, and:

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

3. Annual Report

In accordance with section 317(1) of the Corporations Act, the Annual Report for the financial year ended 30 June 2019 must be laid before the Meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.primerio.com.au;
- (b) ask questions about, or comment 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 Chairperson 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 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report, which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the Company's 2018 AGM. If the Remuneration Report receives a Strike at the Meeting, Shareholders should be aware that if a second Strike is received at the Company's 2020 AGM, this may result in the re-election of the Board.

The Chairperson will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

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

5. Resolution 2 – Re-election of Mr Brett Grosvenor as a Director

Article 6.14 of the Constitution provides that if the Company has three or more Directors, one third of the Directors (excluding Directors required to retire under article 6.21 and rounded down to the nearest whole number) must retire at each annual general meeting.

Article 6.17 of the Constitution provides that a Director who retires under article 6.14 of the Constitution is eligible for re-election.

Resolution 2 therefore provides that Mr Brett Grosvenor retires by rotation and seeks re-election as a Director.

Details of the qualifications and experience of Mr Grosvenor are included in the Annual Report.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

The Board (excluding Mr Grosvenor) supports the re-election of Mr Grosvenor and recommends that Shareholders vote in favour of Resolution 2.

6. Resolution 3 – Re-election of Mr Luke Graham as a Director

Article 6.14 of the Constitution provides that if the Company has three or more Directors, one third of the Directors (excluding Directors required to retire under article 6.21 and rounded down to the nearest whole number) must retire at each annual general meeting.

Article 6.17 of the Constitution provides that a Director who retires under article 6.14 of the Constitution is eligible for re-election.

Resolution 3 therefore provides that Mr Luke Graham retires by rotation and seeks re-election as a Director.

Details of the qualifications and experience of Mr Graham are included in the Annual Report.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

The Board (excluding Mr Graham) supports the re-election of Mr Graham and recommends that Shareholders vote in favour of Resolution 3.

7. Resolution 4 – Re-election of Mr Cliff Lawrenson as a Director

In accordance with Listing Rule 14.4, a director appointed to fill a casual vacancy of the Board must not hold office (without re-election) past the next annual general meeting of the entity.

Article 6.6 of the Constitution allows the Directors to appoint a person as a Director, provided that the total number of Directors is not less than three. Any Director so appointed holds office until the next general meeting of members of the Company and is eligible for re-election at that meeting. Article 6.21 of the Constitution requires a Director appointed under article 6.6 to retire at the next AGM, unless they have retired at a general meeting prior to the AGM, and such Director is eligible for re-election at the AGM.

Mr Cliff Lawrenson was appointed on 17 October 2019 as a casual vacancy the Board. Resolution 4 provides that he retires from office and seeks re-election as a Director.

Details of Mr Cliff Lawrenson's background and experience are as follows:

- (a) from January 2017 to December 2018, Mr Lawrenson was managing director of Atlas Iron Ltd;
- (b) from 2012 to January 2017, Mr Lawrenson was managing director of early-stage phosphate producer Avenir Ltd (formerly Minemakers Ltd), leading the company from exploration to early stage production;
- (c) prior to joining Avenir Ltd, Mr Lawrenson held the position of chief executive officer of Pilbara iron ore development company FerrAus Ltd, which he led to a recommended takeover by Atlas Iron Ltd in December 2011;
- (d) from 2006 to 2009, Mr Lawrenson held the position of group chief executive officer of GRD Ltd, which incorporated GRD Minproc Ltd, OceanaGold Ltd and Global Renewables; and
- (e) for 7 years prior to joining GRD Ltd, Mr Lawrenson was a senior executive and vice president of CMS Energy Corporation in the United States of America and Singapore.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

The Board (excluding Mr Lawrenson) supports the election of Mr Lawrenson and recommends that shareholders vote in favour of Resolution 4.

8. Resolutions 5 to 7 (inclusive) – Issue of Plan Options to Executive Directors

8.1 General

Resolutions 5 to 7 (inclusive) seek Shareholder approval in accordance with Listing Rule 10.14 and chapters 2D and 2E of the Corporations Act for the grant of Plan Options to

Messrs Cameron Henry, Dean Ercegovic and Brett Grosvenor as Executive Directors under the Employee Incentive Plan, on the terms and conditions detailed below.

Resolutions 5 to 7 (inclusive) are subject to and conditional upon Shareholders approving Resolution 10. If Shareholders do not approve Resolution 10, any approval of Resolutions 5 to 7 (inclusive) by Shareholders will not be effective.

The Company adopted the Employee Incentive Plan prior to listing on ASX. A summary of the terms and conditions of the Employee Incentive Plan is contained in Schedule 2.

On 4 October 2018, the Board approved the Primero Engineering Incentive Policy (**Incentive Policy**). Under the terms of the Incentive Policy, the Company will offer certain incentives to members of the Company's senior management team and key management personnel pursuant to the Employee Incentive Plan.

Incentives that the Company may offer under the Incentive Policy will be comprised of the following:

- (a) a short-term incentive (**STI**) component, which is designed to incentivise and reward a participant for the attainment of short-term objectives, enable the participant to accumulate equity in the business and ensure an alignment with Shareholders and assist the Company to retain the participant's services; and
- (b) a long-term incentive (**LTI**) component, designed to incentivise and reward participants for the creation of long-term Shareholder value as evidenced by market and non-market measures.

Refer to Schedule 2 for the terms and conditions of the Plan Options.

The Company has determined that the total incentive opportunity that it will offer to each participant is a percentage of the participant's total fixed remuneration (**TFR**), with the relevant percentage determined by the participant's role with the Company.

The STI and LTI components of the award to Messrs Henry, Ercegovic and Grosvenor will have the following weighting:

Role	Total Incentive Opportunity (% of TFR)	STI Component	LTI Component
Managing Director (Mr Henry)	150%	50%	100%
Director of Operations (Mr Ercegovic)	80%	30%	50%
Director of Development (Mr Grosvenor)	80%	30%	50%

STI

For the purposes of the STI, the Company will set an EBIT target and corporate and individual performance measures at the beginning of each financial year.

At the end of the performance period, the Board will assess the performance of each member of the management team against their corporate and individual objectives, giving each participant a corporate score and individual score (as percentages).

The corporate and individual scores, weighted against the corporate objective weighting and individual objective weighting for the participant are combined to create an overall

percentage score determining the proportion of the cash and Plan Option award the participant will receive, to a maximum of 100% (**Percentage Score**).

The STI component will 'reset' on an annual basis, with the Company making a cash and option award opportunity available at the beginning of each year.

The Board has determined that the participants to receive the incentives the subject of Resolutions 5 to 7 (inclusive) will have the following weighting:

Role	Corporate Objective Weighting	Individual Objective Weighting
Mr Henry	100%	0%
Mr Ercegovic	100%	0%
Mr Grosvenor	80%	20%

The Remuneration Committee is in the process of determining the Company's EBIT target and corporate and individual objectives.

The STI component of an incentive award under the Incentive Policy consists of:

- (a) a cash bonus (50% of the total STI opportunity) (**Cash Bonus**); and
- (b) zero exercise price Plan Options (**ZEPOs**) (50% of the total STI opportunity) (**STI Options**).

The Company will pay the Cash Bonus to participants 1 year from the date of the incentive award, subject to the participant continuing to be employed by, or engaged by the Company at that date.

Pre-IPO Shareholders may elect to take 100% of their total STI opportunity as a Cash Bonus. Electing pre-IPO shareholders will receive 50% of the cash bonus on the date that is 1 year from the date of the incentive award, and 50% on the date that is 2 years from the date of the incentive award.

The STI Options that will be issued to Messrs Henry, Ercegovic and Grosvenor if Shareholders approve Resolutions 5 to 7 (inclusive) will be subject to the following vesting condition and expiry date:

Vesting Condition	Expiry Date	Exercise Price
2 years from the date of grant, subject to the holder continuing to be employed by, or engaged by the Company at that date	4 years from the date of grant	\$0 (ZEPOs)

The maximum STI opportunity to be awarded to Messrs Henry, Ercegovic and Grosvenor if Shareholders approve Resolutions 5 to 7 (inclusive) is as follows:

Participant	Maximum Cash Bonus	Maximum STI Option Allocation
Mr Henry	\$98,750	259,868
Mr Ercegovic	\$49,950	131,447
Mr Grosvenor	\$49,950	131,447

If the Company does not achieve its EBIT target, no Cash Bonuses will be payable and no STI Options will vest. If a participant has an individual weighting greater than 0% and that

participant does not achieve an individual score of 50% or better, no Cash Bonuses will be payable to that participant and no STI Options held by that participant will vest.

The actual Cash Bonus payable and number of STI Options that will vest and become exercisable, if the Company does achieve its EBIT target, is such proportion as is equal to the participant's Percentage Score.

The following table provides examples of the actual Cash Bonus payable and number of STI Options vested for hypothetical persons entitled to a \$50,000 Cash Bonus and an allocation of 100,000 STI Options:

Participant	Corporate / Individual Objective Weighting	Corporate Score	Individual Score	Percentage Score	Cash Bonus Payable	STI Options Vested
Example A	100% / 0%	100%	50%	100%	\$50,000	100,000
Example B	100% / 0%	60%	40%	60%	\$30,000	60,000
Example C	100% / 0%	30%	70%	30%	\$15,000	30,000
Example D	80% / 20%	100%	50%	90%	\$45,000	90,000
Example E	80% / 20%	60%	40%	56%	\$0	0
Example F	80% / 20%	30%	70%	38%	\$19,000	38,000

LTI

The LTI component of an incentive award under the Incentive Policy consists of:

- (a) premium exercise price Plan Options (**PEPOs**) (50% of the total LTI opportunity); and
- (b) ZEPOs (50% of the total LTI opportunity) (**LTI Options**).

However, a participant who holds more than a 10% interest in the share capital of the Company at the date of grant on a fully diluted basis may elect to take their LTI Option allocation in cash paid by the Company 3 years from the date of the incentive award.

If Shareholders approve Resolutions 5 to 7 (inclusive), the Company will issue the LTI Options to Messrs Henry, Ercegovic and Grosvenor in two tranches (both equal to 50% of the total LTI opportunity) with the vesting conditions and expiry dates as follows:

No	Vesting Conditions	Expiry Date	Exercise Price
1	Subject to the 14-day VWAP of the Company's shares on ASX as at the date that is 3 years from the grant date having increased by 43% from the 14-day VWAP as at the grant date	4 years from the date of grant	\$0.537 (PEPOs)
2	Subject to the 14-day VWAP of the Company's shares on ASX as at the date that is 3 years from the grant date having increased by 43% from the 14-day VWAP as at the grant date	4 years from the date of grant	\$0 (ZEPOs)
3	Subject to the Company's EBIT as at the date that is 3 years from the grant date having increased by 35% from the EBIT as at the grant date	5 years from the date of grant	\$0 (ZEPOs)

The Board may issue Tranche 1 LTI Options as ZEPOs (rather than PEPOs) if, in its absolute discretion, it considers that market events have occurred outside of the control of the relevant participant.

The maximum number of LTI Options to be issued to Messrs Henry, Ercegovic and Grosvenor if Shareholders approve Resolutions 5 to 7 (inclusive) is as follows:

Director	Maximum Tranche 1 LTI Allocation	Maximum Tranche 2 LTI Allocation
Mr Cameron Henry	519,737	519,737
Mr Dean Ercegovic	219,079	219,079
Mr Brett Grosvenor	219,079	219,079
Total	957,895	957,895

8.2 Listing Rule 10.14

In accordance with Listing Rule 10.14, the Company must not permit a Director and any of his or her associates to acquire securities under an employee incentive scheme without Shareholder approval.

Pursuant to Listing Rule 7.2, exception 14, as Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required.

8.3 Chapter 2D of the Corporations Act

In accordance with section 200B of the Corporations Act, the Company must obtain Shareholder approval in the manner set out in section 200E of the Corporations Act to give a benefit in connection with a person's retirement from an office.

Under the terms of the Employee Incentive Plan, the Board has several discretions that it may exercise in connection with a participant ceasing employment or office with the Company, including:

- (a) to prevent vested or unvested Plan Options, which may automatically lapse in some circumstances, from lapsing; and
- (b) to allow a participant to exercise vested Plan Options, which the participant may not be otherwise be able to exercise in some circumstances.

The Board has formed the view that if this occurs, the affected Plan Options may constitute a benefit given in connection with Messrs Henry, Ercegovic or Grosvenor's retirement from office for the purposes of section 200B of the Corporations Act.

The Company is therefore seeking Shareholder approval in accordance with section 200E of the Corporations Act in connection with any potential exercise of the Board's discretion in relation to the Plan Options.

The value of the Plan Options granted under Resolutions 5 to 7 (inclusive), and therefore the total value of the termination benefit (assuming the Board exercises its discretion to allow Messrs Henry, Ercegovic and Grosvenor to retain their Plan Options) is detailed in Section 8.5(k).

8.4 Chapter 2E of the Corporations Act

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

Messrs Henry, Ercegovic and Grosvenor are Directors and therefore are related parties of the Company. The issue of the Plan Options to Messrs Henry, Ercegovic and Grosvenor constitutes giving a financial benefit for the purposes of 208 of the Corporations Act.

There is no quorum of the Board capable of forming the view that the exception for reasonable remuneration in section 211 of the Corporations Act applies, due to each of the Directors having an interest in the outcome of Resolutions 5 to 9 (inclusive).

8.5 Specific information required by Listing Rule 10.15, section 219 and 200E of the Corporations Act

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The Plan Options the subject of Resolutions 5 to 7 (inclusive) to will be granted to Messrs Cameron Henry, Ercegovic and Grosvenor (and/or their nominee(s)).
- (b) The maximum number of Plan Options to be granted to Messrs Henry, Ercegovic and Grosvenor (and/or their nominee(s)) is as follows:

Director	Number of Plan Options
Mr Cameron Henry	1,299,342
Mr Dean Ercegovic	569,605
Mr Brett Grosvenor	569,605
Total	2,438,553

- (c) The Company will grant the Plan Options no later than 12 months after the date of the Meeting or such longer period as ASX allows.
- (d) Pursuant to the rules of the Employee Incentive Plan, of the persons referred to in Listing Rule 10.14, Messrs Henry, Ercegovic, Grosvenor, Graham and Connelly as Directors are eligible to participate in the Employee Incentive Plan.
- (e) The exercise price of the Plan Options depends if they are issued as ZEPOs or PEPOs. The Plan Options granted as ZEPOs will have a nil exercise price. The Plan Options granted as PEPOs will have an exercise price of \$0.537 as detailed in Section 8.1.
- (f) No funds will be raised by the grant of the Plan Options the subject of Resolutions 5 to 7 (inclusive) as they are being granted for nil cash consideration.
- (g) Since the adoption of the Employee Incentive Plan, the following securities have been issued to the Directors under the Employee Incentive Plan:
 - (i) Mr Henry, who was granted 475,000 Options in respect of the 2018 Financial Year;
 - (ii) Mr Ercegovic, who was granted 200,000 Options in respect of the 2018 Financial Year;

- (iii) Mr Grosvenor, who was granted 400,000 Options in respect of the 2018 Financial Year;
- (iv) Mr Graham, who was granted 37,500 Options in respect of the 2018 Financial Year; and
- (v) Mr Connelly, who was granted 50,000 Options in respect of the 2018 Financial Year.

All of the above Options had a nil acquisition price.

- (h) The Directors, excluding Messrs Henry, Ercegovic and Grosvenor with respect to the Resolution relating to approval for the issue of their own Plan Options (in respect of which Messrs Henry, Ercegovic and Grosvenor make no recommendation), are unanimously in favour of the grant of the Plan Options under Resolutions 5 to 7 (inclusive). The current security holdings of Messrs Henry, Ercegovic and Grosvenor (including securities held indirectly) are as follows:

Name of Director	Shares	Options
Mr Henry	23,732,372	475,000
Mr Ercegovic	18,687,060	200,000
Mr Grosvenor	9,045,177	400,000

- (i) Messrs Henry, Ercegovic and Grosvenor's remuneration is as follows:

Name of Director	Year	Salary, Fees and Leave	Profit Share and Bonuses	Pension and Superannuation	Total
Mr Henry	2018	\$284,918	\$160,000	\$42,859	\$487,777
	2019	\$384,203	\$109,953	\$36,180	\$558,966
Mr Ercegovic	2018	\$284,812	\$108,000	\$37,482	\$430,294
	2019	\$322,473	\$55,555	\$30,613	\$420,696
Mr Grosvenor	2018	\$288,088	\$118,260	\$26,163	\$432,511
	2019	\$343,703	\$55,555	\$30,761	\$441,929

- (j) A voting exclusion statement is included in the Notice for Resolutions 5 to 7 (inclusive).
- (k) The Board has received independent advice from DFK Gooding Partners on the value of the Plan Options and determined based on the assumptions set out below, the technical value of the Plan Options the subject of Resolutions 5 to 7 (inclusive) are as follows:

Name of Director	Maximum STI ZEPOs	Maximum LTI PEPOs	Maximum LTI ZEPOs	Value per STI ZEPO	Value per LTI PEPO	Value per LTI ZEPO	Total Value \$
Mr Cameron Henry	259,868	519,737	519,737	\$0.390	\$0.082	\$0.390 (3 year vest 5 years expire)	\$346,664.4
Mr Dean Ercegovic	131,447	219,079	219,079			\$0.189 (3 year vest 4 years expire)	\$154,669.6
Mr Brett Grosvenor	131,447	-	438,158				\$134,076.2

This valuation imputes a total value of \$635,410.2 to the Plan Options under Resolutions 5 to 7 (inclusive). The value may go up or down after the date of valuation as it will depend on the future price of a Share. The Binomial and Monte Carlo Hybrid models have been used to value the Plan Options the subject of Resolutions 5 to 7 (inclusive), with the following assumptions:

- (i) the risk free rate of 0.70% is the Reserve Bank of Australia's 3-year bond rate;
- (ii) the underlying security spot price of \$0.390 used for the purposes of this valuation is based on the share price of the Company on the date of the report;
- (iii) the estimated volatility used in the valuation is 42.4%;
- (iv) for the purposes of the valuation, no future dividend payments have been forecast; and
- (v) for the purposes of the valuation it is assumed that the Plan Options the subject of Resolutions 5 to 7 (inclusive) will be issued on date of the valuation, 15 October 2019, and:
 - (A) STI ZEPOS will have a life of 4 years;
 - (B) LTI PEPOS will have a life of 4 years; and
 - (C) LTI ZEPOS will have a life of 5 years (for ZEPOS with 3 years vest and 5 years expire) and 4 years (for ZEPOS with 3 years vest and 4 years expire).
- (l) Under the accounting standard AASB 2 – Share Based Payments, the Company will recognise an expense in the income statement based on the fair value of the Plan Options the subject of Resolutions 5 to 7 (inclusive) over the period from the date of issue to the vesting date. The total of the fair value of the maximum number of Plan Options issued under Resolutions 5 to 7 (inclusive) is \$635,410.2 at the date of the Notice.
- (m) The market price of Shares would normally determine whether or not Messrs Henry, Ercegovic and Grosvenor will exercise any Options that have been awarded as PEPOs. If the PEPOs are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.
- (n) Historical quoted price information for the Company's listed securities for the last twelve months is as follows:

Shares	Price	Date
Highest	\$0.480	21 February 2019
Lowest	\$0.330	25 October 2018
Last	\$0.37	16 October 2019

- (o) The exercise of the Plan Options the subject of Resolutions 5 to 7 (inclusive) will result in a dilution of all other Shareholders' holdings in the Company of:
 - (i) 1.6% based on issued Shares as at the date of the Notice (excluding the Plan Options the subject of Resolutions 8 and 9);

- (ii) 1.55% on a fully diluted basis (excluding the Plan Options the subject of Resolutions 8 and 9);
 - (iii) 1.6% based on issued Shares as at the date of the Notice (including the Plan Options the subject of Resolutions 8 and 9); and
 - (iv) 1.55% on a fully diluted basis (including the Plan Options the subject of Resolutions 8 and 9).
- (p) Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 5 to 7 (inclusive).
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9. Resolutions 8 and 9 – Issue of Plan Options to Non-Executive Directors

9.1 General

Resolutions 8 and 9 seek Shareholder approval in accordance with Listing Rule 10.14 and chapters 2D and 2E of the Corporations Act for the grant of Plan Options to Messrs Luke Graham and Mark Connelly as non-executive Directors under the Employee Incentive Plan, on the terms and conditions detailed below.

Resolutions 8 and 9 are subject to and conditional upon Shareholders approving Resolution 10. If Shareholders do not approve Resolution 10, any approval of Resolutions 8 or 9 by Shareholders will not be effective.

Refer to Schedule 2 for a summary of the terms and conditions of the Employee Incentive Plan and the Plan Options.

Refer to Section 8 for details of the Incentive Policy. The Board also proposes to award Plan Options to Messrs Graham and Connelly in accordance with the Incentive Policy as a way to incentivise and reward their continued performance and the creation of value for Shareholders.

The terms and conditions of the incentives issued to Messrs Graham and Connelly as non-executive Directors are different to those issued to the executive Directors. This is to ensure their objectivity in monitoring the performance of executives on behalf of Shareholders.

The Board has determined that the number of Plan Options, and the terms and conditions of the Plan Options issued to Messrs Graham and Connelly, subject to Shareholder approval, will be as follows:

Director	Vesting Conditions	Exercise Price	Expiry Date	Number of Plan Options
Mr Graham	1 year from the date of grant	\$0 (ZEPOs)	1 year from the date of grant	39,474
Mr Connelly				52,632
Total				92,105

The Plan Options issued to Messrs Graham and Connelly are deemed to be automatically exercised on vesting.

9.2 Listing Rule 10.14

Refer to Section 8.2 for an explanation of the effect of ASX Listing Rule 10.14.

9.3 Chapter 2D of the Corporations Act

Refer to Section 8.3 for an explanation of the effect of Chapter 2D of the Corporations Act.

The Company is seeking Shareholder approval in accordance with section 200E of the Corporations Act of any termination benefit associated with a potential exercise of the Board's discretion in relation to the Plan Options.

The value of the Plan Options granted under Resolutions 8 and 9, and therefore the total value of the termination benefit (assuming the Board exercises its discretion to allow Messrs Graham and Connelly to retain their Plan Options) is detailed in Section 9.5(k).

9.4 Chapter 2E of the Corporations Act

Refer to Section 8.4 for an explanation of the effect of Chapter 2E of the Corporations Act.

Messrs Graham and Connelly are Directors and therefore are related parties of the Company. The issue of the Plan Options to Messrs Graham and Connelly constitutes giving a financial benefit for the purposes of 208 of the Corporations Act.

There is no quorum of the Board capable of forming the view that the exception for reasonable remuneration in section 211 of the Corporations Act applies, due to each of the Directors having an interest in the outcome of Resolutions 5 to 9 (inclusive).

9.5 Specific information required by Listing Rule 10.15, section 219 and 200E of the Corporations Act

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The Plan Options the subject of Resolutions 8 and 9 will be granted to Messrs Graham and Connelly (and/or their nominee(s)).
- (b) The total number of Plan Options to be granted to Messrs Graham and Connelly (and/or their nominee(s)) is as follows:

Director	Number of Plan Options
Mr Graham	39,474
Mr Connelly	52,632
Total	92,105

- (c) The Company will grant the Plan Options no later than 12 months after the date of the Meeting or such longer period as ASX allows.
- (d) Pursuant to the rules of the Employee Incentive Plan, of the persons referred to in Listing Rule 10.14, Messrs Henry, Ercegovic, Grosvenor, Graham and Connelly as Directors are eligible to participate in the Employee Incentive Plan.
- (e) The Plan Options the subject of Resolutions 8 and 9 will be granted for nil cash consideration. The Plan Options the subject of Resolutions 8 and 9 will be granted as ZEPOs with a nil exercise price.
- (f) No funds will be raised by the grant of the Plan Options the subject of Resolutions 8 and 9 as they are being granted for nil cash consideration.
- (g) Since the adoption of the Employee Incentive Plan, the following securities have been issued to the Directors under the Employee Incentive Plan:
- (i) Mr Henry, who was granted 475,000 Options in respect of the 2018 Financial Year;
 - (ii) Mr Ercegovic, who was granted 200,000 Options in respect of the 2018 Financial Year;
 - (iii) Mr Grosvenor, who was granted 400,000 Options in respect of the 2018 Financial Year;
 - (iv) Mr Graham, who was granted 37,500 Options in respect of the 2018 Financial Year; and
 - (v) Mr Connelly, who was granted 50,000 Options in respect of the 2018 Financial Year.

All of the above Options had a nil acquisition price.

- (h) The Directors, excluding Messrs Graham and Connelly with respect to the Resolution relating to approval for the issue of their own Plan Options (in respect of which Messrs Graham and Connelly make no recommendation), are unanimously in favour of the grant of the Plan Options under Resolutions 8 and 9. The current security holdings of Messrs Graham and Connelly (including securities held indirectly) are as follows:

Name of Director	Shares	Options
Mr Graham	50,000	37,500
Mr Connelly	75,000	50,000

- (i) Messrs Graham and Connelly's remuneration is as follows:

Name of Director	Year	Salary, Fees and Leave	Profit Share and Bonuses	Pension and Superannuation	Total
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Name of Director	Year	Salary, Fees and Leave	Profit Share and Bonuses	Pension and Superannuation	Total
Mr Graham	2018	\$19,726	-	\$1,874	\$21,600
	2019	\$39,231	\$10,578	\$3,727	\$53,536
Mr Connelly	2018	-	-	-	-
	2019	\$66,058	\$14,104	\$6,275	\$86,437

- (j) A voting exclusion statement is included in the Notice for Resolutions 8 and 9.
- (k) The Board has received independent advice from DFK Gooding Partners on the value of the Plan Options and determined based on the assumptions set out below, the technical value of the Plan Options the subject of Resolutions 8 and 9 are as follows:

Name of Director	Number of Plan Options	Value per Plan Option \$	Total Value \$
Mr Graham	39,474	\$0.390	\$15,394.74
Mr Connelly	52,632		\$20,526.32

This valuation imputes a total value of \$35,921.05 to the Plan Options under Resolutions 8 and 9. The value may go up or down after the date of valuation as it will depend on the future price of a Share. The Binomial model has been used to value the Plan Options the subject of Resolutions 8 and 9, with the following assumptions:

- (i) the risk free rate of 0.70% is the Reserve Bank of Australia's 3-year bond rate;
- (ii) the underlying security spot price of \$0.390 used for the purposes of this valuation is based on the share price of the Company on the date of the report;
- (iii) the estimated volatility used in the valuation is 41.1%;
- (iv) for the purposes of the valuation, no future dividend payments have been forecast; and
- (v) for the purposes of the valuation it is assumed that the Plan Options the subject of Resolutions 8 and 9 will be issued on date of the valuation, 15 October 2019, and will have a life of 1 year.

Under the accounting standard AASB 2 – Share Based Payments, the Company will recognise an expense in the income statement based on the fair value of the Plan Options over the period from the date of issue to the vesting date. The total of the fair value of the Plan Options issued is \$35,921.05 at the date of the Notice.

- (l) Historical quoted price information for the Company's listed securities for the since admission is contained in Section 8.5(n).
- (m) The exercise of the Plan Options the subject of Resolutions 8 and 9 will result in a dilution of all other Shareholders' holdings in the Company as follows:

- (i) 0.06% based on issued Shares as at the date of the Notice (excluding the Plan Options the subject of Resolutions 5 to 7 (inclusive));
 - (ii) 0.0596% on a fully diluted basis (excluding the Plan Options the subject of Resolutions 5 to 7 (inclusive));
 - (iii) 0.061% based on issued Shares as at the date of the Notice (including the Plan Options the subject of Resolutions 5 to 7 (inclusive)); and
 - (iv) 0.0587% on a fully diluted basis (including the Plan Options the subject of Resolutions 5 to 7 (inclusive)).
- (n) Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 8 and 9.

10. Resolution 10 – Section 195 Approval

In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

The Directors have a material personal interest in the outcome of Resolutions 5 to 9 (inclusive) because these Resolutions relate to the issue of Plan Options to the Directors.

In the absence of this Resolution 10, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 5 to 9 (inclusive).

The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

Resolution 10 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 10.

The Board considers that, given the subject matter of Resolution 10, it would be inappropriate for the Board to give any voting recommendation with respect to Resolution 10.

11. Resolution 11 – Approval of Employee Incentive Plan Buy-Back of Shares

11.1 Background

The Former Employees were former employees to the Company and were granted Shares under the Employee Incentive Plan subject to continued engagement with the Company. No Former Employee is a Director or key management personnel of the Company.

The acquisition amounts for the Shares issued under the Employee Incentive Plan were funded by way of a loan from the Company to the relevant employees of the Company who were offered Shares under the Employee Incentive Plan for the purpose of enabling either the relevant employee directly, or the relevant employee's nominated entity, to acquire and hold Shares under the Employee Incentive Plan (**Loan**).

Pursuant to clause 23.1 of the Employee Incentive Plan, the Company may buy back Shares issued pursuant to the Employee Incentive Plan if:

- (a) the participant holding the Shares ceases employment or office where the offer conditions, performance criteria and/or vesting conditions attaching to the Shares have not been met by the time of cessation;
- (b) where forfeiture (see clause 22 of the Plan) applies; or
- (c) if the Board determines in its reasonable opinion that the applicable performance criteria and/or vesting conditions have not been met by the end of the expiry date.

In accordance with section 257D of the Corporations Act, the Company seeks Shareholder approval to allow the Company flexibility to conduct a selective buy-back.

Resolution 11 seeks approval for the Company to buy back a total of 530,000 Shares from Former Employees (**Former Employee Shares**) as they have ceased employment with the Company.

Resolution 11 therefore seeks approval of Shareholders to buy-back the Former Employee Shares issued under the Employee Incentive Plan in the 3 month period following the Meeting.

If Resolution 11 is passed, Shareholder approval for the Buy-Back under section 257D of the Corporations Act will remain current for 3 months after the Meeting.

11.2 Corporations Act requirements for the buy-back

A company may buy-back its own shares if:

- (a) The buy-back does not materially prejudice the company's ability to pay its creditors; and
- (b) The company follows the procedures in Division 2 of Part 2J.1 of the Corporations Act.

As there is no net cash outflow from the Company as a result of the proposed selective buy-backs, there will be no prejudice to the Company's ability to pay its creditors.

In accordance with section 257D of the Corporations Act, the terms of the buy-back agreements must be approved by special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by any person whose shares are proposed to be bought back or by their associates, or a resolution agreed to, at a general meeting, by all ordinary shareholders.

Resolution 11 is a special resolution and therefore requires at least 75% of votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or in the case of a corporate shareholder, by a corporate representative) to approve the Resolution.

11.3 Terms of the buy-back and buy-back agreements

The Company will in the 3 month period following the Meeting enter into a buy-back agreement with the relevant Former Employee (**Buy-Back Agreements**).

The terms of the Buy-Back Agreements are conditional on Shareholder approval of Resolution 11. Subject to and after Shareholder approval of Resolution 11, the Company

intends to enter into and execute the Buy-Back Agreements for the relevant Former Employee Shares with the Former Employees.

The terms of the Buy Buy-Back Agreement will provide that the Company will buy-back all of the Former Employee Shares for the amount equal to the portion of their Loan that relates to their Former Employee Shares, which will be applied directly against the balance of their Loan. As a result of the proposed buy-backs, there will be no net cash outflow from the Company and no cash proceeds will be paid to any of the Former Employees.

Immediately after the registration of the transfer to the Company of the Former Employee Shares, the Former Employee Shares will be cancelled in accordance with the buy-back procedure under section 257H of the Corporations Act.

The Company will announce to ASX when Former Employee Shares are cancelled and when the Company has completed the buy-back.

11.4 Financial effect of the buy-back

As at the date of this Notice there are 149,628,100 Shares on issue.

Shareholder approval is being sought pursuant to Resolution 11 to allow the Company to buy-back 530,000 Shares issued under the Plan, over the 3 month period following the Meeting.

The proposed buy-back of the Former Employee Shares will have no effect on the Company's cash reserves as there is no cash consideration payable by the Company.

If the Company buys-back all of the Former Employee Shares in the 3 month period following the Meeting and assuming the Company does not issue any new Shares in the 3 month period following the Meeting, the number of Shares on issue in the Company's issued capital will reduce to 149,098,100 Shares on issue.

The Directors are of the view that buy-back of the Former Employee Shares will not materially prejudice the Company's ability to pay its creditors because the buy-back does not require the Company to pay cash which otherwise would reduce its cash reserves.

On completion of the buy-back, the contributed equity of the Company will remain unchanged as no amounts were received from Former Employees at the time of the grant of the Shares.

11.5 Effect of buy-back on capital structure

The Company has 149,628,100 Shares on issue. The Former Employee Shares to be bought back represent approximately 0.35% of the Company's issued capital. If the buy-backs are completed, the Company will have 149,098,100 Shares on issue. Accordingly, the buy-backs will not have an effect on the control of the Company.

11.6 Advantages and disadvantages of the buy-back

The advantage of the buy-backs is that the resulting cancellation of Shares will cause all Shareholders (excluding Former Employees) to own proportionately more of the Company's issued capital. This outcome will be achieved notwithstanding that there is no net cash outflow from the Company.

There are no known disadvantages for the Company or its Shareholders (other than the Former Employees) of the proposed buy-backs.

11.7 Current market price

To provide an indication of the recent market price of the Company's Shares, the closing price on Wednesday, 16 October 2019 was \$0.370. The highest and lowest market sale prices for the Company's Shares on the ASX during the previous 3 months were as follows:

Month	Low	High
July 2019	\$0.390	\$0.445
August 2019	\$0.365	\$0.435
September 2019	\$0.360	\$0.380

11.8 Directors' Recommendation for Resolution 11

The Directors unanimously recommend that Shareholders vote in favour of Resolution 11 to approve the buy-back because they believe the advantages of the buy-back outweigh the disadvantages.

The Chairperson intends to vote undirected proxies in favour of this Resolution 11.

Schedule 1 – Definitions

In the Notice and this Explanatory Memorandum:

\$ means Australian dollars.

AGM means annual general meeting.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2019.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

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

Board means the board of Directors.

Cash Bonus has the meaning given in Section 8.1.

Chairperson means the person appointed to chair the Meeting or any part of the Meeting.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company or **Primero** means Primero Group Limited ACN 149 964 045.

Constitution means the constitution of the Company.

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

Directors mean the 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.

EBIT means earnings before interest and tax.

Eligible Participant has the meaning given in Schedule 2.

Employee Incentives means a Plan Share, Plan Option or Plan Performance Right

Employee Incentive Plan means the employee incentive plan adopted by the Company as disclosed in its IPO prospectus and summarised in Schedule 2.

Explanatory Memorandum means this explanatory memorandum.

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

Former Employees means the following former employees of the Company:

- (a) Chris Harris;
- (b) Ray Laity;
- (c) David Fielder;
- (d) Matt Bass;

- (e) Rhiannon Baudains;
- (f) Tom Rix;
- (g) Dave Sapsworth; and
- (h) Jackie Tran.

Former Employee Shares has the meaning given in Section 11.1.

Incentive Policy has the meaning given in Section 8.1.

IPO means the Company's initial public offering.

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

Listing Rules means the listing rules of ASX.

Loan has the meaning given in Section 11.1.

LTI has the meaning given in Section 8.1.

LTI Options has the meaning given in Section 8.1.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means the notice of general meeting which this Explanatory Memorandum accompanies.

PEPOs has the meaning given in Section 8.1.

Percentage Score has the meaning given in Section 8.1.

Plan Option means an Option to subscribe for a Share issued pursuant to the Employee Incentive Plan.

Plan Optionholder means a holder of a Plan Option.

Plan Performance Right means a Performance Right issued pursuant to the Employee Incentive Plan.

Plan Share means a Share issued pursuant to the Employee Incentive Plan.

Proxy Form means the proxy form attached to the Notice.

Remuneration Committee means the remuneration committee established by the Board.

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

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to 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 holder of a Share.

STI has the meaning given in Section 8.1.

STI Options has the meaning given in Section 8.1.

TFR has the meaning given in Section 8.1.

Trading Day has the meaning given in the Listing Rules.

VWAP means the volume weighted average price of a Share as defined in the Listing Rules.

WST means Western Standard Time, being the time in Perth, Western Australia.

ZEPOs has the meaning given in Section 8.1.

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

Schedule 2 - Terms and Conditions of Employee Incentive Plan & Plan Options

The Company has adopted the Employee Incentive Plan that has been designed to align employees' interest with those of its Shareholders. This is achieved by making offers of Employee Incentives to reward and retain certain employees, consultants and directors of the Company, and to attract future talent.

(a) Offers to Eligible Participants

To achieve the abovementioned objectives of rewarding, retaining and attracting employees, consultants and directors of the Company (subject to any requisite Shareholder approvals), the Employee Incentives granted under the Employee Incentive Plan may be subject to performance criteria or time-based exercise conditions as determined by the Board, in its sole and absolute discretion.

Under the Employee Incentive Plan, the Company may offer Plan Shares, Plan Options or Plan Performance Rights. The terms and conditions of each of these types of grant are outlined below.

(i) Offer

Written offers of Employee Incentives can be made by the Board, in its absolute discretion, to Eligible Participants (defined below). The terms and conditions of such offers will be detailed in the written offers made to Eligible Participants and the Employee Incentive Plan.

(ii) Eligibility

Under the Employee Incentive Plan, the following will be **Eligible Participants**:

- (A) Directors, employees or other consultant to the Company, who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Plan Shares, Plan Options or Plan Performance Rights under the Employee Incentive Plan; or
- (B) any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Plan Shares, Plan Options or Plan Performance Rights under the Employee Incentive Plan.

(iii) Consideration

Eligible Participants will not be required to make any payment in consideration for the grant of an Employee Incentive under the Employee Incentive Plan, unless the Board otherwise determines.

Under the Employee Incentive Plan, the Board has the discretion to allow a Plan Optionholder to set-off the exercise price of Plan Options against the number of Plan Shares that the Plan Optionholder is entitled to receive upon exercise of the Plan Options, allowing the Plan Optionholder to receive Plan Shares to the value of the surplus after the exercise price has been set-off.

(iv) Maximum allocation

Under the Employee Incentive Plan, the Company may not make offers of Employee Incentives where the aggregate number of Plan Shares, Plan Options or Plan Performance Rights issued in the previous three years exceeds 10% of the total number of Shares of the Company on issue at that time. Such a limit is contained in the Employee Incentive Plan.

(v) Employee Loans

Where an Eligible Participant is issued Employee Incentives, the Board in its absolute discretion may choose to make an interest-free, limited recourse loan to the Eligible

Participant for a part, or the whole, of the issue price relating to the Employee Incentives to be granted to that Eligible Participant.

(b) **Terms of Shares**

Shares issued under the Employee Incentive Plan will be issued on the same terms as the fully paid ordinary shares in the Company and may be subject to certain conditions made in connection with the offer (**Offer Conditions**). Shares subject to Offer Conditions will remain restricted securities until the Offer Conditions have been satisfied. If the participant ceases to be an Eligible Participant prior to satisfaction of the Offer Conditions, the Company has the right to buy-back the Shares. The Company may also buy-back the Shares where the participant has acted fraudulently or dishonestly or the Board determines that any Offer Conditions have not been met by the relevant expiry date.

(c) **Terms of Plan Options**

(i) Entitlement

Each Plan Option entitles the Plan Optionholder to subscribe for one Share upon payment of the Exercise Price.

(ii) Exercise Price and Expiry Date

The written offer made to each Eligible Participant will set out any exercise price (**Exercise Price**) and expiry date (**Expiry Date**) relevant to the Plan Option being issued.

(iii) Vesting Conditions and Exercise Period

The Board may issue Plan Options to Eligible Participants with vesting conditions (**Vesting Conditions**) attached to them. Such Vesting Conditions may include performance criteria or time-based exercise conditions.

Any Vesting Conditions attached to Plan Options will be detailed in the written offer made to each Eligible Participant.

(iv) Shares issued on exercise

Any shares issued to a Plan Optionholder upon the exercise of their Plan Option will rank equally with the other Shares of the Company. Such Shares will be issued as fully-paid and free of all encumbrances, liens and third party interests.

(v) Participation in new issues, voting rights and dividends

Plan Optionholders, while they hold Plan Options only, will not be entitled to vote, receive any dividends or participate in new issues of capital offered to Shareholders. Such rights and entitlements will only arise once the Plan Options have been exercised and the Plan Optionholder becomes a Shareholder.

(vi) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Plan Option will be reduced according to the following formula (as contained in Listing Rule 6.22):

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N+1}$$

O = the old Exercise Price of the Plan Option.

E = the number of underlying Shares into which one Plan Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex-rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

(vii) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(A) the number of Shares which must be issued on the exercise of a Plan Option will be increased by the number of Shares which the Plan Optionholder would have received if the Plan Optionholder had exercised the Plan Option before the record date for the bonus issue; and

(B) no change will be made to the Exercise Price on the Plan Options.

(viii) Adjustment for reorganisation

If the Company undertakes a reorganisation of its issued share capital, the rights of Plan Optionholders will be varied to comply the Listing Rules which apply to the reorganisation at that time.

(ix) Liquidity Event

In the event of a sale of all of the Shares or a sale of all or substantially all of the assets of the Company, the Board in its absolute discretion may waive any Vesting Condition attaching to any Plan Options on issue.

Holder Number:

Vote by Proxy: PGX

Your proxy voting instruction must be received by **1.00pm (WST) on Saturday, 23 November 2019**, 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.

VOTING UNDER STEP 1 - APPOINTING A PROXY

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

DEFAULT TO THE CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

You must sign this form as follows in the spaces provided

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

Joint holding: Where the holding is in more than one name, all of the 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>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

Contact	Return your completed form		All enquiries to Automic	
	 BY MAIL Automic GPO Box 5193 Sydney NSW 2001	 IN PERSON Automic Level 5, 126 Phillip Street Sydney NSW 2000	 BY EMAIL meetings@automicgroup.com.au	

STEP 1: Appoint Your Proxy	Complete and return this form as instructed only if you do not vote online	
	I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Primero Group Limited, to be held at 1.00pm (WST) on Monday, 25 November 2019 at 78 Hasler Road, Osbourne Park, Perth, WA 6018 hereby:	
	Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.	
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.		
AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 5 - 9 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 5 – 9 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.		

STEP 2: Your Voting Direction	Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
	1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Issue of Plan Options to Mr Brett Grosvenor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2. Re-election of Mr Brett Grosvenor as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Issue of Plan Options to Mr Luke Graham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3. Re-election of Mr Luke Graham as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Issue of Plan Options to Mr Mark Connelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4. Re-election of Mr Cliff Lawrenson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5. Issue of Plan Options to Mr Cameron Henry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Approval of Employee Incentive Plan Buy-Back of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6. Issue of Plan Options to Mr Dean Ercegovic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
	<p>Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.</p>							

STEP 3: Sign Here + Contact Details	SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
	Contact Name:		
	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
	Email Address:		
	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
	Contact Daytime Telephone		
	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
Date (DD/MM/YY)			
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).			