

## **2016 Annual General Meeting and Retirement of Director**

Aurora Labs Limited ("the Company") advises that the Annual General Meeting (AGM) of Aurora Labs will be held on Monday 28 November 2016 commencing at 10:00 am (Perth time) at the offices of the Company located at the Ground Floor, 12A Ambitious Link, Bibra Lake, Western Australia.

The notice of meeting for the AGM is attached to this ASX Announcement, and has been dispatched to all shareholders by mail on today's date.

The Company also announces that Mr David Parker has advised the Board he will be retiring as a non-executive director effective at the date of the AGM, to focus on his corporate advisory role with Alto Capital.

Mr Paul Kehoe, Chairman thanked Mr Parker for his significant contribution to the Company during its early formation and with the successful IPO, and wished him every success in his future endeavors.

For further enquiries, please contact: [enquiries@auroralabs3d.com](mailto:enquiries@auroralabs3d.com)



## **AURORA LABS LTD**

**ACN 601 164 505**

# **Notice of Annual General Meeting and Explanatory Statement**

**Annual General Meeting to be held at  
Aurora Labs, Ground Floor, 12A Ambitious Link, Bibra Lake,  
Western Australia on Monday, 28 November 2016 at 10:00am**

### **IMPORTANT NOTE**

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

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## Important dates

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An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded	10:00am (WST) on Saturday, 26 November 2016
Snapshot date for eligibility to vote	5:00pm (WST) on Saturday, 26 November 2016
Annual General Meeting	10:00am (WST) on Monday, 28 November 2016

## Notice of Annual General Meeting

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Notice is hereby given that an Annual General Meeting of Aurora Labs Ltd ACN 601 164 505 (**Company**) will be held at the offices of the Company located at the Ground Floor, 12A Ambitious Link, Bibra Lake, Western Australia at **10:00am (WST) on Monday, 28 November 2016**.

The Explanatory Statement, which accompanies and forms part of this Notice, describes the various matters to be considered.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary.

## AGENDA

### Financial Statements and Reports

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To receive and consider the annual financial report, Directors' report and Auditor's report of the Company for the financial year ended 30 June 2016, as contained in the Company's Annual Report for 2016.

### Resolution 1: Adoption of Remuneration Report

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

*"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2016, as contained in the Company's Annual Report for 2016, be adopted by the Company."*

**Note:** The vote on Resolution 1 is advisory only and does not bind the Directors of the Company.

### Resolution 2: Re-election of Director – Mr Paul Brendan Kehoe

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

*"That for the purposes of Listing Rule 14.4 and article 12.3(i) of the Company's Constitution, Mr Paul Brendan Kehoe, a Director who retires in accordance with article 12.3(i) of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director."*

### Resolution 3: Re-election of Director – Mr John Nathan Henry

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

*"That for the purposes of Listing Rule 14.4 and article 12.3(i) of the Company's Constitution, Mr John Nathan Henry, a Director who retires in accordance with article 12.3(i) of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director."*

#### **Resolution 4: Re-election of Director – Mr Hendrikus Herman**

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

*“That for the purposes of Listing Rule 14.4 and article 12.3(i) of the Company’s Constitution, Mr Hendrikus Herman, a Director who retires in accordance with article 12.3(i) of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director.”*

#### **Resolution 5: Approval of Additional Placement Facility**

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

*“That for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the number of fully paid ordinary securities of the Company on issue (at the time of issue) calculated in accordance with the formula set out in Listing Rule 7.1A.2 for a period of 12 months from the date of this Meeting on the terms and conditions set out in the Explanatory Statement.”*

**Note:** Resolution 5 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

#### **Resolution 6: Approval to vary terms of Class A Performance Shares**

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

*“That, for the purposes of section 208 of the Corporations Act, clause 2.3 of the Company’s Constitution and for all other purposes, Shareholders approve that the terms of Class A Performance Shares on issue be varied as set out in Schedule 1 with effect from the close of the Meeting, subject to and in accordance with the terms and conditions set out in the Explanatory Statement.”*

**Note:** Resolution 6 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

#### **Resolution 7: Approval to vary terms of Class B Performance Shares**

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

*“That, for the purposes of section 208 of the Corporations Act, clause 2.3 of the Company’s Constitution and for all other purposes, Shareholders approve that the terms of Class B Performance Shares on issue be varied as set out in Schedule 2 with effect from the close of the Meeting, subject to and in accordance with the terms and conditions set out in the Explanatory Statement.”*

**Note:** Resolution 7 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

#### **Resolution 8: Approval to vary terms of Class C Performance Shares**

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

*“That, for the purposes of section 208 of the Corporations Act, clause 2.3 of the Company’s Constitution and for all other purposes, Shareholders approve that the terms of Class C Performance Shares on issue be varied as set out in Schedule 3 with effect from the close of the Meeting, subject to and in accordance with the terms and conditions set out in the Explanatory Statement.”*

**Note:** Resolution 8 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

## **Resolution 9: Approval to complete variations**

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

*“That, for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to do all things necessary to complete variations to the terms of Performance Shares as contemplated under Resolutions 6, 7 and 8 in this Notice.”*

**By order of the Board**

**Mathew Whyte**  
Company Secretary  
24 October 2016

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## **Voting Exclusions**

For the purposes of the Corporations Act and Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions.

The Company will disregard any votes cast on the following Resolutions by or on behalf of the following parties and their ‘associates’ (as defined in the Listing Rules).

<b>Resolution</b>	<b>Excluded Parties</b>
Resolution 1	Members of the Key Management Personnel whose remuneration is detailed in the Remuneration Report and their Closely Related Parties.
Resolution 5	A person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder if the resolution is passed.
Resolution 6	Related parties to whom Resolution 6 would permit a financial benefit to be given.
Resolution 7	Related parties to whom Resolution 7 would permit a financial benefit to be given.
Resolution 8	Related parties to whom Resolution 8 would permit a financial benefit to be given.

However, the Company need not disregard a vote on Resolution 1, 5, 6, 7 and 8 if it is cast by:

- the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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 relation to Resolution 1, members of Key Management Personnel and their Closely Related Parties (other than the Chairperson) may not vote as proxy if the appointment does not specify how the proxy is to vote. The Chairperson may vote as proxy in accordance with an express authorisation on the Proxy Form.

## **Proxy appointment, voting and Meeting instructions**

### **Lodgement of a Proxy Form**

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received at an address given below by **10:00am WST on Saturday, 26 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid.

Proxy Forms may be lodged as follows:

*By hand* 12A Ambitious Link, Bibra Lake, WA 6163

*By post:* PO Box 1531, Bibra Lake DC, WA 6965

*By email:* enquiries@auroralabs3d.com

### **Appointment of a proxy**

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

If you wish to appoint the Chairperson as your proxy, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chairperson please write the name of that person. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairperson will be your proxy.

If you appoint the Chairperson as your proxy, he or she can only cast your votes on Resolution 1 (Adoption of the Remuneration Report) if you expressly authorise him or her to do so by marking the box on the Proxy form.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company on +61 8 9330 8435 or you may photocopy the Proxy Form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

### **Corporate Shareholders**

Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

### **Votes on Resolutions**

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolutions by inserting the percentage or number of Ordinary Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Resolutions, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

### **Voting restrictions that may affect your proxy appointment**

Members of the Key Management Personnel (except for the Chairperson) and their Closely Related Parties are not able to vote your proxy on Resolution 1 (Adoption of Remuneration Report) unless you have directed them how to vote. This exclusion does not apply to the Chairperson if his or her



appointment as proxy expressly authorises him to vote on matters of Key Management Personnel remuneration.

If you intend to appoint the Chairperson, a Director or any other member of Key Management Personnel or any of their Closely Related Parties as your proxy, you are encouraged to direct them how to vote on all the Resolutions.

### **Chairperson voting of undirected proxies**

At the date of this Notice, the Chairperson intends to vote all undirected proxies FOR each of the Resolutions. In exceptional cases the Chairperson's intentions may change subsequently and in this event, the Company will make an announcement to the market.

The Proxy Form expressly authorises the Chairperson to exercise undirected proxies on all Resolutions including Resolution 1 (Adoption of Remuneration Report) even though these Resolutions are connected directly or indirectly with the remuneration of a member of Key Management Personnel.

### **Voting entitlement (snapshot date)**

For the purposes of determining voting and attendance entitlements at the Meeting, Ordinary Shares will be taken to be held by the persons who are registered as holding the Ordinary Shares at **5:00pm WST on Saturday, 26 November 2016**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### **Corporate representatives**

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry before the Meeting or at the registration desk on the day of the Meeting.

### **Defined terms**

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

### **Questions from Shareholders**

At the Meeting the Chairperson will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

A representative of HLB Mann Judd, as the Auditor responsible for preparing the Auditor's report for the year ended 30 June 2016 will attend the Meeting. The Chairperson will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

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

To assist the Board and the Auditor in responding to any questions that you may have, please submit any questions to the Company by **10:00am WST on Monday, 21 November 2016** in the same manner as outlined above for lodgement of Proxy Forms.

As required under section 250PA of the Corporations Act, the Company will make available at the Meeting those questions directed to the Auditor received in writing at least 5 business days prior to the Meeting, being questions which the Auditor considers relevant to the content of the Auditor's report or the conduct of the audit of the annual financial report for the year ended 30 June 2016. The Chairperson will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

## **Explanatory Statement**

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This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

### **1. Annual Financial Report**

The Corporations Act requires the annual financial statements, Directors' report and Auditor's report of the Company for the year ended 30 June 2016 be tabled at the Meeting. These reports are contained in the Company's 2016 Annual Report.

Neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders on these reports. However, Shareholders will be given reasonable opportunity to raise questions on these reports and ask questions of the Auditor.

### **2. Resolution 1 – Adoption of Remuneration Report**

#### **2.1 Background**

The Remuneration Report is set out in the Directors' report which forms part of the Annual Report.

The Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. Section 250R(3) of the Corporations Act specifies that the vote on Resolution 1 is **advisory only** and does not bind the Directors or the Company.

Accordingly, failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report. However, the Board will take the outcome of the vote into consideration when considering the remuneration policy.

#### **2.2 Spill meeting**

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the offices of Director are vacated (other than its managing director) and each such office will be put to a vote.

The Company was not a listed on ASX at the time of its previous annual general meeting and was not required to seek approval of its remuneration report for the financial year ended 30 June 2015. As such, Shareholders will not need to consider a spill resolution at this Meeting.

#### **2.3 Voting prohibition**

Under sections 250R(4) and (5) of the Corporations Act, Key Management Personnel and their Closely Related Parties may not vote on Resolution 1 and may not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote or the proxy is given to the Chairperson and expressly authorises the Chairperson to exercise the proxy.

The Chairperson will use any such proxies to vote in favour of Resolution 1.

## 2.4 **Directors' recommendation**

The Directors decline to make a recommendation on how Shareholders should vote in respect of Resolution 1 as they each hold a material personal interest in the outcome of the Resolution.

## 3. **Resolutions 2, 3 and 4 – Re-election of Directors**

### 3.1 **Background**

Resolutions 2, 3 and 4 seek Shareholder approval for the re-election of Directors Paul Kehoe, John (Nathan) Henry and Hendrikus (Dick) Herman respectively.

In accordance with Listing Rule 14.4 and article 12.3(i) of the Company's Constitution, a Director who was appointed by the Board must retire at the next annual general meeting of the Company and is eligible for re-election.

In relation to the Directors standing for re-election:

- (a) Mr Kehoe is the Non-Executive Chairman who was appointed by the Board on 11 April 2016;
- (b) Mr Henry is an Executive Director who was appointed by the Board on 23 November 2015; and
- (c) Mr Herman is a Non-Executive Director who was appointed by the Board on 11 April 2016.

### 3.2 **Biography – Paul Brendan Kehoe**

Mr Paul Kehoe is the Company's Non-Executive Chairman. He has over 20 years' experience in corporate finance and restructuring as a Chartered Accountant with firms such as PricewaterhouseCoopers (renamed PwC) and Grant Thornton in senior management roles.

Mr Kehoe holds a Bachelor of Business (Acc.) from Monash University and Graduate Diploma of Science (with First Class Honours) from Monash University.

Mr Kehoe served as the managing director of Syrah Resources Limited (ASX:SYR) from December 2011 until October 2014. He oversaw the early development of Syrah Resources' world class graphite project at Balama, Mozambique and was involved in the acquisition of the Tanzanian projects. In addition, he currently serves as a non-executive director of Jacana Minerals Limited. He also performed business development roles with other ASX-listed resource exploration companies.

Currently, Mr Kehoe is a member of the Company's Audit Committee.

The Directors (excluding Mr Kehoe) consider Mr Kehoe to be 'independent' for the purposes of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition) (**ASX Principles**).

### 3.3 **Biography – John Nathan Henry**

Mr Nathan Henry is an Executive Director of the Company. He has held senior management roles for over 28 years and has been involved across all levels of strategic planning, divisional financial reporting and senior corporate accountability up to board level. His roles have covered the full spectrum of responsibility including process and business model development, new business development, technology implementation and roll out through distributed networks, market research and writing of business plans.

Mr Henry has experience with ISO certification, equipment purchase recommendations, workflow planning, skilled employee recruitment, securing approved vendor list (AVL) status and marketing plans. He has previously developed and led sales teams for market leading companies both in Australia and the USA.

Mr Henry is responsible for developing the strategy and processes required for branding and marketing the Company's products and services. He is responsible for developing advertising materials, overseeing web design and social media campaigns as well as monitoring metrics for these modes of communication and marketing.

The Directors (excluding Mr Henry) do not consider Mr Henry to be 'independent' for the purposes of the ASX Principles due to him being employed as an executive by the Company.

### 3.4 **Biography – Hendrikus (Dick) Herman**

Mr Dick Herman is a Non-Executive Director of the Company. He is a lawyer providing expert advice on commercial law matters. He is currently a senior associate at Curwoods Lawyers. He has almost 20 years' experience in legal and commercial roles and has handled matters for companies of all shapes and sizes, in Australia and overseas.

Mr Herman holds a Bachelor of Laws and a Bachelor of Commerce from Australian National University.

Mr Herman has a particular interest in franchise operations and their regulation and compliance, having provided advice on the Franchising Code of Conduct in its various forms since its introduction in 1998. He also has developed and maintained legal and risk compliance functions for companies, including work health and safety frameworks around their workforces.

Mr Herman draws on his broad understanding of business drivers to provide practical and relevant advice from a different perspective while being commercially focused.

Currently, Mr Herman is the chair of the Company's Audit Committee.

The Directors (excluding Mr Herman) consider Mr Herman to be 'independent' for the purposes of the ASX Principles.

### 3.5 **Directors' recommendations**

#### (a) **Re-election of Paul Brendan Kehoe**

The Directors (other than Mr Kehoe who has a material personal interest in the outcome of the Resolution and declines to make a recommendation) recommend Shareholders vote in favour of Resolution 2.

#### (b) **Re-election of John Nathan Henry**

The Directors (other than Mr Henry who has a material personal interest in the outcome of the Resolution and declines to make a recommendation) recommend Shareholders vote in favour of Resolution 3.

#### (c) **Re-election of Hendrikus (Dick) Herman**

The Directors (other than Mr Herman who has a material personal interest in the outcome of the Resolution and declines to make a recommendation) recommend Shareholders vote in favour of Resolution 4.

## 4. **Resolution 5 – Approval of Additional Placement Facility**

### 4.1 **Background**

Resolution 5 seeks Shareholder approval for an additional issuing capacity under Listing Rule 7.1A (**Additional Placement Facility**).

If approved, Resolution 5 would enable the Company to issue additional Equity Securities (calculated below) over a 12 month period without obtaining Shareholder approval.

Resolution 5 is a special resolution. It must be passed by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

#### 4.2 **Applicable Listing Rules**

Listing Rule 7.1A permits eligible entities that have obtained the approval of shareholders by special resolution at an annual general meeting, to have an addition capacity to issue additional Equity Securities issue equal to approximately 10% of its issued capital, over a 12 month period.

The Company is an eligible entity (being an entity with market capitalisation of \$300 million or less and which is not included in the S&P/ASX 300 index) and seeks Shareholder approval under this Resolution for the Additional Placement Facility.

#### 4.3 **Information on Additional Placement Facility**

##### (a) **Quoted securities**

Any Equity Securities issued under the Additional Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has one class of Equity Securities quoted on ASX, being Ordinary Shares.

##### (b) **Number of Equity Securities that may be issued**

Listing Rule 7.1 permits the Company to issue Equity Securities equal to approximately 15% of the Company's issued capital over a 12 month period without shareholder approval.

The Additional Placement Facility under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1. The effect of Shareholders passing Resolution 5 is to allow the Company to issue Equity Securities equal to approximately 25% of its issued capital during the next 12 months without first obtaining specific Shareholder approval.

The exact number of additional Equity Securities that the Company may issue under the Additional Placement Facility is not fixed but is calculated under a formula prescribed by the Listing Rules (set out below).

At the date of this Notice the Company has 55,000,000 Ordinary Shares on issue. If Resolution 5 is passed, the Company will be permitted to issue (as at the date of this Notice) approximately:

- (i) 8,250,000 Equity Securities under the Listing Rule 7.1 15% placement capacity; and
- (ii) 5,500,000 Equity Securities under the Additional Placement Capacity.

##### (c) **Formula for Additional Placement Facility**

If this Resolution 5 is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula.

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

**A** = the number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4;
- less the number of fully paid ordinary securities cancelled in the 12 months;

**D =** 10%; and

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

#### 4.4 Listing Rule requirements

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the Additional Placement Facility:

**(a) Minimum price at which Equity Securities may be issued**

The issue price of any Equity Security under the Additional Placement Facility will not be less than 75% of the VWAP for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the securities are to be issued is agreed; or
- (ii) if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

**(b) Risk of economic and voting dilution**

If Resolution 5 is passed and the Company issues securities under the Additional Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (i) the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Meeting; and
- (ii) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date or the new Equity Securities may be issued in consideration for the acquisition of a new asset.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Ordinary Shares and the market price of Ordinary Shares.

The numbers are calculated on the basis of the latest available market price of Ordinary Shares before the date of this Notice and the current number of Ordinary Shares on issue.

Variable A in Listing Rule 7.1A		Nominal issue price		
		\$1.11 (market price)	\$0.8325 (25% decrease in market price)	\$0.555 (50% decrease in market price)
<b>Current issued capital A = 55,000,000 Ordinary Shares</b>	<b>Ordinary Shares issued under LR 7.1A</b>	5,500,000	5,500,000	5,500,000
	<b>Voting dilution</b>	10%	10%	10%
	<b>Funds raised</b>	\$6,105,000	\$4,578,750	\$3,052,500
	<b>Economic dilution</b>	0%	2.27%	4.55%
<b>50% increase in issued capital A = 82,500,000 Ordinary Shares</b>	<b>Ordinary Shares issued under LR 7.1A</b>	8,250,000	8,250,000	8,250,000
	<b>Voting dilution</b>	10%	10%	10%
	<b>Funds raised</b>	\$9,157,500	\$6,868,125	\$4,578,750
	<b>Economic dilution</b>	0%	2.27%	4.55%
<b>100% increase in issued capital A = 110,000,000 Ordinary Shares</b>	<b>Ordinary Shares issued under LR 7.1A</b>	11,000,000	11,000,000	11,000,000
	<b>Voting dilution</b>	10%	10%	10%
	<b>Funds raised</b>	\$12,210,000	\$9,157,500	\$6,105,000
	<b>Economic dilution</b>	0%	2.27%	4.55%

**Notes:**

This table has been prepared on the following assumptions:

1. the latest available market price of Ordinary Shares as on 24 October 2016 at \$1.11;
2. the Company issues the maximum number of equity securities available under the Additional Placement Facility;
3. existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility;

4. the Company issues Ordinary Shares only and does not issue other types of equity securities (such as Options) under the Additional Placement Facility; and
5. the impact of placements under Listing Rule 7.1 or following the exercise of options is not included in the calculations.
6. Economic dilution (ED) is calculated using the following formula:

$$ED = (MP - (NMC / TS)) / MP$$

where:

- MP = the market price of shares traded on ASX, expressed in dollars;
- MC = market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of shares on issue;
- NMC = notional market capitalisation, being the market capitalisation plus the NSV;
- NSV = new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and
- TS = total shares on issue following new Equity Security issue.

**(c) Date by which Equity Securities may be issued**

Equity Securities may be issued under the Additional Placement Facility for 12 months after this Meeting (i.e. until 28 November 2017).

However, the approval to the Additional Placement Facility under this Resolution will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

**(d) Purpose for which Equity Securities may be issued**

The Company may seek to issue Equity Securities under the Additional Placement Facility for the following purposes:

- (i) cash consideration to fund business growth, to acquire new assets or make investments, to develop the Company's existing assets and operations and for general working capital; and
- (ii) non-cash consideration to acquire new assets or make investments. In these circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

**(e) Allocation policy**

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the new securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.



None of the allottees will be a related party or an associate of a related party of the Company, except as permitted under Listing Rule 7.2. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

If the Additional Placement Facility is used to acquire new assets or investments, then it is likely that the allottees will be the vendors of these assets/investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities under the Additional Placement Facility.

**(f) Additional information on issued securities**

The Company was admitted to ASX on 12 August 2016. It has not issued any securities since its admission.

**4.5 Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5 as it will give the Company the flexibility to raise and fund necessary working capital whilst preserving the Company's cash reserves.

**5. Resolutions 6, 7 and 8 – Approval to vary terms of Performance Shares**

**5.1 Introduction**

Resolutions 6, 7 and 8 seek the approval of Shareholders to vary the terms of each class of Performance Share on issue to the effect that, if the conversion of those Performance Shares into Ordinary Shares would result in the holder contravening the takeover restrictions under Chapter 6 of the Corporations Act, the conversion will be deferred until such time as it would not cause the contravention.

The Resolutions also seek approval for any associated financial benefit that may be received from the variation by holders of Performance Shares who are 'related parties' of Company for the purposes of section 208 of the Corporations Act.

Section 606 of the Corporations Act provides that, subject to specific exceptions, a person must not acquire a "relevant interest" (i.e. a controlling interest) in the voting shares of a publicly listed company of more than 20%, or if the person already holds a relevant interest of more than 20%, that person must not increase their relevant interest.

The Company has 21,000,000 Performance Shares on issue as at the date of this Notice as follows:

- (a) 6,300,000 Class A Performance Shares;
- (b) 7,087,500 Class B Performance Shares; and
- (c) 7,612,500 Class C Performance Shares.

Resolutions 6, 7 and 8 are separate special resolutions. Accordingly, each Resolution will be passed if at least 75% of the votes are cast in favour of it by Shareholders entitled to vote on the Resolution.

**5.2 Substantial holder**

The Managing Director, Mr David Budge, holds 23,946,785 Ordinary Shares which represents a relevant interest in the Company's issued Ordinary Shares of approximately 43.54%.

Mr Budge holds a further 14,736,483 Performance Shares which, if converted into Ordinary Shares, would result in his relevant interest increasing up to approximately 50.90% as follows, assuming no other Ordinary Shares were issued prior to this time:

- (a) conversion of 4,420,945 Class A Performance Shares – increase to 46.23%;
- (b) conversion of 4,973,563 Class B Performance Shares – increase to 48.75%; and
- (c) conversion of 5,341,975 Class C Performance Shares – increase to 50.90%.

Accordingly, the conversion of the Performance Shares may result in Mr Budge contravening the takeover restrictions under the Corporations Act unless the acquisition of a further relevant interest by Mr Budge is approved by Shareholders in accordance with item 7 of section 611 of the Corporations Act or falls within another exception to the takeover restrictions in section 611 of the Corporations Act, such as the “3% creep in 6 months” exception.

By way of example, Mr Budge may incrementally increase his holding under the “creep” exception which permits a person who holds a relevant interest of more than 20% to increase their interest, provided that after the increase the holding is not more than 3 percentage points higher than the position held 6 months prior.

### 5.3 Proposed variations

The Company proposes under Resolutions 6, 7 and 8 to vary the terms of each class of Performance Share by inserting the following identical term.

“(r) **Deferral of conversion**  
*If the conversion of any Class [A, B or C] Performance Shares (or any part thereof) would result in any person being in contravention of section 606(1) of the Corporations Act (Takeover Restriction) then:*

- (i) *The conversion of those Class [A, B or C] Performance Shares (or any part thereof) will be deferred until such later time or times that the conversion would not result in a contravention of the Takeover Restriction.*
- (ii) *A Holder may give written notification to the Company if they consider that the conversion of those Class [A, B or C] Performance Shares (or any part thereof) may result in the contravention of the Takeover Restriction, failing which the Company may assume the conversion of those Class [A, B or C] Performance Shares will not result in any person being in contravention of the Takeover Restriction.*
- (iii) *The Company may (but is not obliged to) by written notice to a Holder, request a Holder to provide the written notice referred to in paragraph (r)(ii) within 7 days if the Company considers that the conversion of those Class [A, B or C] Performance Shares (or any part thereof) may result in a contravention of the Takeover Restriction. If the Holder does not give notification to the Company within 7 days that they consider the conversion of the Class [A, B or C] Performance Shares (or part thereof) may result in the contravention of the Takeover Restriction, then the Company may assume that the conversion of the Class [A, B or C] Performance Shares (or part thereof) will not result in any person being in contravention of the Takeover Restriction.”*

The exact wording for each new term of the Class A, B and C Performance Shares is set out in Schedules 1, 2 and 3 respectively.

### 5.4 Corporations Act and Constitutional requirements for variations

Section 246B(1) of the Corporations Act provides that the rights attaching to shares may be varied in accordance with a procedure for doing so set out in a company’s constitution.

Clause 2.3(a) of the Constitution provides that the terms of Shares may be varied by a special resolution of the Company and either:

- (a) a special resolution passed at a meeting of Shareholders who hold Shares in that class; or
- (b) the written consent of the Shareholders who are entitled to at least 75% of the votes that may be cast in respect of Shares in that class.

Clause (c) of each class of Performance Share provides that the holder does not have any right to vote on a resolution except as otherwise required by law. The Board considers that clause 2.3(a) of the Constitution requires the holders of Performance Shares to have a vote for the purposes of considering a variation to the rights of those Performance Shares

The Company has received written consents to vary the terms of the Performance Shares as proposed under Resolutions 6, 7 and 8 from the holders of at least 75% of the Performance Shares on issue in each class. Details of the consents are set out in the table below.

Performance Share Class	Number of holders	Number of votes	Percentage of total Performance Shares in class
Class A	7	4,974,662	79%
Class B	7	5,593,112	79%
Class C	7	6,007,425	79%

## 5.5 Corporations Act requirements

Section 208 of the Corporations Act provides that a public company cannot give a “financial benefit” to a related party of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act applies, or the holders of ordinary securities have approved the giving of the financial benefit to the related party at a general meeting.

The proposed variation to the terms of the Performance Shares may constitute the giving of an indirect financial benefit to related party holders of Performance Shares.

The following information is provided in accordance with section 219 of the Corporations Act to enable Shareholders to assess the merits of Resolutions 6, 7 and 8:

### (a) Identity of related parties

Each of the following related parties of the Company (**Related Party Holders**) holds Performance Shares:

Holder	Related party relationship	Performance Shares held
Pabasa Pty Ltd as trustee for the Kehoe Superannuation Fund	Entity controlled by the Non-Executive Chairman, Mr Paul Kehoe	250,000
Mr David Budge	Managing Director	14,736,483 (see Section 5.2)
Mr John (Nathan) Henry	Executive Director	512,094
Mrs Rachael Parker	Wife of Non-Executive Director, Mr David Parker	174,999
DRP 2006 Pty Ltd as trustee for the DRP (2006) Superannuation Fund	Entity controlled by the Non-Executive Director, Mr David Parker	92,307
Mr Hendrikus (Dick) Herman	Non-Executive Director	327,478
Kacha Pty Ltd as trustee for the Kacha Family Trust	Entity of which Non-Executive Director, Mr Hendrikus Herman, is a director and 50% shareholder in the trustee company	153,847

Aileen Budge & Arthur Budge	Parents of Mr David Budge	163,738
<b>TOTAL</b>		<b>16,410,946</b>

(b) **Nature of financial benefit**

The financial benefit that the Related Party Holders may receive is that, if the Conversion of any class of Performance Share would be prohibited under Chapter 6 of the Corporations Act, the conversion will be deferred.

Accordingly, a Related Party Holder's right to receive Ordinary Shares will be preserved until such time as the issue of those Ordinary Shares would not contravene the takeover restrictions in the Corporations Act.

At the date of this Notice, the variation to the Performance Share terms is considered to have potential application to Mr David Budge for the reasons outlined in Section 5.2 above. Other than Mr Budge, none of the Directors or their associated holders currently holds, or is anticipated to hold, a relevant interest which could exceed the 20% takeover threshold if the Performance Shares converted into Ordinary Shares.

(c) **Value of financial benefit**

The potential financial benefit from the proposed variation to Performance Shares terms is, due to its nature, difficult to accurately value. The value of the potential benefit is subjective and will be different for each Related Party Holder depending upon their individual circumstances.

For example, the variation may not provide any financial benefit to a Related Party Holder who does not hold, and is not expected to hold, a relevant interest which, if the Performance Shares converted into Ordinary Shares, could exceed the 20% takeover threshold or already exceeds that threshold.

Conversely, a Related Party Holder (e.g. Mr Budge) who has a relevant interest of 20% or more in the issued Ordinary Shares would receive a benefit from the variation.

Noting that a Related Party Holder may be prohibited from being issued all or part of the Ordinary Share allocation on conversion of Performance Shares unless the variation is approved, the Directors consider a reasonable basis on which to value the benefit is the potential value of the Ordinary Shares which could be received on conversion.

Accordingly, applying the price for Ordinary Shares traded on ASX as at 24 October 2016 of \$1.11, the Performance Shares held by the Related Party Holders would have an approximate aggregate value on issue of \$18,576,901.17 (i.e. 16,735,947 x \$1.11).

(d) **Current security holdings**

The table below sets out the relevant interests in the Company's securities that are currently held by the Related Party Holders and their respective associates.

Related Party Holder	Ordinary Shares	Performance Shares	Options
Pabasa Pty Ltd as trustee for the Kehoe Superannuation Fund	1,093,750	250,000	500,000
Basapa Pty Ltd as trustee for the Kehoe Family Fund	1,000,000	Nil	1,000,000
Mr David Budge	23,936,785	14,736,483	725,000
Mr John (Nathan) Henry	832,151	512,094	1,693,334
Buttes Pty Ltd as trustee for the Toklat Fund	150,000	Nil	Nil
Mr David Parker	460,000	Nil	300,000
DRP 2006 Pty Ltd as trustee for the DRP (2006) Superannuation Fund	300,000	92,307	Nil
Cobblestones Corporate Pty Ltd as trustee for the DRP Family	100,000	Nil	400,000
Badger Invest Pty Ltd	Nil	Nil	300,000
Mrs Rachael L Parker	Nil	174,999	Nil
Mr Hendrikus (Dick) Herman	Nil	327,478	1,693,333
Kacha Pty Ltd as trustee for the Kacha Family Trust	932,151	153,847	Nil
Aileen Budge & Arthur Budge	266,074	163,738	Nil
<b>TOTAL</b>	<b>29,070,911</b>	<b>16,410,946</b>	<b>6,611,667</b>

(e) **Effect on control**

As outlined in Section 5.2, Mr Budge currently controls approximately 43.54% of the Ordinary Shares and, if all classes of Performance Share converted without other Shares being issued, his interest would increase to approximately 50.90%.

This could potentially have a material impact on the control of the Company as Mr Budge may obtain the ability to pass or block certain ordinary resolutions.

However, Mr Budge's ability to increase his shareholding may be restricted under the takeover provisions in Chapter 6 of the Corporations Act. The proposed variations to

the terms of Performance Shares is intended to support this restriction and prevent a contravention of the takeover restrictions.

If the proposed variations are approved and implemented, Mr Budge may still increase his shareholding but only as permitted under the Corporations Act, such as an incremental increase over time. His interest may also be diluted through the issue of additional Ordinary Shares by the Company. For example, Mr Budge may incrementally increase his holding under the “3% creep in 6 months” exception provided by item 9 of section 611 of the Corporations Act (see Section 5.2 above).

(f) **No benefit foregone**

Other than as disclosed above, the Directors do not consider that, from an economic and commercial perspective, there are any costs or detriments of any significance (including opportunity or taxation costs) for the Company or benefits foregone by the Company in varying the terms of each class of Performance Share as proposed by Resolutions 6, 7 and 8.

(g) **Exceptions**

The variations to the terms of each class of Performance Share will apply equally to non-related holders of those Performance Shares and the Related Party Holders. Therefore, the exception in section 215 of the Corporations Act may apply as the benefit:

- (i) is only obtained by the Related Party Holders in their capacity as members of the Company (i.e. holders of Performance Shares); and
- (ii) the benefit does not discriminate unfairly against the other members of the Company.

Notwithstanding this, there is an insufficient number of Directors without a material personal interest in the Resolutions so as to constitute a quorum under the Company's Constitution for the purpose of considering whether a Corporations Act exception may apply to the proposed variations to the Performance Share terms.

Accordingly, the Directors have determined to seek Shareholder approval under these Resolutions.

(h) **Directors' interest in outcome**

Each Director has a material personal interest in the outcome of Resolutions 6, 7 and 8 as they or their associated entities hold Performance Shares.

In particular, Mr Budge's interest in the outcome of Resolutions 6, 7 and 8, as outlined in Section 5.2 above, is noted.

(i) **Voting intentions of Directors**

Each of the Directors (and their respective associates) are prohibited from voting on Resolutions 6, 7 and 8 due to their material personal interest in the outcome of the Resolutions.

(j) **Other information**

Other than as set out above, the Directors do not consider that there is any further information which a Shareholder would reasonably require in order to decide whether or not it is in the Company's best interest to pass Resolutions 7, 8 or 9.

## **6. Resolution 9: Approval to complete transactions**

### **6.1 Introduction**

Resolution 9 seeks approval and authorisation of Shareholders for the Directors to complete the variations to the terms of the Performance Shares contemplated by Resolutions 6, 7 and 8, notwithstanding any material personal interest in the same.

### **6.2 Corporations Act requirements**

Section 195(1) of the Corporations Act provides that a director of a public company who has a material personal interest in a matter being considered at a directors' meeting must not be present while the matter is being considered or vote on the matter.

The Directors are each considered to have a material personal interest in Resolutions 6, 7 and 8 by reason of holding Performance Shares and/or Options.

If Resolution 9 is not approved, the Directors may not be able to form a quorum at a Directors' meeting so that they can carry out and complete the transactions contemplated under Resolutions 6, 7 and 8.

Accordingly, the Directors seek Shareholder approval under Resolution 9 to enable the Directors to consider and complete transactions contemplated under Resolutions 6, 7 and 8.

## Glossary

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In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

<b>Additional Placement Facility</b>	Has the meaning given to that term on Section 4.1 of this Explanatory Statement.
<b>Annual General Meeting or Meeting</b>	The annual general meeting of Shareholders or any adjournment thereof, convened by this Notice.
<b>Annual Report</b>	The annual report of the Company for the financial year ended 30 June 2016, including the annual financial report, the Directors' report and the Auditor's report.
<b>Associate</b>	Has the meaning given to that term in the Corporations Act.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, as the context requires.
<b>Board</b>	The Company's Board of Directors.
<b>Chairperson</b>	The chairperson of the Meeting.
<b>Class A Performance Share</b>	A fully paid Class A Performance Share in the capital of the Company.
<b>Class B Performance Share</b>	A fully paid Class B Performance Share in the capital of the Company.
<b>Class C Performance Share</b>	A fully paid Class C Performance Share in the capital of the Company.
<b>Closely Related Parties</b>	<p>Has same meaning given to it in section 9 of the Corporations Act, being, in relation to a member of Key Management Personnel:</p> <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of the member's spouse;</li><li>(c) a dependent of the member or the member's spouse;</li><li>(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;</li><li>(e) a company the member controls; or</li><li>(f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth) (currently none are prescribed).</li></ul>
<b>Company</b>	Aurora Labs Ltd (ACN 601 164 505).
<b>Company Secretary</b>	The Company Secretary of the Company at the time of the Meeting, being Mr Mathew Whyte.
<b>Constitution</b>	The Constitution of the Company.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company.



<b>Equity Security</b>	Has the meaning given to that term in ASX Listing Rule 19.12, being: <ul style="list-style-type: none"> <li>(a) a share;</li> <li>(b) a unit;</li> <li>(c) a right to a share or unit or option;</li> <li>(d) an option over an issued or unissued security;</li> <li>(e) a convertible security;</li> <li>(f) any security that ASX decides to classify as an equity security;</li> <li>(g) but not a security that ASX decides to classify as a debt security.</li> </ul>
<b>Explanatory Statement</b>	This explanatory statement which accompanies and forms part of the Notice of Meeting.
<b>Glossary</b>	This glossary of terms.
<b>Key Management Personnel</b>	Has the same meaning as the definition of that term in section 9 of the Corporations Act, being those persons details of whose remuneration are included in the Remuneration Report having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
<b>Listing Rules</b>	The listing rules of ASX, as amended from time to time.
<b>Notice or Notice of Annual General Meeting</b>	The notice of Annual General Meeting which accompanies this Explanatory Statement.
<b>Ordinary Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Performance Share</b>	A Class A Performance Share, Class B Performance Share or Class C Performance Share, as the context requires.
<b>Proxy Form</b>	The proxy form accompanying the Notice.
<b>Related Body Corporate</b>	Has the same meaning as given to that term in the Corporations Act.
<b>Remuneration Report</b>	The remuneration report of the Company for the period ended 30 June 2016, appearing in the Director's report as set out in the Annual Report.
<b>Resolution</b>	A resolution set out in the Notice.
<b>Share</b>	An Ordinary Share or a Performance Share, as the context requires.
<b>Shareholder</b>	A holder of an Ordinary Share.
<b>VWAP</b>	The volume-weighted average price of Ordinary Shares traded on ASX.
<b>WST</b>	Australian Western Standard Time, being the time in Perth, Western Australia.

## Schedule 1 – Proposed Variation to Class A Performance Shares

The following clause is proposed to be inserted as a new clause (r) to the terms of the Class A Performance Shares:

**“(r) Deferral of conversion**

*If the conversion of any Class A Performance Shares (or any part thereof) would result in any person being in contravention of section 606(1) of the Corporations Act (**Takeover Restriction**) then:*

- (i) The conversion of those Class A Performance Shares (or any part thereof) will be deferred until such later time or times that the conversion would not result in a contravention of the Takeover Restriction.*
- (ii) A Holder may give written notification to the Company if they consider that the conversion of those Class A Performance Shares (or any part thereof) may result in the contravention of the Takeover Restriction, failing which the Company may assume the conversion of those Class A Performance Shares will not result in any person being in contravention of the Takeover Restriction.*
- (iii) The Company may (but is not obliged to) by written notice to a Holder, request a Holder to provide the written notice referred to in paragraph (r)(ii) within 7 days if the Company considers that the conversion of those Class A Performance Shares (or any part thereof) may result in a contravention of the Takeover Restriction. If the Holder does not give notification to the Company within 7 days that they consider the conversion of the Class A Performance Shares (or part thereof) may result in the contravention of the Takeover Restriction, then the Company may assume that the conversion of the Class A Performance Shares (or part thereof) will not result in any person being in contravention of the Takeover Restriction.”*

## Schedule 2 – Proposed Variation to Class B Performance Shares

The following clause is proposed to be inserted as a new clause (r) to the terms of the Class B Performance Shares:

**“(r)     *Deferral of conversion***

*If the conversion of any Class B Performance Shares (or any part thereof) would result in any person being in contravention of section 606(1) of the Corporations Act (**Takeover Restriction**) then:*

- (i)     The conversion of those Class B Performance Shares (or any part thereof) will be deferred until such later time or times that the conversion would not result in a contravention of the Takeover Restriction.*
- (ii)    A Holder may give written notification to the Company if they consider that the conversion of those Class B Performance Shares (or any part thereof) may result in the contravention of the Takeover Restriction, failing which the Company may assume the conversion of those Class B Performance Shares will not result in any person being in contravention of the Takeover Restriction.*
- (iii)   The Company may (but is not obliged to) by written notice to a Holder, request a Holder to provide the written notice referred to in paragraph (r)(ii) within 7 days if the Company considers that the conversion of those Class B Performance Shares (or any part thereof) may result in a contravention of the Takeover Restriction. If the Holder does not give notification to the Company within 7 days that they consider the conversion of the Class B Performance Shares (or part thereof) may result in the contravention of the Takeover Restriction, then the Company may assume that the conversion of the Class B Performance Shares (or part thereof) will not result in any person being in contravention of the Takeover Restriction.”*

### Schedule 3 – Proposed Variation to Class C Performance Shares

The following clause is proposed to be inserted as a new clause (r) to the terms of the Class C Performance Shares:

**“(r)     *Deferral of conversion***

*If the conversion of any Class C Performance Shares (or any part thereof) would result in any person being in contravention of section 606(1) of the Corporations Act (**Takeover Restriction**) then:*

- (i)     The conversion of those Class C Performance Shares (or any part thereof) will be deferred until such later time or times that the conversion would not result in a contravention of the Takeover Restriction.*
- (ii)    A Holder may give written notification to the Company if they consider that the conversion of those Class C Performance Shares (or any part thereof) may result in the contravention of the Takeover Restriction, failing which the Company may assume the conversion of those Class C Performance Shares will not result in any person being in contravention of the Takeover Restriction.*
- (iii)   The Company may (but is not obliged to) by written notice to a Holder, request a Holder to provide the written notice referred to in paragraph (r)(ii) within 7 days if the Company considers that the conversion of those Class C Performance Shares (or any part thereof) may result in a contravention of the Takeover Restriction. If the Holder does not give notification to the Company within 7 days that they consider the conversion of the Class C Performance Shares (or part thereof) may result in the contravention of the Takeover Restriction, then the Company may assume that the conversion of the Class C Performance Shares (or part thereof) will not result in any person being in contravention of the Takeover Restriction.”*