



PRIMERO GROUP LIMITED
ACN 149 964 045

NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held at
Level 2, 267 St Georges Terrace, Perth WA 6000 on Friday, 30
November 2018 at 2.30pm (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 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 Level 2, 267 St Georges Terrace, Perth WA 6000 on Friday, 30 November 2018 at 2.30pm (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 Wednesday, 28 November 2018 at 4.00pm (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 2018, 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."

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

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 – Appointment of Auditor

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 327B of the Corporations Act and for all other purposes, Moore Stephens (WA) Pty Ltd, having consented to act as the Company's auditor, is appointed as the Company's auditor on the terms and conditions in the Explanatory Memorandum."

3. Resolution 3 – Re-election of Mr Dean Ercegovic 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 Dean Ercegovic, retires by rotation and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

4. Resolution 4 – 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 6.21 of the Constitution and for all other purposes, Mr Luke Graham, who was appointed as a casual vacancy on 21 May 2018, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

5. Resolution 5 – Re-election of Mr Mark Connelly 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 6.21 of the Constitution and for all other purposes, Mr Mark Connelly, who was appointed as a casual vacancy on 25 May 2018, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

6. Resolution 6 – 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 11 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 1,187,500 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).

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 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 Dean Ercegovic

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

"That, subject to Resolution 11 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 520,000 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).

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 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 Brett Grosvenor

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

"That, subject to Resolution 11 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 520,000 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).

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 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 Luke Graham

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

"That, subject to Resolution 11 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 37,500 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).

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 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 – 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 11 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 50,000 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).

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 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:

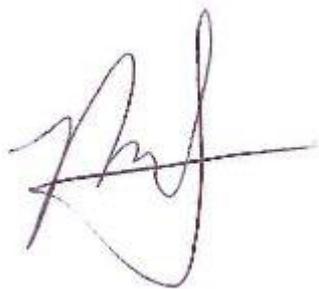
- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution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

11. Resolution 11 – 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 6 to 10 (inclusive)."

BY ORDER OF THE BOARD

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

**Mr Ryan McFarlane
Chief Financial Officer and Company Secretary
Dated: 30 October 2018**

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 – Appointment of Auditor |
| Section 6: | Resolution 3 – Re-election of Mr Dean Ercegovic as a Director |
| Section 7: | Resolution 4 – Re-election of Mr Luke Graham as a Director |
| Section 8: | Resolution 5 – Re-election of Mr Mark Connelly as a Director |
| Section 9: | Resolutions 6 to 8 (inclusive) – Issue of Plan Options to Executive Directors |
| Section 10: | Resolutions 9 and 10 – Issue of Plan Options to Non-Executive Directors |
| Section 11: | Resolution 11 – Section 195 Approval |
| Schedule 1 | Definitions |
| Schedule 2 | Nomination of Auditor |
| Schedule 3 | 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 2.30pm (WST) on Wednesday, 28 November 2018, 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 6 to 10 (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 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.

Shareholders have not previously voted on the Remuneration Report as this is the Company's first annual general meeting. Please note if the Remuneration Report receives a Strike at the Meeting and if a second Strike is received at the 2019 Annual General Meeting, 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 – Appointment of Auditor

In accordance with section 327A of the Corporations Act, a public company must appoint an auditor within one month after the day on which the company is registered, unless the company at a general meeting has appointed an auditor. An auditor so appointed holds office until the Company's first annual general meeting.

In accordance with section 327B(1)(a) of the Corporations Act, a public company must appoint an auditor of the company at its first annual general meeting.

The Company became a public company on 27 March 2018 and was listed on the ASX on 9 July 2018.

Moore Stephens (WA) Pty Ltd has consented to act in the capacity of auditor, and all other requirements of the Corporations Act in relation to the appointment of an auditor have been, or, at the date of the Notice are being met.

In accordance with section 328B(1) of the Corporations Act, a Shareholder has nominated Moore Stephens (WA) Pty Ltd as auditor of the Company. A copy of the nomination letter is attached as Schedule 2.

Resolution 2 therefore provides that Moore Stephens (WA) Pty Ltd is re-appointed as auditor of the Company.

Resolution 2 is an ordinary resolution.

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

The Board recommends that Shareholders vote in favour of Resolution 2.

6. Resolution 3 – Re-election of Mr Dean Ercegovic as a Director

Article 6.1 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.

A Director who retires under article 6.1 of the Constitution is eligible for re-election.

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

Details of the qualifications and experience of Mr Ercegovic 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 Ercegovic) supports the re-election of Mr Ercegovic and recommends that Shareholders vote in favour of Resolution 3.

7. Resolution 4 – Re-election of Mr Luke Graham as a Director

Article 6.6 of the Constitution provides the Directors may appoint any person as a Director. Under articles 6.20 and 6.21 of the Constitution, any Director so appointed may retire at the next general meeting, and must retire at the next annual general meeting. Any such a Director is eligible for re-election.

Mr Luke Graham was appointed as an addition to the Board on 21 May 2018. Resolution 4 therefore provides that Mr 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 4 is an ordinary resolution.

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

The Board (excluding Mr Graham) supports the re-election of Mr Graham and recommends that Shareholders vote in favour of Resolution 4.

8. Resolution 5 – Re-election of Mr Mark Connelly as a Director

Mr Mark Connelly was appointed as an addition to the Board on 21 May 2018. Resolution 5 provides that Mr Connelly retires by rotation and seeks re-election as a Director.

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

Resolution 5 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

The Board (excluding Mr Connelly) supports the re-election of Mr Connelly and recommends that Shareholders vote in favour of Resolution 5.

9. Resolutions 6 to 8 (inclusive) – Issue of Plan Options to Executive Directors

9.1 General

Resolutions 6 to 8 (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 6 to 8 (inclusive) are subject to and conditional upon Shareholders approving Resolution 11. If Shareholders do not approve Resolution 11, any approval of Resolutions 6 to 8 (inclusive) by Shareholders will not be effective.

The Company adopted the Employee Incentive Plan prior to listing on ASX. A summary of the terms of the Employee Incentive Plan is contained in the Company's IPO Prospectus dated 6 July 2018. Shareholders may wish to refer to Section 10.5 of the IPO Prospectus and Schedule 3 for a summary of the terms and conditions of the Employee Incentive Plan.

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 3 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% |
| Chief Operating Officer (Mr Ercegovic) | 80% | 30% | 50% |
| Executive (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 6 to 8 (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 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 6 to 8 (inclusive) will be subject to the following vesting conditions and expiry dates:

| No | Vesting Conditions | Expiry Date | Exercise Price |
|-----------|--|--------------------------------|-----------------------|
| 1 | 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 6 to 8 (inclusive) is as follows:

| Participant | Maximum Cash Bonus | Maximum STI Option Allocation |
|--------------|--------------------|-------------------------------|
| Mr Henry | \$95,000 | 237,500 |
| Mr Ercegovic | \$48,000 | 120,000 |
| Mr Grosvenor | \$48,000 | 120,000 |

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 6 to 8 (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) 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 | \$0.558 (PEPOs) |

| No | Vesting Conditions | Expiry Date | Exercise Price |
|----|---|--------------------------------|----------------|
| 2 | 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 6 to 8 (inclusive) is as follows:

| Director | Maximum Tranche 1 LTI Allocation | Maximum Tranche 2 LTI Allocation |
|--------------------|----------------------------------|----------------------------------|
| Mr Cameron Henry | 475,000 | 475,000 |
| Mr Dean Ercegovic | 200,000 | 200,000 |
| Mr Brett Grosvenor | 200,000 | 200,000 |
| Total | 875,000 | 875,000 |

9.2 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.

9.3 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 6 to 8 (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 9.5(k).

9.4 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 6 to 10 (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 6 to 8 (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 | 1,187,500 |
| Mr Dean Ercegovic | 520,000 |
| Mr Brett Grosvenor | 520,000 |
| Total | 2,227,500 |

- (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 \$0.558 as detailed in Section 9.1.
- (f) No funds will be raised by the grant of the Plan Options the subject of Resolutions 6 to 8 (inclusive) as they are being granted for nil cash consideration.
- (g) No person referred to in Listing Rule 10.14 has received securities under the Employee Incentive Plan since the Company listed on ASX on 9 July 2018.
- (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 6 to 8 (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 | - |
| Mr Ercegovic | 18,687,060 | - |
| Mr Grosvenor | 9,045,177 | - |

(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 |
| | 2017 | \$252,797 | - | \$23,891 | \$276,688 |
| Mr Ercegovic | 2018 | \$284,812 | \$108,000 | \$37,482 | \$430,294 |
| | 2017 | \$259,647 | - | \$24,307 | \$283,954 |
| Mr Grosvenor | 2018 | \$288,088 | \$118,260 | \$26,163 | \$432,511 |
| | 2017 | \$248,252 | - | \$23,584 | \$271,836 |

(j) A voting exclusion statement is included in the Notice for Resolutions 6 to 8 (inclusive).

(k) The Board has received independent advice from BDO 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 6 to 8 (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 | 237,500 | 475,000 | 475,000 | \$0.390 | \$0.133 | \$0.390 | \$341,050 |
| Mr Dean Ercegovic | 120,000 | 200,000 | 200,000 | | | | \$151,400 |
| Mr Brett Grosvenor | 120,000 | 200,000 | 200,000 | | | | \$151,400 |

This valuation imputes a total value of \$643,850 to the Plan Options under Resolutions 6 to 8 (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 Black Scholes Pricing Model has been used to value the Plan Options the subject of Resolutions 6 to 8 (inclusive), with the following assumptions:

- (i) the risk free rate of 2.11% 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 60%;
- (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 6 to 8 (inclusive) will be issued on date of the valuation, 10 October 2018, and:
 - (A) STI ZEPOs will have a life of 2 years;
 - (B) LTI PEPOs will have a life of 4 years; and
 - (C) LTI ZEPOs will have a life of 3 years.
- (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 6 to 8 (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 6 to 8 (inclusive) is \$643,850 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 since admission is as follows:

| Shares | Price | Date |
|---------|---------|-------------------------|
| Highest | \$0.475 | 8, 9 and 10 August 2018 |
| Lowest | \$0.340 | 29 October 2018 |
| Last | \$0.340 | 29 October 2018 |

- (o) The exercise of the Plan Options the subject of Resolutions 6 to 8 (inclusive) will result in a dilution of all other Shareholders' holdings in the Company of:
 - (i) 1.470% based on issued Shares as at the date of the Notice (excluding the Plan Options the subject of Resolutions 9 and 10);
 - (ii) 1.451% on a fully diluted basis (excluding the Plan Options the subject of Resolutions 9 and 10);
 - (iii) 1.469% based on issued Shares as at the date of the Notice (including the Plan Options the subject of Resolutions 9 and 10); and
 - (iv) 1.450% on a fully diluted basis (including the Plan Options the subject of Resolutions 9 and 10).
- (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 6 to 8 (inclusive).

10. Resolutions 9 and 10 – Issue of Plan Options to Non-Executive Directors

10.1 General

Resolutions 9 and 10 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 9 and 10 are subject to and conditional upon Shareholders approving Resolution 11. If Shareholders do not approve Resolution 11, any approval of Resolutions 9 or 10 by Shareholders will not be effective.

Refer to Schedule 3 for a summary of the terms and conditions of the Employee Incentive Plan and the Plan Options.

Refer to Section 9 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 | 37,500 |
| Mr Connelly | | | | 50,000 |
| Total | | | | 87,600 |

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

10.2 Listing Rule 10.14

Refer to Section 9.2 for an explanation of the effect of ASX Listing Rule 10.14.

10.3 Chapter 2D of the Corporations Act

Refer to Section 9.3 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 9 and 10, 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 10.5(k).

10.4 Chapter 2E of the Corporations Act

Refer to Section 9.4 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 6 to 10 (inclusive).

10.5 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 9 and 10 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 | 37,500 |
| Mr Connelly | 50,000 |
| Total | 87,600 |

- (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 9 and 10 will be granted for nil cash consideration. The Plan Options the subject of Resolutions 9 and 10 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 9 and 10 as they are being granted for nil cash consideration.
- (g) No person referred to in Listing Rule 10.14 has received securities under the Employee Incentive Plan since the Company listed on ASX on 9 July 2018.
- (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 9 and 10. 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 | - |

| Name of Director | Shares | Options |
|------------------|--------|---------|
| Mr Connelly | 75,000 | - |

- (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 |
|------------------|------|------------------------|--------------------------|----------------------------|----------|
| Mr Graham | 2018 | \$19,726 | - | \$1,874 | \$21,600 |
| | 2017 | - | - | - | - |
| Mr Connelly | 2018 | - | - | - | - |
| | 2017 | - | - | - | - |

- (j) A voting exclusion statement is included in the Notice for Resolutions 9 and 10.
- (k) The Board has received independent advice from BDO 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 9 and 10 are as follows:

| Name of Director | Number of Plan Options | Value per Plan Option \$ | Total Value \$ |
|------------------|------------------------|--------------------------|----------------|
| Mr Graham | 37,500 | \$0.390 | \$14,625 |
| Mr Connelly | 50,000 | | \$19,500 |

This valuation imputes a total value of \$34,125 to the Plan Options under Resolutions 9 and 10. The value may go up or down after the date of valuation as it will depend on the future price of a Share. The Black Scholes Pricing Model has been used to value the Plan Options the subject of Resolutions 9 and 10, with the following assumptions:

- (i) the risk free rate of 2.11% 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 60%;
- (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 9 and 10 will be issued on date of the valuation, 10 October 2018, 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 \$34,125 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 9.5(n).

- (m) The exercise of the Plan Options the subject of Resolutions 9 and 10 will result in a dilution of all other Shareholders' holdings in the Company as follows:
 - (i) 0.059% based on issued Shares as at the date of the Notice (excluding the Plan Options the subject of Resolutions 6 to 8 (inclusive));
 - (ii) 0.058% on a fully diluted basis (excluding the Plan Options the subject of Resolutions 6 to 8 (inclusive));
 - (iii) 0.058% based on issued Shares as at the date of the Notice (including the Plan Options the subject of Resolutions 6 to 8 (inclusive)); and
 - (iv) 0.057% on a fully diluted basis (including the Plan Options the subject of Resolutions 6 to 8 (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 9 and 10.

11. Resolution 11 – 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 6 to 10 (inclusive) because these Resolutions relate to the issue of Plan Options to the Directors.

In the absence of this Resolution 11, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 6 to 10 (inclusive).

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

Resolution 11 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 11.

The Board considers that, given the subject matter of Resolution 11, it would be inappropriate for the Board to give any voting recommendation with respect to Resolution 11.

Schedule 1 – Definitions

In the Notice and this Explanatory Memorandum:

\$ means Australian dollars.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2018.

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 9.1.

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 **Primer** means Primer 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.

Eligible Participant has the meaning given in Schedule 3.

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 3.

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.

Incentive Policy has the meaning given in Section 9.1.

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.

LTI has the meaning given in Section 9.1.

LTI Options has the meaning given in Section 9.1.

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 9.1.

Percentage Score has the meaning given in Section 9.1.

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 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 9.1.

STI Options has the meaning given in Section 9.1.

TFR has the meaning given in Section 9.1.

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 9.1.

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

Schedule 2 - Nomination of Auditor

12th October 2018

The Directors
Primero Group Limited
78 Hasler Rd
Osborne Park WA 6017

Dear Sirs,

NOMINATION OF AUDITOR

For the purposes of section 328B(1) of the *Corporations Act 2001*, as a member of Primero Group Limited (**Company**), I hereby nominate Moore Stephen (WA) Pty Ltd for appointment as auditor of the Company at the Company's first annual general meeting.

Yours faithfully



Dean Ercegovic

Schedule 3 - 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.

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

Holder Number:

Vote by Proxy: PGX

Your proxy voting instruction must be received by **2.30pm (WST) on Wednesday, 28 November 2018**, 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.

