



Spicers Limited  
ABN 70 005 146 350

# NOTICE OF 2018 ANNUAL GENERAL MEETING

Thursday, 15 November 2018 at 10.00am (Melbourne time) at the  
Computershare Conference Centre, Yarra Falls, 452 Johnston Street,  
Abbotsford, Victoria, Australia

## Invitation from the Chairman

16 October 2018

Dear Shareholder

On behalf of the Board of Directors, I am pleased to invite you to attend the 2018 Annual General Meeting of Spicers Limited, which will be held on Thursday, 15 November 2018 at 10.00am (Melbourne time) at the Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, Australia.

Enclosed is the Notice of 2018 Annual General Meeting, which sets out the Items of business and venue details.

Registration will commence at 9.30am. Please bring the enclosed proxy form with you to facilitate registration. If you are unable to attend the meeting, we encourage you to lodge your proxy online at [www.investorvote.com.au](http://www.investorvote.com.au). Alternatively, you can complete the attached proxy form. To be valid, the proxy form must be returned in the envelope provided, or by hand to 452 Johnston Street, Abbotsford, Victoria 3067, Australia, or by facsimile 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia). The completed proxy form must be received by no later than 10.00am (Melbourne time) on Tuesday, 13 November 2018.

Corporate shareholders who wish to appoint a representative to attend on their behalf should complete a 'Certificate of Appointment of Representative'. A form of this certificate may be obtained from the Company's Share Registry.

In addition to being given a reasonable opportunity to ask questions at the Meeting, shareholders are invited to submit questions in advance of the Meeting. They may be submitted in writing to the Company's Share Registry, Computershare Investor Services Pty Limited (Computershare) at the address as set out on the proxy form, or through the Contact Us enquiry form on the Company's website at [www.spicerslimited.com.au](http://www.spicerslimited.com.au).

You may request a printed copy of the 2018 Annual Report from Computershare, if you previously have not elected to receive one. Alternatively, you can download the 2018 Annual Report from the Company's website at [www.spicerslimited.com.au](http://www.spicerslimited.com.au).

If you would prefer to receive future communications via email, please go to [www-au.computershare.com/investor](http://www-au.computershare.com/investor). Alternatively please call Computershare on 1300 662 058 (within Australia) or +61 3 9415 4021 (outside Australia).

We look forward to your attendance at the meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jonathan Trollip", with a horizontal line underneath.

Jonathan Trollip  
Chairman

# Notice of 2018 Annual General Meeting

The 2018 Annual General Meeting ('Meeting') of Spicers Limited ('Spicers' or 'the Company') will be held at the Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, Australia on Thursday, 15 November 2018 at 10.00am (Melbourne time). Registration commences at 9.30am.

## Business of the Meeting

### 1. Financial Report

To receive and consider the Full Financial Report and the Reports of the Directors and the Auditor for the financial year ended 30 June 2018.

### 2. Remuneration Report

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

"That the Remuneration Report for the financial year ended 30 June 2018 be adopted."

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

Voting exclusions for Item 2: Details of voting exclusions applicable to this resolution are set out on page 4 in the 'Notes on Voting' section.

### 3. Re-election of Director, Mr Andrew Preece

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

"That Mr Andrew Preece, who retires in accordance with rule 3.6 of the Company's constitution, and being eligible, offers himself for re-election as a Director, be re-elected as a Director of the Company."

### 4. Re-election of Director, Mr Nigel Burgess

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

"That Mr Nigel Burgess, who retires in accordance with rule 3.6 of the Company's constitution, and being eligible, offers himself for re-election as a Director, be re-elected as a Director of the Company."

### 5. Grant of Share Performance Rights to Non-executive Directors

#### (a) Grant of Share Performance Rights to Mr Jonathan Trollip

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

"That approval is given for the purposes of ASX Listing Rule 10.14 and for all other purposes to the grant of 4,000,000 share performance rights to Mr Jonathan Trollip, the Chairman of the Company, and the allocation of shares in the Company on exercise of those rights, under the Spicers Performance Rights Plan and on the terms summarised in the Explanatory Notes to this Notice of Meeting."

#### (b) Grant of Share Performance Rights to Mr Andrew Preece

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

"That approval is given for the purposes of ASX Listing Rule 10.14 and for all other purposes to the grant of 6,000,000 share performance rights to Mr Andrew Preece, a Non-executive Director of the Company, and the allocation of shares in the Company on exercise of those rights, under the Spicers Performance Rights Plan and on the terms summarised in the Explanatory Notes to this Notice of Meeting."

#### (c) Grant of Share Performance Rights to Mr Gabriel Berger

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

"That approval is given for the purposes of ASX Listing Rule 10.14 and for all other purposes to the grant of 2,400,000 share performance rights to Mr Gabriel Berger, a Non-executive Director of the Company, and the allocation of shares in the Company on exercise of those rights, under the Spicers Performance Rights Plan and on the terms summarised in the Explanatory Notes to this Notice of Meeting."

**(d) Grant of Share Performance Rights to Mr Nigel Burgess**

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

“That approval is given for the purposes of ASX Listing Rule 10.14 and for all other purposes to the grant of 2,400,000 share performance rights to Mr Nigel Burgess, a Non-executive Director of the Company, and the allocation of shares in the Company on exercise of those rights, under the Spicers Performance Rights Plan and on the terms summarised in the Explanatory Notes to this Notice of Meeting.”

**(e) Grant of Share Performance Rights to Mr Todd Plutsky**

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

“That approval is given for the purposes of ASX Listing Rule 10.14 and for all other purposes to the grant of 2,400,000 share performance rights to Mr Todd Plutsky, a Non-executive Director of the Company, and the allocation of shares in the Company on exercise of those rights, under the Spicers Performance Rights Plan and on the terms summarised in the Explanatory Notes to this Notice of Meeting.”

**(f) Grant of Share Performance Rights to Mr Vlad Artamonov**

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

“That approval is given for the purposes of ASX Listing Rule 10.14 and for all other purposes to the grant of 2,400,000 share performance rights to Mr Vlad Artamonov, a Non-executive Director of the Company, and the allocation of shares in the Company on exercise of those rights, under the Spicers Performance Rights Plan and on the terms summarised in the Explanatory Notes to this Notice of Meeting.”

Voting exclusions for Item 5: Details of voting exclusions applicable to the resolutions in this Item 5 are set out on page 4 in the ‘Notes on Voting’ section.

**6. Return of Capital to Shareholders**

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

“That, subject to the satisfaction of the following conditions:

- i. completion of the sale of the Asian Operations of the Company to Japan Pulp & Paper Co., Ltd pursuant to the Share Sale Agreement dated 26 September 2018;
- ii. receipt of a favourable Class Ruling from the Australian Taxation Office;
- iii. receipt of a waiver of ASX Listing Rule 7.25; and
- iv. exercise of the Board’s discretion

for the purposes of Part 2J.1 of the *Corporations Act 2001* (Cth), and for all other purposes, approval is given for the ordinary share capital of the Company to be reduced by up to \$15 million, to be effected by the Company paying to each registered holder of fully-paid ordinary shares in the Company as at a record date to be announced by the Board an amount of up to 0.729 cents per ordinary share held at that time, on the terms and conditions set out in the Explanatory Notes to this Notice of Meeting.”

By Order of the Board



**Michael Clark**  
**Company Secretary**

Spicers Limited  
16 October 2018

# Notes on Voting

## Voting at the Annual General Meeting

In accordance with section 249HA of the *Corporations Act 2001* (Cth) (Corporations Act) for each Item to be effective, not less than 28 days written notice has been given.

The Company has determined that, for the purpose of voting at the Meeting, those persons who are the registered holders of ordinary shares in the Company at 7.00pm (Melbourne time) on Tuesday, 13 November 2018 will be treated as shareholders of the Company.

All resolutions at the Meeting will be determined by way of a poll. On a poll, every shareholder has one vote for every share held in the Company, subject to the voting exclusions for Items 2 and 5 as set out below.

## Appointment of proxies

A proxy form accompanies this Notice of Meeting.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies. Only those shareholders who are entitled to cast two or more votes at the Meeting may appoint two proxies. A proxy need not be a shareholder of the Company.

Where a shareholder wishes to appoint two proxies, an additional proxy form may be obtained by contacting Computershare.

A shareholder appointing two proxies may specify the percentage of votes or proportion or number of votes each proxy is appointed to exercise.

If a shareholder appoints two proxies and does not specify the percentage of votes each proxy may exercise, each proxy may exercise 50 percent of the votes. Fractions of votes are to be disregarded.

## Lodgement of proxy form

To be effective, the proxy form and any authority under which the form is signed, must be received by Computershare no later than 10.00am (Melbourne time) on Tuesday, 13 November 2018. Proxy forms must be returned using one of the following methods:

- online by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and following the instructions provided; or
- by mail to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, Australia in the enclosed envelope provided; or
- by hand to Computershare at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067, Australia; or
- by fax to Computershare on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

For custodians who are subscribers to the Intermediary Online service, please go to [www.intermediaryonline.com](http://www.intermediaryonline.com) to lodge your voting intentions.

## Voting by attorney

A shareholder may appoint an attorney to vote on his/her behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by Computershare at the address listed above for the receipt of proxy appointments by no later than 10.00am (Melbourne time) on Tuesday, 13 November 2018.

## Voting by corporate representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

## Voting exclusions

The Corporations Act and the ASX Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by certain persons, on two of the Items to be considered at the Meeting. These voting exclusions are described below:

### Item 2 – Remuneration Report

Votes may not be cast, and the Company will disregard any votes cast, on the resolution on Item 2:

- by or on behalf of any member of the key management personnel for the Spicers Limited consolidated group (**KMP**) whose remuneration details are included in the Remuneration Report, or any of their closely related parties, regardless of the capacity in which the votes are cast; or
- by any person who is a KMP member at the time the resolution is voted on at the Meeting, or any of their closely related parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on the resolution:

- in accordance with the directions on the proxy form; or
- by the Chairman of the Meeting in accordance with an express authorisation in the proxy form to exercise the proxy even though Item 2 is connected with the remuneration of a KMP member.

### Item 5 – Grant of Share Performance Rights to Non-executive Directors

Votes may not be cast, and the Company will disregard any votes cast, on each of the resolutions set out in Items 5(a) to (f):

- in favour by any Director, or any of their associates, regardless of the capacity in which the votes are cast; or
- by any person who is a KMP member at the time the resolutions are voted on at the Meeting, or any of their closely related parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on the resolution:

- in accordance with the directions on the proxy form; or
- by the Chairman of the Meeting in accordance with an express authorisation in the proxy form to cast the votes even if the resolution is connected directly or indirectly with the remuneration of a KMP member, and in accordance with a direction in the proxy appointment to vote as the proxy decides.

## Explanatory Notes

The Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this notice. These should be read carefully by shareholders prior to the Meeting.

# Explanatory Notes

## Item 1 – Financial Report

The Full Financial Report for the financial year ended 30 June 2018 ('FY2018') and the Reports of the Directors and the Auditor (**Reports**) are set out in the Company's 2018 Annual Report. The Corporations Act requires that the Reports are considered at the Meeting. While no vote will be taken on these, the Chairman will give shareholders a reasonable opportunity to raise questions on the Reports at the Meeting.

Copies of the Company's 2018 Annual Report will be available at the Meeting. You may request a printed copy of the Annual Report from the Company's Share Registry, Computershare, if you previously have not elected to receive one. Alternatively, you can download the Annual Report from the ASX's website at [www.asx.com.au](http://www.asx.com.au) or the Company's website at [www.spicerslimited.com.au](http://www.spicerslimited.com.au).

## Item 2 – Remuneration Report

The Corporations Act requires a non-binding ordinary resolution to be put to shareholders for the adoption of the Remuneration Report (which forms part of the Directors' Report).

The Remuneration Report is set out in the Company's 2018 Annual Report.

The shareholder vote on Item 2 is advisory only and will not bind the Directors or the Company. The vote will however be taken into consideration in determining the future remuneration policy for Directors and executives.

## Directors' Recommendation

The Directors unanimously recommend that shareholders vote in favour of Item 2.

## Voting Exclusion Statement

Please refer to the 'Notes on Voting' section in relation to the voting restrictions and exclusions in relation to this Item 2.

The Chairman of the meeting intends to vote all available proxies in favour of Item 2.

## Item 3 – Re-election of Director, Mr Andrew Preece

Rule 3.6 of the Company's Constitution provides that a Director must retire from office at the third annual general meeting after the Director was elected or last re-elected. If no Director is scheduled to retire, then at least one Director must retire from office to ensure that there is an election at each annual general meeting.

On the basis that no Director is scheduled to retire, Mr Andrew Preece will retire at the Meeting and, being eligible, has offered himself for re-election. The Directors are supportive of Mr Preece's re-election because of the skills and contributions he brings to the Board.

A profile of Mr Preece is as follows:

### Mr Andrew ('Andy') Preece Non-executive Director

Appointed as a Director of Spicers Limited on 6 September 2017.

Currently a partner and funder for a residential property development company, director of a financial services provider of mortgages and commercial lending and also involved in business advisory. Andy has over a decade of proven performance developing sustainably profitable merchants in ANZA and managing extensive investment and divestment transactions globally.

Andy was appointed as Managing Director and Chief Executive Officer of Spicers in 2015. Previously Spicers Executive General Manager, Australia, New Zealand and Asia from July 2012. Prior to that Group General Manager, Australia (2011) and General Manager, Spicers New Zealand (2007). Originally joining PaperlinX in 2001 as New Zealand Manager for Australian Paper, Andy has a manufacturing, merchandising and wholesaling career spanning some 25 years, originating in the UK packaging industry.

## Directors' Recommendation

The Directors (excluding Mr Preece) recommend that shareholders vote in favour of Item 3.

The Chairman of the meeting intends to vote all available proxies in favour of Item 3.

## Item 4 – Re-election of Director, Mr Nigel Burgess

Rule 3.6 of the Company's Constitution provides that a Director must retire from office at the third annual general meeting after the Director was elected or last re-elected. If no Director is scheduled to retire, then at least one Director must retire from office to ensure that there is an election at each annual general meeting.

On the basis that no Director is scheduled to retire, Mr Nigel Burgess will retire at the Meeting and, being eligible, has offered himself for re-election. The Directors are supportive of Mr Burgess' re-election because of the skills and contributions he brings to the Board.

A profile of Mr Burgess is as follows:

### Mr Nigel Burgess MCom(UNSW) GAICD Non-executive Director

Appointed as a Director of Spicers Limited on 6 September 2017.

Nigel is a director of Samuel Terry Asset Management, which manages the Samuel Terry Absolute Return Fund, a substantial shareholder in Spicers.

He has 30 years of commercial experience in funds management with Samuel Terry, Hunter Hall, GIO of Australia and Friends Provident in Australia, and a family office in Europe. He has experience in a variety of commercial transactions and corporate restructurings across a range of industries and jurisdictions.

Nigel holds a Masters Degree in Accounting (University of NSW) and is a Graduate of the Australian Institute of Company Directors.

## Directors' Recommendation

The Directors (excluding Mr Burgess) recommend that shareholders vote in favour of Item 4.

The Chairman of the meeting intends to vote all available proxies in favour of Item 4.

# Explanatory Notes continued

## Item 5 – Grant of Share Performance Rights to Non-executive Directors

Under the resolutions set out in Items 5(a) to (f) of the Notice of Meeting, the Company is seeking shareholder approval for the purposes of ASX Listing Rule 10.14 and for all other purposes, for the grant of share performance rights (**Rights**) to the Non-executive Directors of the Company listed in those Items pursuant to the Spicers Performance Rights Plan (**Rights Plan**).

### Background

The Company's Board was entirely reconstituted in September 2017. On taking office, the new Board promptly undertook a review of the Company's existing remuneration arrangements for its Non-executive Directors. One of the outcomes of the review was that the Board decided that, as part of their remuneration, Non-executive Directors should receive a grant of Rights and that the cash remuneration component otherwise payable should be reduced accordingly. The Board determined the cash component of remuneration payable to Non-executive Directors would be Jonathan Trollip \$100,000, Andrew Preece \$80,000, and each of the other four Non-executive Directors \$30,000 each (all amounts inclusive of superannuation).

The Board determined to seek shareholder approval at the Company's 2017 Annual General Meeting to issue Rights to Non-executive Directors, considering such Rights to align the interests of Non-executive Directors with those of shareholders. Messrs Trollip and Preece were granted Rights following shareholder approval, while shareholders did not approve the grant of Rights to the other Non-executive Directors.

The Board (other than Messrs Trollip and Preece, who abstain from expressing a view) believes that the efforts of Messrs Trollip and Preece over the past year merit the shareholders approving the grant of further Rights. The Board also proposes that shareholders be given the opportunity to approve the same number of Rights as was proposed to the 2017 Annual General Meeting to be granted to the other Non-executive Directors in recognition of their service, at a higher Tranche A VWAP Hurdle (as defined below) of 6 cents, rather than 5 cents as was proposed to the 2017 Annual General Meeting.

The Board recognises that some statements of best practice corporate governance standards (including that of the ASX Corporate Governance Council) recommend that Non-executive Directors generally should not receive equity with performance hurdles attached. The Board considers that the Company's particular circumstances require a departure from that general position. The Board notes that the performance hurdles for the Rights will relate to the Company's share price performance which is an entirely objective measure of the Company's performance and the measure which the Board believes is the most important to shareholders.

Under the Rights Plan, shares in the Company allocated on exercise of Rights may be sourced through on-market purchases or the issue of new shares. Shareholder approval under ASX Listing Rule 10.14 is not required for the allocation of shares which are sourced from on-market purchases. The Company is seeking shareholder approval to preserve its flexibility to be able to source shares required on an exercise of Rights through on-market purchases or a new issue.

### Rights Proposed to be Granted

The Rights proposed to be granted to the Non-executive Directors of the Company, subject to the passage of the Resolutions set out in Items 5(a) to (f) of the Notice of Meeting, are as follows:

Non-executive Director	Number of 'Tranche A' Rights	Number of 'Tranche B' Rights	Total number of Rights
Jonathan Trollip	2,000,000	2,000,000	4,000,000
Andrew Preece	3,000,000	3,000,000	6,000,000
Gabriel Berger	2,400,000	-	2,400,000
Nigel Burgess	2,400,000	-	2,400,000
Todd Plutsky	2,400,000	-	2,400,000
Vlad Artamonov	2,400,000	-	2,400,000

## Summary of Terms and Conditions of the Rights Proposed to be Granted and Rules of the Rights Plan

The Rights Plan entitles the Board to offer Rights to employees and Non-executive Directors of the Company. A Right is an entitlement to receive a fully-paid ordinary share in the Company under the rules of the Rights Plan. The rules of the Rights Plan allow the Board to determine particular terms applicable to each offer of Rights, including vesting conditions.

A summary of the terms and conditions of the Rights proposed to be granted and the rules of the Rights Plan is set out below.

<b>Eligibility</b>	Employees and Non-executive Directors of the Company whom the Board determines should receive a Rights offer.  Any Rights offers to Non-executive Directors are subject to shareholder approval under ASX Listing Rule 10.14 prior to any granting of Rights.
<b>Term of Rights</b>	Determined by the Board on each grant of Rights. Subject to the conditions noted below on cessation of employment/directorship and lapse of rights in other circumstances.  The Rights proposed to be granted have no fixed expiry date.
<b>Vesting conditions</b>	Determined by the Board on each grant of Rights.  Refer to the 'Vesting Conditions for the Rights Proposed to be Granted' section below for further details.
<b>Exercise of vested Rights</b>	On each grant of Rights, the Board determines the exercise period within which vested Rights must be exercised.  The Rights proposed to be granted can be exercised by the holder within an exercise period of the earlier of three years after the Right vests, or the date of any 'Change of Control Event'. Refer to the 'Vesting Conditions for the Rights Proposed to be Granted' section for further details.
<b>Exercise price payable by participants</b>	The Board may determine whether any exercise price must be paid by the participant on the exercise of vested Rights.  There is no exercise price payable by participants on the Rights proposed to be granted.
<b>Allocation of shares</b>	Shares to be allocated to the holder of vested Rights may be sourced through on-market purchases or a new issue of shares.
<b>Cessation of employment/ directorship of holder of Rights</b>	Unvested Rights lapse for Non-executive Directors upon them ceasing to be Directors. In certain circumstances with respect to employees only, the Board has a discretion to vary this and to waive vesting conditions.
<b>Lapse of Rights in other circumstances</b>	Rights may lapse in other circumstances, including where the holder commits any act of fraud or gross misconduct in relation to the Company's affairs, hedges unvested Rights or purports to dispose of Rights.
<b>Change of control</b>	If the Company is the subject of a change of control transaction, unvested Rights may vest if that is provided for in the vesting conditions. In addition, the Board has a discretion to waive vesting conditions, to replace the Rights with rights in the new controlling company or to cause unvested Rights to lapse.
<b>Reorganisation of capital, rights issue, demerger, special dividend or other such events</b>	The number of Rights, or the number of shares allocated on the exercise of Rights, may be adjusted by the Board to take account of the relevant event.

# Explanatory Notes continued

## Vesting Conditions for the Rights Proposed to be Granted

For each of the 'Tranche A' and 'Tranche B' Rights proposed to be granted under the resolutions set out in Items 5(a) to (f) of the Notice of Meeting there are two sets of vesting conditions. These are set out below:

### Tranche A Rights and Tranche B Rights Vesting Conditions

#### (a) VWAP Conditions

The Rights in respect of 'Tranche A' Rights and 'Tranche B' Rights will vest upon satisfaction of the following conditions:

- one third of the Tranche A / Tranche B Rights will vest on the first date following the Start Date upon which the volume weighted average ASX sale price of shares in the Company for the preceding 6 month period (**6 Month VWAP**) equals or exceeds the relevant Tranche A / Tranche B VWAP Hurdle (**First Tranche A / Tranche B Vesting Date**);
- one third of the Tranche A / Tranche B Rights will vest on the first date following the expiration of 6 months from the First Tranche A / Tranche B Vesting Date upon which the 6 Month VWAP equals or exceeds the Tranche A / Tranche B VWAP Hurdle (**Second Tranche A / Tranche B Vesting Date**); and
- one third of the Tranche A / Tranche B Rights will vest on the first date following the expiration of 6 months from the Second Tranche A / Tranche B Vesting Date upon which the 6 Month VWAP equals or exceeds the Tranche A / Tranche B VWAP Hurdle.

#### (b) Change of Control Conditions

Tranche A and Tranche B Rights will also vest upon the satisfaction of the following conditions:

- a Change of Control Event occurs, or the Board determines in its absolute discretion that a Change of Control Event is likely to occur; and
- such Change of Control Event will or, in the Board's view, is likely to result in Spicers shareholders receiving consideration equal to or greater than the relevant Tranche A / Tranche B VWAP Hurdle for each ordinary share in the Company which is transferred or sold in relation to that Change of Control Event.
- If these conditions are satisfied, then all unvested Tranche A / Tranche B Rights will vest on the date the Board determines that a Change of Control Event is likely to occur, or the date of the Change of Control Event (as applicable).

### Definitions for Tranche A and Tranche B Rights Vesting Conditions

For the purposes of paragraphs (a) and (b) above:

**Tranche A VWAP Hurdle** means **6 cents**, subject to the following adjustments:

- (i) the Tranche A VWAP Hurdle will be increased by 10 percent on each anniversary of the Start Date, commencing on the second anniversary of the Start Date;
- (ii) the Tranche A VWAP Hurdle will be decreased by an amount determined by the Board (in its absolute discretion) to account for any dividends or return of capital; and
- (iii) the Tranche A VWAP Hurdle will be increased or decreased (as applicable) by an amount determined by the Board (in its absolute discretion) to account for any share consolidation or other reorganisation of capital of Spicers.

**Tranche B VWAP Hurdle** means **7 cents**, subject to the following adjustments:

- (i) the Tranche B VWAP Hurdle will be increased by 10 percent on each anniversary of the Start Date, commencing on the second anniversary of the Start Date;
- (ii) the Tranche B VWAP Hurdle will be decreased by an amount determined by the Board (in its absolute discretion) to account for any dividends or return of capital; and
- (iii) the Tranche B VWAP Hurdle will be increased or decreased (as applicable) by an amount determined by the Board (in its absolute discretion) to account for any share consolidation or other reorganisation of capital of Spicers.

**Start Date** means 15 November 2018.

**Change of Control Event** means the occurrence of any of the following:

- (i) any person, either alone or together with any associate (as defined in the Corporations Act), acquires a relevant interest (as defined in the Corporations Act) in more than fifty percent (50%) of the issued Shares in the Company as a result of a takeover bid;
- (ii) any person, either alone or together with any associate (as defined in the Corporations Act), acquires a relevant interest (as defined in the Corporations Act) in more than fifty percent (50%) of the issued Shares in the Company through a scheme of arrangement; or
- (iii) any other similar event (including a merger of the Company with another company) which the Board determines, in its absolute discretion, to be a Change of Control Event.

## Previous Issues of Securities Under the Rights Plan

Following approval by shareholders at the Spicers 2017 Annual General Meeting, the following Rights were issued under the Rights Plan to persons to whom ASX Listing Rule 10.14 applies to.

<b>Non-executive Director</b>	<b>Total Number of Rights</b>
Jonathan Trollip	7,200,000
Andrew Preece	6,000,000

Further details on these Rights can be found in the Remuneration Report, and Note 26 of the Full Financial Report, contained in the Company's 2018 Annual Report.

## Additional Information

The Company provides the following additional information in respect of the proposed grant of Rights to the Non-executive Directors referred to above.

- a. The maximum number of securities that may be acquired by the Non-executive Directors is 19,600,000.
- b. There is no price payable by the Non-executive Directors in respect of the grant of the Rights or the exercise of vested Rights.
- c. Directors in office may from time to time participate in the Rights Plan. Current Directors are the persons listed in the 'Rights Proposed to be Granted' section on page 6 of this Notice of Meeting.
- d. It is proposed that the Rights be granted and issued by 15 December 2018. In any event, the proposed Rights will be granted and issued no later than 12 months after the meeting.



- e. If approval is given to the grant of Rights, it will also mean that the grant of those Rights will not utilise any of the Company's placement capacity under Listing Rule 7.1. No further shareholder approval under Listing Rule 7.1 is needed for that purpose.

### Directors' Recommendation

Messrs Trollip, Preece, Berger, Burgess, Plutsky and Artamonov abstain from providing a recommendation in respect of each of the resolutions set out in Items 5(a) to (f) of the Notice of Meeting due to their interest in the outcome of the resolutions.

### Voting Exclusion Statement

Please refer to the 'Notes on Voting' section in relation to the voting restrictions and exclusions in relation to this Item 5.

The Chairman of the meeting intends to vote all available proxies in favour of the resolutions.

## Item 6 – Return of Capital to Shareholders

### Background

The Company proposes to make a cash payment to Spicers ordinary shareholders (**Shareholders**) of up to 0.729 cents per share (representing up to \$15 million in total) as a return of capital. A return of capital by way of equal reduction requires approval by an ordinary resolution of shareholders in accordance with sections 256B and 256C of the *Corporations Act 2001*.

This proposed return of capital is subject to the satisfaction of the following conditions:

- i. completion of the sale of the Asian Operations<sup>(1)</sup> of the Company to Japan Pulp & Paper Co., Ltd pursuant to the Share Sale Agreement dated 26 September 2018;
- ii. receipt of a favourable Class Ruling from the Australian Taxation Office;
- iii. receipt of a waiver of ASX Listing Rule 7.25; and
- iv. exercise of the Board's discretion.

Based on the expected completion timeline for the sale of the Asian Operations of towards the end of the 2018 calendar year, it is currently expected that the proposed return of capital payment would be made to Shareholders during the first quarter of the 2019 calendar year.

Shareholders should note that the Board has a discretion as to the amount (of up to \$15 million) and timing of the proposed return of capital. Factors that may influence the exercise of the Board's discretion include (without limitation):

- i. The precise amount of cash available to be distributed to Shareholders following completion of the sale of the Asian Operations;
- ii. Timing of the completion of the sale of the Asian Operations;
- iii. Any relevant regulatory, including taxation related, matters;
- iv. The operational and financial circumstances of the Company following completion of the sale of the Asian Operations, having regard to several factors, including (but not limited to):
  - any changes in market conditions or the operational performance of the Company,

- any investment opportunities which may be identified by the Board prior to the return of capital taking place, and
- general economic conditions at the time.

Consequently, the Board reserves the right to alter the way the cash received from the sale of the Asian Operations is applied. Investors are cautioned that there can be no guarantee that a return of capital will occur, or of its timing or quantum. The Company will keep the market updated on any relevant developments.

### Rationale for the Proposed Return of Capital

The Board has undertaken a review of the Company's operations and financial position, and has determined that, subject to completion of the sale of the Asian Operations, the Company is likely to have capital in excess of what is required to support the ongoing operations of Spicers for the foreseeable future. The proposed return of capital to Shareholders of up to \$15 million would be funded by the expected net sale proceeds Spicers would receive from completion of the sale of its Asian Operations. Accordingly, the Board believes that a return of capital of up to this amount would be appropriate.

The Directors believe that a return of capital to Shareholders of up to \$15 million would ensure that Spicers maintains an efficient capital structure, without adversely affecting the financial flexibility of the Company to achieve its growth objectives.

Having undertaken this review, the Board is also satisfied that the proposed capital reduction would be fair and reasonable to Shareholders as a whole, and would not adversely affect the Company's ability to fund its operating activities and meet its commitments. Further details on these considerations are detailed below.

### Why Propose to Return Capital This Way, Rather Than Other Options?

The Board has considered a number of different options for returning surplus capital to Shareholders and determined that a return of capital is the optimal mechanism, principally because it:

- i. allows the timely return of a substantial amount of capital by way of a cash payment to all shareholders; and
- ii. applies to all Shareholders equally with no change to Shareholders' proportional percentage shareholdings.

### Effect of the Proposed Return of Capital on the Company

#### Effect on the Capital Structure

The number of Spicers fully paid ordinary shares on issue will remain the same following the return of capital, as there will be no cancellation of shares as a result of the return of capital. Shareholders' proportional percentage shareholdings will thus not be affected by the return of capital.

#### Funding of the Proposed Return of Capital and Impact on Financial Position

The proposed return of capital of up to \$15 million, which amongst other matters is conditional on the completion of the sale of the Asian Operations, would be funded by the expected net sale proceeds that Spicers would receive from completion of the transaction to sell its Asian Operations.

(1) The Asian Operations consist of operating subsidiaries in Malaysia (Spicers Paper (Malaysia) Sdn Bhd), and Singapore (Spicers Paper (Singapore) Pte Ltd) which also operates a representative office in Vietnam.

# Explanatory Notes continued

The expected enterprise value of SGD15 million from the sale of these Asian Operations is approximately equal to the proposed capital return maximum amount of \$15 million. In addition, the agreement for the sale of the Asian Operations between Spicers and Japan Pulp & Paper Co., Ltd allows for Spicers:

- i. to receive, as deferred consideration, the net proceeds from the planned sale of the Singapore property owned by Spicers Paper (Singapore) Pte Ltd; and
- ii. to retain the 'net cash' balances in the Asian operations upon completion of the transaction, expected to be approximately SGD7m, subject to customary completion adjustments.

As a result, the Board has assessed that, all other factors remaining equal, the combination of the completion of sale of the Asian Operations, and a subsequent proposed return of capital to shareholders of up to \$15 million, will not materially impact upon the financial position and liquidity of the remaining operations of the Company.

In determining whether to propose a return of capital, the Directors have also reviewed the Company's assets, liabilities and expected cash flows. The Directors consider that, all other factors remaining equal, the return of capital will not affect Spicers' ability to pay its creditors. Based on the Company's current financial position, the Directors consider that Spicers would be solvent following a return of capital of up to the maximum amount permitted under the resolution. In determining the quantum of the return of capital, in accordance with the Board's discretion, the Board will take account of the Company's financial position at the time.

## **Impact on Growth Strategies**

Spicers' strategic focus is to generate profitable revenue growth, and optimise free cash flows, as a supplier of choice in its chosen markets. The Company aims to achieve this by a combination of maximising returns in the commercial print & packaging market sectors, while driving strong organic growth, supplemented by occasional 'bolt-on' acquisitions, in sign & display and other diversified market sectors.

The Board believes that Spicers will retain sufficient financial capacity to pursue its growth strategies following the proposed capital return. In view of the financial position of the Company, the operating profits and free cash flows of the Company's continuing businesses, and headroom on the Company's existing financing facilities, the Board is of the opinion that the return of capital will not materially prejudice Spicers' ability to fund its growth strategies.

## **Impact on Share Price**

If the proposed return of capital is implemented, Spicers ordinary shares may trade at a lower price following the 'ex' date for the capital return than they would have done if the proposed return of capital had not been made. This is due to the return of funds to Shareholders. No guarantee or assurance can be given of the future Spicers share price, and the Directors make no forecast of future share prices.

The current market price of Spicers shares is below \$0.20. The Company will thus require a waiver from ASX Listing Rule 7.25, which provides that a listed entity, such as the Company, must not reorganise its capital if the effect of doing so would be to reduce the price at which its main class of securities would be likely to trade after the reorganisation to an amount less than 20 cents, and also applies to listed entities whose share price is already below 20 cents. Therefore, the proposed return of capital resolution in Item 6 includes a condition that an ASX waiver of Listing Rule 7.25 be obtained to the extent necessary to permit Spicers to undertake the return of capital.

## **Impact on Directors' and Executives' Share Options and Performance Rights Plans**

As at the date of this Notice, the Company has 1,039,100 unlisted share options and 40,200,000 unlisted share performance rights on issue. These share options and rights do not carry an entitlement to receive a payment as part of any partial return of the Company's share capital and no options will be cancelled or reorganised.

However, Listing Rule 7.22.3 provides that, in a return of capital, the number of options must remain the same and the exercise price of each option must be reduced by the same amount as the amount returned in relation to each share.

Should the proposed return of capital proceed, the exercise price of each option on issue at the 'ex' date for the capital return will be reduced (up to a maximum of 0.729 cents per share) by the Company accordingly. The weighted average exercise price of the executive share options currently on issue is 63 cents, significantly in excess of the Company's current share price.

The Company also plans to take a similar approach in reducing the 6 Month VWAP share price hurdles set as vesting conditions on the share performance rights on issue at the 'ex' date for the capital return, including any share rights issued following shareholder approval under the resolutions proposed in Item 5 of this Notice of Meeting.

If any share options or rights are exercised into Spicers ordinary shares by the relevant record date for the proposed return of capital to Shareholders, these shares will carry entitlements to participate in such cash distribution.

## **Tax Implications for the Company**

No adverse tax consequences are expected to arise for the Company from the proposed return of capital.

## **Requirements for the Return of Capital**

### **Equal Reduction**

The proposed return of capital constitutes an equal reduction of Spicers' share capital for the purposes of the Corporations Act. It applies to each Shareholder in proportion to the number of ordinary shares that the Shareholder holds, with the terms of the return the same for each Shareholder.

### **Statutory Requirements**

*Requirement – The reduction must be fair and reasonable to the Company's shareholders as a whole*

The Directors consider that the proposed return of capital is fair and reasonable to the Company's shareholders as a whole. All Shareholders will be treated in the same manner in terms of the proportion of the share capital of the Company being returned.

*Requirement – The reduction must not materially prejudice the company's ability to pay its creditors*

The Directors have reviewed the assets, liabilities and expected cash flows of the Company, and are of the view that the proposed return of capital would not materially prejudice Spicers' ability to pay its creditors. The Directors have also satisfied themselves as to the solvency of the Company following the proposed return of capital.

The Directors further note that the proposed return of capital is conditional on the completion of the sale of the Company's Asian Operations, and that the capital reduction amount of up to \$15 million equates to the expected net sale proceeds that Spicers would receive from completion of the sale of its Asian Operations.

*Requirement – The reduction must be approved by shareholders under section 256C of the Corporations Act*

Shareholder approval is being sought at this meeting for the purposes of complying with the Corporations Act requirements. The return of capital must be approved by an ordinary resolution of the Company's shareholders.

In accordance with section 256C(5) of the Corporations Act, a copy of this Notice of Meeting (including the Explanatory Notes) has been lodged with the Australian Securities and Investments Commission.

## **Tax Implications of the Return of Capital for Spicers Shareholders**

This section provides a summary of the general Australian income tax consequences for Shareholders in relation to the proposed return of capital by the Company. As the income tax implications are dependent on the individual circumstances of a Shareholder, this summary should not be relied upon as advice. This summary is not intended to provide a complete analysis of all possible tax outcomes for Shareholders. Shareholders are strongly advised to seek their own independent professional advice with respect to the tax implications of the return of capital.

Spicers intends to seek a Class Ruling from the Australian Taxation Office (ATO) to confirm the income tax implications of the proposed return of capital to Shareholders, including that no part of the return of capital should be treated as a dividend for Australian income tax purposes. The resolution proposed in Item 6 on 'return of capital to shareholders' is subject to the satisfaction of a condition requiring the receipt of a favourable Class Ruling from the ATO.

The Class Ruling from the ATO and the following summary are only intended to apply to Shareholders who hold their Spicers shares on capital account. Shareholders who hold their shares as 'revenue assets' or 'trading stock' will be subject to tax under the general provisions of the income tax laws and should seek independent tax advice in relation to the return of capital.

### **Resident Shareholders**

The general Australian income tax consequences for Shareholders who are tax residents of Australia and hold their shares on capital account are expected to be:

- no part of the return of capital should be treated as a dividend for Australian tax purposes;
- the cost base for each Spicers share should be reduced by the return of capital amount (on a per share basis) for the purpose of calculating any capital gain or loss on the ultimate disposal of that share;
- where the cost base for each share is less than the return of capital amount on a per share basis, a capital gain will arise to the extent that the return of capital exceeds the cost base; and
- individuals, complying superannuation entities or trusts that have a capital gain may be entitled to reduce the amount of any capital gain made on the disposal of their Spicers shares under the 'CGT discount' if, amongst other things, they have held their Spicers shares for at least 12 months before the date of the return of capital. The CGT discount is applied only after any available capital losses have been applied to reduce the capital gain and is not generally available to companies. The CGT discount rules will enable Shareholders to reduce their capital gains by 50% for individuals and trusts and 33% for complying superannuation entities. The CGT discount rules are complex for trusts, however, generally the discount may flow through to presently entitled beneficiaries where the beneficiaries would be entitled to apply the CGT discount.

### **Non-resident Shareholders**

Shareholders who are not tax resident of Australia and hold their shares on capital account should not be subject to Australian income tax in relation to the return of capital.

Non-resident Shareholders are advised to seek independent tax advice regarding the tax implications of the return of capital in their country of tax residence.

### **Payment Details**

Payment will be made to eligible Shareholders, being registered holders of Spicers ordinary shares at the record date subsequently determined for the proposed return of capital.

### **How to provide your bank account details to the share registry**

Payments of the proposed return of capital to shareholders with an Australian or New Zealand registered address will preferably be made by way of direct credit to a financial institution in Australia or New Zealand. Shareholders who have not already provided the Company's Share Registry with their bank account details, or who wish to update their bank account details, are encouraged to complete the Direct Credit Payment Form, which is included for them with this Notice of Annual General Meeting. Going forward Spicers is likely to move to mandating all shareholder distribution payments to Australian or New Zealand registered shareholders be made by way of direct credit only.

For shareholders with other overseas country addresses, the Spicers Share Registry, Computershare, offers a 'Global Wire' electronic transfer service as an alternative to payment by cheque. A flyer explaining this service has been included in the Notice of Meeting pack for relevant shareholders.

### **Directors' Recommendation**

The Directors unanimously recommend that shareholders vote in favour of the resolution proposed in Item 6.

### **Disclosure of Directors' Interests**

The number of shares in which each Director has an interest as at the date of this Notice of Meeting is set out in the table below.

	<b>Fully paid ordinary shares</b>
Jonathan Trollip <sup>(1)</sup>	–
Andrew Preece <sup>(2)</sup>	<b>2,573,377</b>
Gabriel Berger <sup>(3)</sup>	<b>73,388,075</b>
Nigel Burgess <sup>(4)</sup>	<b>160,311,344</b>
Todd Plutsky/Vlad Artamonov <sup>(5)</sup>	<b>301,834,437</b>

(1) Mr Trollip is entitled to 7,200,000 share performance rights under the Spicers Performance Rights Plan, issued pursuant to shareholders' approval at the 2017 Annual General Meeting. Further details on these share performance rights can be found in the Remuneration Report, and Note 26 of the Full Financial Report, contained in the Company's 2018 Annual Report.

(2) Mr Preece is entitled to 6,000,000 share performance rights under the Spicers Performance Rights Plan, issued pursuant to shareholders' approval at the 2017 Annual General Meeting. Further details on these share performance rights can be found in the Remuneration Report, and Note 26 of the Full Financial Report, contained in the Company's 2018 Annual Report.

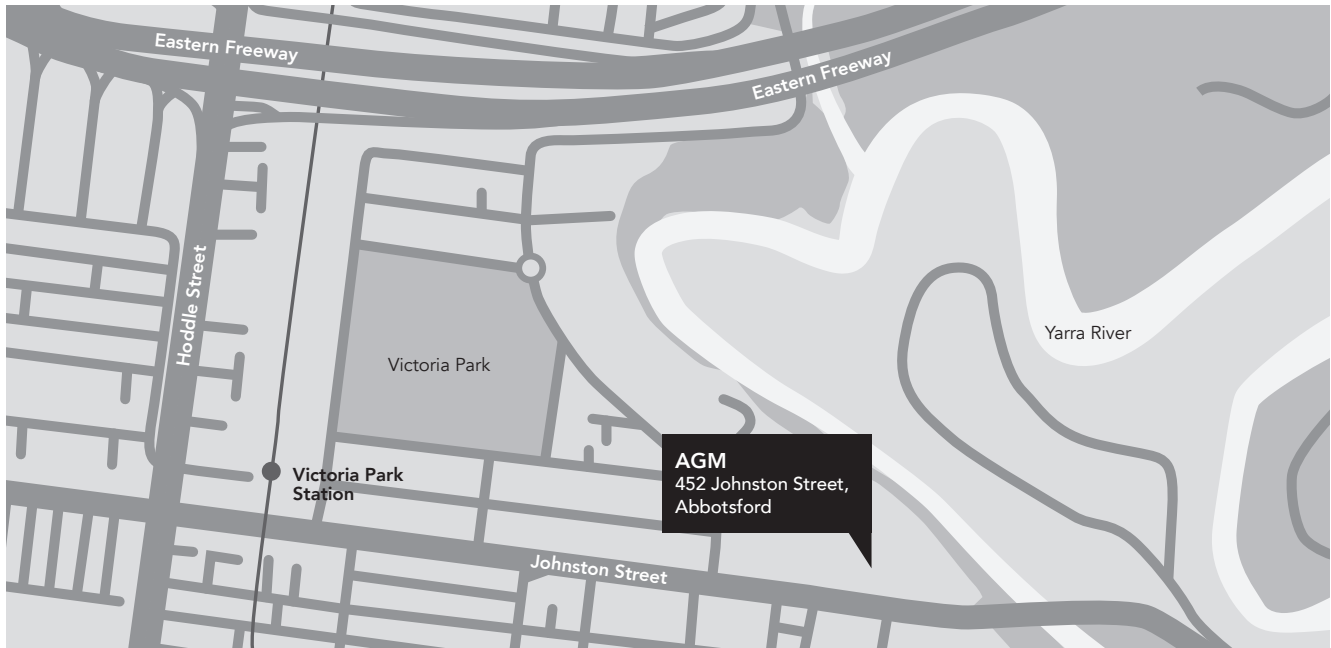
(3) 71,855,075 shares held by Berger Equities Pty Ltd, not directly by the individual Director.

(4) 160,284,179 shares held by the Samuel Terry Absolute Return Fund, not directly by the individual Director.

(5) Shares held by Coastal Investment Management L.P., not directly by the individual Directors.

# Location of the Meeting

Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067.  
Entrance is via the Conference Centre. Melways Map Reference 2D – B8.



## Getting there

### By Train

The nearest train station is Victoria Park station, which is a 10-minute walk from the Yarra Falls building. Victoria Park station is a stop on both the South Morang and Hurstbridge lines.

### By Bus

Bus route numbers 200 and 207 stop outside the Yarra Falls building on Johnston Street.

### By Car

Car parking is generally available on Johnston Street and in surrounding streets.

## Spicers Share Registry

Computershare Investor Services Pty Limited,  
Yarra Falls, 452 Johnston Street, Abbotsford,  
Victoria 3067, Australia.

GPO Box 2975, Melbourne, Victoria 3001, Australia.

Telephone: 1300 662 058 (within Australia)  
and +61 3 9415 4021 (outside Australia).

Facsimile: 1800 783 447 (within Australia)  
and +61 3 9473 2555 (outside Australia).

Website: [www-au.computershare.com/investor](http://www-au.computershare.com/investor).  
Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)

## Spicers Registered Office


Spicers Limited (ABN: 70 005 146 350)

155 Logis Boulevard, Dandenong South,  
Victoria 3175, Australia.

Telephone: +61 3 9768 8300  
Facsimile: + 61 3 9768 8402

Website: [www.spicerslimited.com.au](http://www.spicerslimited.com.au)  
Email: [contact@spicers.com.au](mailto:contact@spicers.com.au)

### Lodge your vote:

 **Online:**  
www.investorvote.com.au

 **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

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

For Intermediary Online subscribers only  
(custodians) www.intermediaryonline.com

**For all enquiries call:**  
(within Australia) 1300 662 058  
(outside Australia) +61 3 9415 4021

## Proxy Form

XX



### Vote and view the annual report online

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

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

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

 **For your vote to be effective it must be received by 10.00am (Melbourne time) on Tuesday, 13 November 2018**

### How to Vote on Items of Business

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

#### Appointment of Proxy

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

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

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

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

### Signing Instructions for Postal Forms

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

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

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

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

### Attending the Meeting

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

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

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

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

# Proxy Form

Please mark  to indicate your directions

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

I/We being a member/s of Spicers Limited hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Spicers Limited to be held at the Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, Australia on Thursday, 15 November 2018 at 10.00am (Melbourne time) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2, 5(a), 5(b), 5(c), 5(d), 5(e) and 5(f) (except where I/we have indicated a different voting intention below) even though Items 2, 5(a), 5(b), 5(c), 5(d), 5(e) and 5(f) are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

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

## STEP 2 Items of Business

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

		For	Against	Abstain			For	Against	Abstain
Item 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 5(d)	Grant of Share Performance Rights to Mr Nigel Burgess	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Re-election of Director - Mr Andrew Preece	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 5(e)	Grant of Share Performance Rights to Mr Todd Plutsky	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Re-election of Director - Mr Nigel Burgess	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 5(f)	Grant of Share Performance Rights to Mr Vlad Artamonov	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5(a)	Grant of Share Performance Rights to Mr Jonathan Trollip	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 6	Return of Capital to Shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5(b)	Grant of Share Performance Rights to Mr Andrew Preece	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Item 5(c)	Grant of Share Performance Rights to Mr Gabriel Berger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_