

# Deep Yellow Limited

## **NOTICE OF ANNUAL GENERAL MEETING**

**(Includes Explanatory Memorandum)**

**DATE OF MEETING:** 24 October 2013

**TIME OF MEETING:** 2:00 pm WST

**PLACE OF MEETING:** The Celtic Club  
48 Ord Street West Perth  
Western Australia

**This Notice of Annual General Meeting and Explanatory Memorandum 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 without delay.**

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Deep Yellow Limited ('Company') will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 24 October 2013 at 2:00 pm.

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. Please note terms used in the Resolutions contained in this Notice of Meeting have the same meaning as set out in the glossary of the Explanatory Memorandum accompanying this Notice.

## AGENDA

### Financial Report

To receive and consider the financial report for the year ended 30 June 2013, and the Directors' and Auditors' Reports thereon as included in the 2013 Annual Report.

### RESOLUTION 1 REMUNERATION REPORT

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

*"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2013 be adopted."*

**Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are urged to read the Explanatory Memorandum for further information.**

### Voting Exclusion

1. The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote if:
  - (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
  - (b) it is not cast on behalf of a Restricted Voter.
2. Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:
  - (a) the vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
  - (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

### RESOLUTION 2 ELECTION OF MR RUDOLF BRUNOVŠ

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

*"That Rudolf Brunovš who retires in accordance with clause 6.1(f) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

## NOTICE OF ANNUAL GENERAL MEETING

### RESOLUTION 3 ELECTION OF MR TIMOTHY NETSCHER

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

*"That Timothy Netscher who retires in accordance with clause 6.1(e) of the Company's Constitution and, being eligible, offers himself for election, be elected as a Director."*

### RESOLUTION 4 APPROVE THE ISSUE OF SECURITIES UNDER THE DEEP YELLOW AWARDS PLAN

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

*"That for the purposes of Listing Rule 7.2, Exception 9(b) and for all other purposes, Shareholders approve the issue of securities under the Company's employee incentive scheme for employees and Directors known as "the Deep Yellow Limited Awards Plan", described in the Explanatory Memorandum, as an exception to Listing Rule 7.1."*

#### Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by any person eligible to participate in the Plan or any person associated with those persons.

Notwithstanding the above, the Company will not disregard a vote on Resolution 4 if it is cast in the following circumstances:

- \* by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- \* by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### RESOLUTION 5 GRANT OF PERFORMANCE RIGHTS TO MR GREG COCHRAN

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

*"That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 7,000,000 Performance Rights for no consideration to Mr Greg Cochran or his nominee on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."*

#### Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by Mr Greg Cochran or any person associated with him.

Notwithstanding the above, the Company will not disregard a vote on Resolution 5 if it is cast in the following circumstances:

- \* by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- \* by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Company's Constitution and the Corporations Act.

By order of the Board



**Mark Pitts**

Company Secretary

Dated: 20 September 2013

# GENERAL NOTES

The Directors have determined in accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 2:00 pm (WST) on 22 October 2013.

## HOW TO VOTE

Shareholders can vote by either:

- \* attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- \* appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

## VOTING IN PERSON (OR BY ATTORNEY)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

## VOTING BY A CORPORATION

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person 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.

## PROXIES

A Shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- \* appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
- \* provides satisfactory evidence of the appointment of its corporate representative.

If such evidence is not received, then the body corporate (through its representative) will not be permitted to act as a proxy.

A Shareholder that is 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. If two proxies are appointed and the appointment does not specify the proportion or number of votes that the proxy may exercise, section 249X of the Corporations Act takes effect so that each proxy may exercise half of the Shareholder's votes.

If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit. Should any Resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that Resolution as they think fit. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. A Restricted Voter who is appointed as a proxy will not vote on Resolutions 1,4 or 5 unless:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolutions 1, 4 and 5.

A Proxy Form accompanies this Notice of Meeting and to be effective must be received at the Company's corporate registry/registered office **by no later than 2.00 pm on 22 October 2013:**

- \* Computershare Investor Services, GPO Box 242, Melbourne Victoria 3001 **OR** By facsimile: 1800 783 447 or +61 3 9473 2555
- \* Deep Yellow Limited, Level 1 329 Hay Street, Subiaco Western Australia 6008 **OR** By facsimile: + 61 8 9286 6969
- \* Electronically:  
Submit proxy voting instructions online at [www.investorvote.com.au](http://www.investorvote.com.au) (refer to the enclosed Voting Form)  
For intermediary online subscribers only (custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

For all enquiries call: (within Australia) 1300 850 505 / (outside Australia) +61 (03) 9415 4000

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Meeting.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions. Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the Glossary to this Explanatory Memorandum.

The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting.

### ANNUAL ACCOUNTS AND REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2013 together with the Directors' Declaration and Report in relation to that financial year and the auditor's report on those financial statements. Appropriate time will be devoted to the consideration of these financial statements and reports of the Company for the year ended 30 June 2013. No Resolution is required to be moved in respect of this item.

The Company's auditor will be in attendance to take questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

### RESOLUTION 1                      ADOPTION OF THE REMUNERATION REPORT

The Board is submitting its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Resolution.

The Remuneration Report forms part of the Directors' Report, included in the 2013 Annual Report. The Remuneration Report:

- \* explains the Board's policy for determining the nature and amount of remuneration of executive Directors and senior executives of the Company;
- \* explains the relationship between the Board's remuneration policy and the Company's performance;
- \* sets out remuneration details for each Director and the senior executives of the Company (who are defined as being key management personnel); and
- \* details and explains any performance conditions applicable to the remuneration of executive Directors and senior executives of the Company.

The vote on this Resolution is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution ('spill resolution') that another meeting be held within 90 days at which all of the Company's Directors (excluding the Managing Director) must offer themselves for re-election. If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting ('spill meeting') within 90 days of the second AGM. All of the Directors who were in office when the relevant Directors' Report was approved, other than the Managing Director, will (if required) need to stand for re-election at the spill meeting.

The Company will disregard any votes cast on Resolution 1 by any person, defined as Key Management Personnel (KMP) and their Closely Related Parties. KMP of the Company includes each of the Directors and members of management as described in the Company's Annual Report.

The Board considers that its current practices of setting executive and non-executive remuneration are well within normal industry expectations, and provides an effective balance between the need to attract and retain the services of the highly skilled key management personnel that the Company requires. As such the Directors recommend that shareholders vote in favour of the Company's Remuneration Report at Resolution 1.

If you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Resolution 1 **by either marking For, Against or Abstain** on the voting form.

**Please note if you appoint the Chair of the Meeting as your proxy, the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, the Chairman of the meeting intends to vote undirected proxies, that are able to be voted, in favour of the adoption of the Remuneration Report.**

## EXPLANATORY MEMORANDUM

The Remuneration Report is set out in the Deep Yellow Limited Annual Report 2013 and is also available on the Company's website ([www.deeptyellow.com.au](http://www.deeptyellow.com.au)).

### RESOLUTION 2 ELECTION OF DIRECTOR

Pursuant to clause 6.1(f) of the Company's Constitution, Directors are required on a rotational basis to retire. Being eligible, they can offer themselves for re-election to the Board by Shareholders.

Mr Rudolf Brunovs retires from office in accordance with the Company's Constitution and, being eligible, he now offers himself for re-election to the Board.

### RESOLUTION 3 ELECTION OF DIRECTOR

Pursuant to clause 6.1(e) of the Company's Constitution any Director appointed by the Board since the last AGM automatically retires at the next Annual General Meeting and is eligible for re election at that meeting.

On 2 January 2013 the Company announced the appointment of Mr Timothy Netscher to the Board, Mr Netscher has considerable broad-based experience working as a senior executive in the international mining industry in roles spanning marketing, operations management, project management and business development; including his current role as Managing Director and Chief Executive Officer of Gindalbie Metals Limited (GBG.AX), an ASX listed iron ore producer.

Before joining Gindalbie in 2010 as a Non-Executive Director and subsequently taking on the role of Managing Director/CEO in April 2011, Mr Netscher was the Senior Vice –President for Newmont Mining Corporation's Asia Pacific region with responsibility for the operations of six mines in three countries in the region.

Prior to this, his previous experience included the roles of Managing Director of Vale Australia; Senior Vice President, Director and COO of PT Inco; President and COO at QNI Pty Ltd (part of the BHP Billiton group); Executive Director of Impala Platinum Limited and Project Director, Business Development and Exploration at Billiton Plc. In addition to his Executive roles, prior to its sale to General Electric, Mr Netscher was a Non-Executive Director of Industrea Limited, an ASX 200 company and a Director of the Minerals Council of Australia.

Mr Netscher holds a BSc in Chemical Engineering, Bachelor of Commerce and an MBA.

The Directors are very pleased to attract someone of Tim's calibre to the Board and believe that his broad experience in the resources sector will greatly assist DYL in achieving its growth ambitions.

### RESOLUTION 4 APPROVE THE ISSUE OF SECURITIES UNDER THE DEEP YELLOW LIMITED AWARDS PLAN

Resolution 4 seeks to obtain shareholder approval to refresh the terms of the employee incentive scheme known as "the Deep Yellow Limited Awards Plan" ("**Plan**") in accordance with Listing Rule 7.2, Exception 9(b). The Plan provides for the grant of performance rights and / or options to employees and executives of the Company.

#### ***Reasons for the Plan***

Success for the Company and its Shareholders depends greatly on the people employed by the Company. To maintain and improve performance the Company has an on-going need both to motivate and retain an excellent and dedicated team, and to attract new and high quality employees.

The Board believes that the Plan will provide an effective means to achieve these ends, in that the continuation of the Plan will:

- \* encourage management to focus on creating Shareholder value;
- \* link employee reward with the achievement of the long term performance of the Company;
- \* encourage valued employees to remain with the Company by giving them the opportunity to participate in the creation of a valuable personal asset – ie a financial stake in the Company; and
- \* enable the Company to attract, as required, individuals of high calibre to bring expertise to the organisation.

Eligibility for participation in the Plan is at the discretion of the Board of the Company. Directors who become entitled to participate in the Plan after Resolution 4 is approved who are not named under Resolution 5 will not participate until approval is obtained under Listing Rule 10.14.

## EXPLANATORY MEMORANDUM

At this time, and consistent with the Board's Remuneration Policy, there is no intention for Non-Executive Directors to participate in the Plan.

### ***Listing Rules Requirements***

Under Listing Rule 7.1, companies are generally restricted from issuing more than 15% of their issued share capital in any 12 month period without shareholder approval. There are a number of exceptions to this restriction, including Exception 9 in Listing Rule 7.2, which allows the Company to issue securities under an employee incentive scheme without those securities being counted towards the Company's 15% capacity if, within three years before the date of issue, holders of ordinary securities have approved the issue of securities under the scheme. Resolution 4 seeks this approval.

The Deep Yellow Awards Plan has been operating successfully since its approval by Shareholders at the Company's AGM held on 18 November 2010.

### ***Listing Rules Disclosure***

In accordance with the requirements of Listing Rule 7.2 Exception 9(b) the following information is provided:

- \* a summary of the rules of the Plan is attached as Annexure A to this Explanatory Memorandum set out as above;
- \* since shareholders in general meeting last approved the terms of the Plan on 18 November 2010 the Company has issued the following securities:

<b>Date of Grant</b>	<b>Number of Performance Rights Issued</b>
3-Feb-11	1,955,700
25-Feb-11	2,830,000
7-Jul-11	1,000,000
9-Dec-11	2,664,400
3-Oct-12	7,317,300
6-Dec-12	5,500,000
8-Jul-13	4,000,000

- \* a voting exclusion statement has been included for the purposes of Resolution 4.

### **RESOLUTION 5 GRANT OF PERFORMANCE RIGHTS TO MR GREG COCHRAN**

Subject to the passage of Resolution 4, Shareholder approval is sought for the grant of up to 7,000,000 Performance Rights to the Managing Director Mr Greg Cochran as part of his long term incentive included in his salary package. The proposed issue of Performance Rights represents approximately equal to 0.4% of the Company's current number of issued and outstanding Shares, over the next three years pursuant to the Plan as described above.

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the proposed grant of Performance Rights involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Performance Rights to Mr Cochran.

The Performance Rights to be granted to Mr Cochran are subject to terms and conditions which are consistent with those of the Plan summarised in Resolution 4 above.

### ***Performance Rights to be Issued***

Mr Cochran has a responsibility to work in the best interests of shareholders in building value and there is no doubt he faces considerable ongoing challenges in his role within the Company as its Managing Director. The grant of these Performance Rights will provide a long term incentive for outstanding performance and promote his opportunity for Share ownership.

## EXPLANATORY MEMORANDUM

The 7,000,000 Performance Rights to be granted to Mr Cochran will be granted, subject to meeting certain vesting conditions and at the discretion of the Board, in the following tranches:

Vesting Date / No. Rights	Time	Price 1	Price 2
1/12/14 / 1,500,000	500,000	500,000 @ 6c	500,000 @ 8c
1/12/15 / 2,500,000	750,000	750,000 @ 8c	1,000,000 @ 12c
1/12/16 / 3,000,000	1,000,000	1,000,000 @ 12c	1,000,000 @ 15c

The vesting of these Performance Rights to Mr Cochran is subject to Mr Cochran remaining employed by the Company up to the Test Date and the 10 day VWAP of trading in the Shares up to the relevant Test Date being at least the minimum threshold level as summarised in the table above.

### Exercise of Performance Rights and allocation of Shares

Subject to the Board's discretion, if the performance conditions have been satisfied, the Performance Rights will vest and be automatically exercised.

Shares allocated on exercise of the Performance Rights rank equally with all other Shares on issue.

### Chapter 2E of the Corporations Act

The grant of Performance Rights to Mr Cochran, and the potential allotment and issue of Shares pursuant to the same will constitute the giving of a financial benefit to a related party of the Company, for which member approval is usually required pursuant to section 208 of the Corporations Act.

There are various exceptions to the requirement for member approval. This includes, in accordance with section 211 of the Corporations Act, where the benefit is remuneration to a related party as an officer or employee of the Company, and to give the remuneration would be reasonable given:

- \* the circumstances of the Company in giving the remuneration; and
- \* the related party's circumstances (including the responsibilities involved in the office or employment).

The Board is of the view that the exception in section 211 of the Corporations Act is relevant to the financial benefits to be granted to Mr Cochran under his employment agreement, the terms of which were negotiated prior to commencement of his employment with the Company. Further, the Board believes that the financial benefits available to Mr Cochran under his employment agreement are commensurate with the responsibilities and performance targets expected of him.

Accordingly, the Company is not seeking the approval of members under section 208 of the Corporations Act.

### Listing Rules Disclosure

Listing Rule 10.13 requires the following information to be provided in relation to the Performance Rights which may be granted pursuant to Resolution 5.

- \* The Related Party Performance Rights will be allotted and issued to Mr Cochran (or his Nominee), who is a Director of the Company.
- \* The maximum number of Related Party Performance Rights to be issued to Mr Cochran is 7,000,000.
- \* The Related Party Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- \* The Related Party Performance Rights will be issued to Mr Cochran for nil consideration, and as such no funds will be raised from the grant of the securities.
- \* The Related Party Performance Rights will be issued on terms and conditions consistent with those of the existing Deep Yellow Limited Awards Plan and the specific vesting conditions as stated above.
- \* A voting exclusion statement is included in the Notice. If you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Resolution 5 by either marking For, Against or Abstain on the voting form.



# ANNEXURE A

## SUMMARY OF THE RULES OF THE PLAN

### \* *Participation*

Persons eligible to participate in the Plan are Directors, Employees and other permitted persons of the Company or a related body corporate ("**Eligible Person**"). The Board may from time to time determine that any Eligible Person is entitled to participate in the Plan and the extent of that participation. In making that determination the Directors must consider, where appropriate, matters including record of employment, length of service and seniority.

The Plan will provide some flexibility to the Board as it allows for either Options to be issued or Performance Rights to be granted which may be exercised to acquire Shares subject to the satisfaction of certain conditions (in the case of Options) ("**Exercise Conditions**") or performance hurdles relating to the performance of the Company and its subsidiaries and associated companies (in the case of Performance Rights) ("**Performance Hurdles**").

### \* *Offer of Options*

Each offer made by the Board must specify:

- i. the number and the exercise price of the Options;
- ii. that the Eligible Person may accept the whole or any lesser number of Options offered;
- iii. the period within which the offer may be accepted; and
- iv. the Exercise Conditions.

The offer document must also include a copy of the Plan and an undertaking that the Company will provide current share information if requested by an Eligible Person within a reasonable period of that request. The offer document must also be provided to ASIC within 7 days after provision of this material to an Eligible Person.

### \* *Invitation with respect to Performance Rights*

Each Invitation made by the Board must specify:

- i. the number and the Expiry Date of the Performance Rights;
- ii. the Performance Hurdles and the Performance Period (i.e. the period for the purpose of determining the extent to which the Performance Hurdles have been met); and
- iii. the approximate Test Date (i.e. the date at which the Performance Hurdles are to be measured to determine whether that Performance Right becomes vested and therefore exercisable).

The offer document must also include a copy of the Plan and an undertaking that the Company will provide current share information if requested by an Eligible Person within a reasonable period of that request. The offer document must also be provided to ASIC within 7 days after provision of this material to an Eligible Person.

### \* *Acceptance*

An Eligible Person must, within the period specified in the offer either:

- i. accept the whole or any lesser number of Options or Performance Rights offered by notice in writing; or
- ii. nominate a nominee in whose favour the Eligible Person wishes to renounce the offer by notice in writing.

### \* *Number of Options and Performance Rights that may be issued under the Plan*

ASIC Class Order 03/184 provides relief from the requirement to issue a prospectus in relation to securities issued under an employee incentive scheme provided that the Company does not issue Options or grant Performance Rights in excess of 5% of the total number of issued Shares at the time of the offer. For the purposes of this 5% limit ASIC includes (subject to certain exceptions):

- i. all Shares which might be issued pursuant to the exercise of an Option or a Performance Right under the offer in question;
- ii. the number of Shares that would be issued if Options or Performance Rights issued or granted under the Plan were exercised; and
- iii. the number of Shares in the same class issued during the previous five years pursuant to an employee share scheme.

### \* *Price*

Options and Performance Rights are issued or granted under the Plan for no consideration.

## ANNEXURE A

### \* *Exercise of Options and Performance Rights*

Subject to a number of factors, including the Company's securities trading policy (as published on the Company's website), Options or Performance Rights may be exercised at any time during the period commencing on the issue date and ending on the Expiry Date. The exercise of Performance Rights is also subject to the Performance Hurdles.

The exercise price of the Options issued under the Plan will not be less than 80% of the weighted average price of the Shares on ASX over the five trading days immediately preceding the day on which the Board resolves to offer or issues an Option as the case may be.

### \* *Vesting of Performance Rights*

Performance Rights become vested at the Board's determination as soon as reasonably practicable after each Test Date applicable to any Performance Period. At that time the Board will determine:

- i. whether the Performance Hurdles have been satisfied;
- ii. the number of Performance Rights that will become vested as at the Test Date;
- iii. the number of Performance Rights that will lapse; and
- iv. the number of Performance Rights that will continue as unvested.

Performance Rights will be deemed to be automatically exercised once the Performance Rights become vested. Within 10 Business Days of the Performance Rights vesting, the Company must allot and issue the number of Shares to be issued in respect of those vested Performance Rights.

### \* *Restrictions*

Unless otherwise decided by the Board:

- i. Any Options issued or Performance Rights granted pursuant to the Plan will automatically lapse:
  - a. if the Eligible Person to which they were issued is dismissed from employment with the Company for a number of reasons including wilful misconduct bringing disrepute on the Company, incompetence in the performance of duties after prior written warning or fraud or dishonesty; and
  - b. if an Option or Performance Right is not validly exercised on or before the Expiry Date and in the case of Performance Rights where Performance Hurdles have not been satisfied on the Test Date, if so determined by the Board.
- ii. If prior to the satisfaction of the Exercise Conditions of Options or the Performance Hurdles an Eligible Person who holds Options or Performance Rights ceases to be an Eligible Person due to retirement, disability, redundancy or death, such Eligible Person, or if appropriate, his or her Permitted Nominee, may exercise any such Options or Performance Rights within 3 months of the date of retirement, redundancy, death or disability or such longer period that the Board determines. If an Eligible Person ceases to be an Eligible Person for any other reason, his or her Options or Performance Rights will automatically lapse.
- iii. If an Eligible Person who holds Options or Performance Rights ceases to be an Eligible Person at any time after an Option has become exercisable or a Performance Right vests, if the Eligible Person ceases to be an Eligible Person due to retirement, disability, redundancy or death, such Eligible Person, or if appropriate, his or her Permitted Nominee may exercise any such Options or Performance Rights (to the extent that they are not already automatically exercised) at any time prior to the Expiry Date. If an Eligible Person ceases to be an Eligible Person for any other reason, that Eligible Person is entitled to exercise any such Option or vested Performance Right within 3 months of ceasing to be an Eligible Person or such longer period as the Board determines.

The Options and the Performance Rights are not transferable except with the Board's approval.

### \* *Change of control*

At any time following the public announcement of a proposal which the Board reasonably believes may lead to a Change of Control Event (i.e. an unconditional takeover bid, a Shareholder or Shareholders becoming entitled to replace all or a majority of the Board or an application to convene a scheme meeting) the Board may give the relevant people notice that some or all of the Options held may be exercised and/or that some or all of the unvested Performance Rights held that have not lapsed will become vested (disregarding any applicable Exercise Conditions or Performance Hurdles). All exercisable Options and vested Performance Rights which are not exercised before expiry of the notice period given by the Board (set out above) will lapse at the end of that notice period.

### \* *Administration*

The Board in its absolute discretion will administer the Plan in accordance with terms and conditions set out in the Plan rules.

## ANNEXURE B

### GLOSSARY OF TERMS

In this Explanatory Memorandum the following expressions have the following meanings:

**\$** means Australian dollars, the legal currency of Australia;

**AGM** means Annual General Meeting

**ASIC** means the Australian Securities and Investments Commission.

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

**Associates** has the meaning given to that term in the Corporations Act.

**Board** means the board of Directors.

**Business Day** means a business day as defined in the Listing Rules.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** or **DYL** means Deep Yellow Limited ACN 006 391 948.

**Constitution** means the constitution of the Company.

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

**Directors** means the directors of DYL from time to time.

**Equity Securities** has the same meaning as in the Listing Rules.

**Key Management Personnel** or **KMP** has the meaning given to the term key management personnel in the Accounting Standards.

**Listing Rules** means the Listing Rules of ASX, as amended from time to time.

**Meeting** or **Annual General Meeting** means the annual general meeting of Shareholders convened by this Notice.

**Mineral Resource** has the meaning given to it in the JORC Code.

**Notice** or **Notice of Meeting** means the notice of annual general meeting that accompanies this Explanatory Memorandum.

**Option** means an option to acquire a Share under the Deep Yellow Awards Plan.

**Performance Hurdles** means the conditions relating to the performance of DYL and its subsidiaries and associated companies (and the manner in which those conditions will be tested) for the purposes of determining the number of a participant's Performance Rights which may be exercised, as set out in the participant's invitation.

**Performance Right** means a right to acquire a Share under the Deep Yellow Awards Plan.

**Resolution** means a resolution referred to in the Notice of Meeting.


**Restricted Voter** means Key Management Personnel and their Closely Related Parties.

**Share** means a fully paid ordinary share in the capital of DYL.

**Shareholder** or **DYL Shareholder** means a holder of one or more Shares.

**WST** means Australian Western Standard Time.

**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 850 505  
(outside Australia) +61 3 9415 4000



┌ 000001 000 DYL  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form



### Vote and view the annual report online

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



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

**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

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 2:00 pm (WST) on Tuesday 22 October 2013**

### 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 as they choose. 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 information tab, "Downloadable 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** →

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**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.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

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

XX

I/We being a member/s of Deep Yellow 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 Deep Yellow Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday 24 October 2013 at 2:00pm (WST) 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 Resolutions 1, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** For Resolution 4, this express authority is also subject to you marking the box in the section below. 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 Resolutions 1, 4 and 5 by marking the appropriate box in step 2 below.

**Important for Resolution 4:** If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Resolution 4 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Resolution 4, the Chairman of the Meeting will not cast your votes on Resolution 4 and your votes will not be counted in computing the required majority if a poll is called on this Resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 4.

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Resolution 4 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

## 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
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Mr Rudolf Brunovs as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Timothy Netscher as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approve Securities Issued under the Deep Yellow Awards Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Grant of Performance Rights to Mr Greg Cochran	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

## 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 / /

DYL

1 7 3 7 6 8 A

Computershare +