



# Deep Yellow Limited

## **NOTICE OF ANNUAL GENERAL MEETING**

### **(Includes Explanatory Memorandum)**

**DATE OF MEETING:** 30 November 2016

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

**PLACE OF MEETING:** THE EY BUILDING  
CITY BEACH ROOM Level 5, 11  
Mounts Bay Road, Perth  
Western Australia

*For clarity, the EY Building is located next to the Perth Busport at Elizabeth Quay on the upper level.*

**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.**

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# 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 City Beach Room, EY Building, Level 5, 11 Mounts Bay Road, Perth, Western Australia on 30 November 2016 at 2:00 pm.

The Explanatory Memorandum to this Notice of Meeting is incorporated in, comprises part of and should be read in conjunction with this Notice of Meeting. Please note terms used 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 2016, and the Directors' and Auditors' Reports thereon as included in the 2016 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 2016 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 (in any capacity) on Resolution 1 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote on Resolution 1 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; or
  - (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 RE-ELECTION OF MR RUDOLF BRUNOV'S

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

*"That Rudolf Brunov's 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."*

There are no voting exclusions in relation to Resolution 2.

# NOTICE OF ANNUAL GENERAL MEETING

## RESOLUTION 3 ELECTION OF MR JOHN BORSHOFF

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

*"That Mr John Borshoff 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."*

There are no voting exclusions in relation to Resolution 3.

## RESOLUTION 4 ELECTION OF MR JUSTIN REID

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

*"That Mr Justin Reid 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."*

There are no voting exclusions in relation to Resolution 4.

## RESOLUTION 5 GRANT OF SHARES TO MR MERVYN GREENE IN LIEU OF FUTURE FEES

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 Shares to Mr Mervyn Greene or his nominee in lieu of \$27,000 of his Director fees for the 12 month period from 1 July 2016 on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."*

A voting exclusion statement for Resolution 5 is set out below Resolution 8.

## RESOLUTION 6 GRANT OF SHARES TO MS GILLIAN SWABY IN LIEU OF FUTURE FEES

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 Shares to Ms Gillian Swaby or her nominee in lieu of \$29,250 of her Director fees for the 12 month period from 1 July 2016 on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."*

A voting exclusion statement for Resolution 6 is set out below Resolution 8.

## RESOLUTION 7 GRANT OF SHARES TO MR RUDOLF BRUNOV'S IN LIEU OF FUTURE FEES

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 Shares to Mr Rudolf Brunov's or his nominee in lieu of \$42,750 of his Director fees for the 12 month period from 1 July 2016 on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."*

A voting exclusion statement for Resolution 7 is set out below Resolution 8.

## RESOLUTION 8 GRANT OF SHARES TO MR CHRISTOPHE URTEL IN LIEU OF FUTURE FEES

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 Shares to Mr Christophe Urtel or his nominee in lieu of \$27,000 of his Director fees for the 12 month period from 1 July 2016 on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."*

# NOTICE OF ANNUAL GENERAL MEETING

## Voting Exclusion for Resolutions 5 to 8 (inclusive)

The Company will disregard any votes cast on Resolutions 5, 6, 7 or 8 respectively by:

- a) a person (director) who is to receive securities in relation to the entity; and
- b) any person who might obtain a benefit if the relevant Resolution is passed, except a benefit solely in the capacity of a holder of ordinary securities; and
- c) any associates of the persons excluded from voting pursuant to paragraphs (a) and (b) above.

Notwithstanding the above, the Company will not disregard a vote on Resolution 5, 6, 7 or 8 respectively if it is cast by:

- d) a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- e) 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 5, 6, 7 or 8 respectively if the appointment does not specify the way the proxy is to vote on the Resolution, unless 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 5 to 8 (inclusive). Shareholders may also choose to direct the Chair to vote against Resolution 5 to 8 (inclusive) or to abstain from voting.

## RESOLUTION 9 GRANT OF SHARES TO MR CHRISTOPHE URTEL IN LIEU OF CONSULTING FEES

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 5,668,703 Shares to Mr Christophe Urtel or his nominee in lieu of Consulting fees on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."*

## Voting Exclusion

The Company will disregard any votes cast on Resolution 9 by:

- a) Mr Christophe Urtel;
- b) Mr Christophe Urtel's nominee (if any), to be issued with the Performance Rights the subject of the Resolution;
- c) any person who might obtain a benefit if Resolution 9 is passed, except a benefit solely in the capacity of a holder of ordinary securities; and
- d) any associates of the persons excluded from voting pursuant to paragraphs (a), (b) and (c) above.

Notwithstanding the above, the Company will not disregard a vote on Resolution 9 if it is cast by:

- e) a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- f) 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 9 if the appointment does not specify the way the proxy is to vote on the Resolution, unless 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 9. Shareholders may also choose to direct the Chair to vote against Resolution 9 or to abstain from voting.

# NOTICE OF ANNUAL GENERAL MEETING

## RESOLUTION 10 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 10 by a director of the entity except one who is ineligible to participate in the Deep Yellow Awards Plan or any person associated with those persons.

Notwithstanding the above, the Company will not disregard a vote on Resolution 10 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 11 RATIFICATION OF PRIOR ISSUE OF SECURITIES

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 321,648,376 ordinary Shares, details of which are outlined in the explanatory memorandum, is ratified."*

### Voting Exclusion

The Company will disregard any votes cast on Resolution 11 by MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED and any person who participated in the issue and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## RESOLUTION 12 DEEP YELLOW LIMITED SHARE PLAN

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

*"That for the purposes of exception 9 of ASX Listing Rule 7.2, sections 259B(2), 260C(4) and 200B of the Corporations Act 2011 (Cth) and for all other purposes, the Deep Yellow Limited Share Plan and future issues of securities under that Plan, as described in the Explanatory Memorandum, be approved."*

A voting exclusion statement for Resolution 12 is set out below Resolution 13.

## RESOLUTION 13 APPROVAL OF ISSUE OF SHARES AND LOAN TO MR JOHN BORSHOFF

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

*"That, conditional upon Resolution 12 being approved, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for:*

- (a) *the issue and allotment to Mr John Borshoff of ordinary shares under the Deep Yellow Limited Share Plan (Share Plan) as described in the Explanatory Memorandum; and*

## NOTICE OF ANNUAL GENERAL MEETING

- (b) *the provision of a Loan to Mr John Borshoff to assist him to acquire the shares under the Share Plan as described in the Explanatory Memorandum.”*

### Voting exclusion statement for Resolutions 12 and 13

The Company will disregard any votes cast (in any capacity) on Resolutions 12 and 13 by or on behalf of:

- any director of the entity who is eligible to participate in the Deep Yellow Limited Share Plan; and
- a closely related party of those persons (such as close family member members and any companies the person controls);

unless the vote is cast as a proxy for a person who is entitled to vote, and:

- the vote is cast in accordance with the direction on the Voting/Proxy Form; or
- in the absence of a direction on the Voting/Proxy Form, the vote is cast by the Chairman of the Meeting.

The Company will disregard any votes cast as a proxy on Resolutions 12 and 13 by:

- a member of the key management personnel of the Company (KMP) as at the date of the Meeting; and
- a closely related party of those persons (such as close family member members and any companies the person controls);

where the proxy appointment does specify how the proxy is to vote, unless the vote is cast by the Chairman of the Meeting.

In addition, in accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolutions 12 and 13 by Mr John Borshoff (being an eligible participant to participate in the Deep Yellow Limited Share Plan) and any associated person of Mr Borshoff. However, Deep Yellow Limited will not disregard a vote cast by:

- a person as proxy for a person who is entitled to vote, in accordance with the directions on the Voting/Proxy Form; or
- the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the Voting/Proxy Form;

authorizing the Chairman of the Meeting to exercise the proxy in respect of the relevant item even though the item is connected with the remuneration of the KMP.

If you are a shareholder entitled to cast two or more votes, you may appoint up to two proxies and specify the proportion of voting rights or the number of votes each proxy is appointed to exercise.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolutions 12 and 13. Shareholders may also choose to direct the Chair to vote against Resolutions 12 and 13 or to abstain from voting.

### RESOLUTION 14 SPILL RESOLUTION

**Important Note: This resolution will only be put to the meeting if more than 25% of votes validly cast on Resolution 1 in this Notice of Meeting are cast AGAINST that Resolution. A vote for this Resolution 14 is a vote for a spill meeting.**

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

*That:*

- a meeting of shareholders of Deep Yellow Limited be held within 90 days of this Annual General Meeting (“Spill Meeting”); and*
- all of the Company’s Directors (other than the Managing Director) who were Directors of the Company when the resolution to adopt the remuneration report as contained in the Deep Yellow Limited Annual Financial Report for the period ended 30 June 2016 was passed, cease to hold office immediately before the end of the Spill Meeting; and*
- resolutions to appoint persons to the offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.*

# NOTICE OF ANNUAL GENERAL MEETING

## Voting Exclusion

1. The Company will disregard any votes cast (in any capacity) on Resolution 14 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote on Resolution 14 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 14 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; or
  - (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 against Resolution 14. Shareholders may also choose to direct the Chair to vote for Resolution 14 or to abstain from voting.

## 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: 24 October 2016

# 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 28 November 2016.

## 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 only vote on Resolution 1 and Resolutions 3 to 9 (inclusive) in the circumstances set out in the Notice of Meeting in relation to each of these Resolutions respectively. Shareholders should note that the Chair intends to vote any undirected proxies in favour of all of these Resolutions.

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 28 November 2016**:

- \* Computershare Investor Services, GPO Box 242, Melbourne Victoria 3001 **OR** By facsimile: 1800 783 447 or +61 3 9473 2555
- \* Deep Yellow Limited, Unit 1, Spectrum Building, 100 – 104 Railway Road, 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 meaning given to them in the Glossary in Annexure A 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 2016 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 2016. 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 2016 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 allows the Company to attract and retain the services of the highly skilled key management personnel that it 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 2016 and is also available on the Company's website ([www.deeptyellow.com.au](http://www.deeptyellow.com.au)).

### RESOLUTION 2 RE-ELECTION OF RUDOLF BRUNOVS

Pursuant to clause 6.1(f) of the Company's Constitution, Directors are required to retire on a rotational basis. 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.

Mr Brunovs is a Fellow of the Institute of Chartered Accountants in Australia and a former Partner of Ernst & Young, an international accounting firm. He practiced in a number of offices in Australia and overseas and for a period of 12 years he held the position of Managing Partner of the Parramatta NSW and subsequently the Perth offices of the firm. He was a member of the Minerals and Energy Industry Group with Ernst & Young.

The remainder of the Board recommend that Shareholders vote in favour of Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2.

### RESOLUTION 3 ELECTION OF JOHN BORSHOFF

Pursuant to clause 6.1(e) of the Company's Constitution, Directors appointed during the year, automatically retire at the next Annual General Meeting and are eligible for election at that meeting.

On 24 October 2016 the Company announced the appointment of Mr John Borshoff to the Board. Mr Borshoff is a geologist and uranium industry veteran who has been involved in the Australian and African exploration and mining industry for over 40 years.

He founded Paladin Energy Limited in 1993 and remained as its MD/CEO for 22 years, bringing two world class uranium mines into production in that time. He has previously served on the Board of the Minerals Council of Australia.

The Directors are very pleased to attract someone of John's extensive experience and proven track record in the uranium industry. This, along with his global industry network, will create significant opportunities for the Company and its shareholders.

The remainder of the Board recommend that Shareholders vote in favour of Resolution 3. The Chair intends to vote undirected proxies in favour of Resolution 3.

### RESOLUTION 4 ELECTION OF JUSTIN REID

Pursuant to clause 6.1(e) of the Company's Constitution, Directors appointed during the year, automatically retire at the next Annual General Meeting and are eligible for election at that meeting.

On 28 October 2016 the Company announced the appointment of Mr Justin Reid.

Mr Reid is a geologist and capital markets executive with over 20 years of experience focused exclusively in the mineral resource space. Mr. Reid started his career as a geologist with SGS and Cominco Ltd after which he became a partner and senior mining analyst at Cormark Securities Inc. in Toronto.

He has held a number executive roles and most recently, he acted as President and Director of Sulliden Gold Corporation, until its acquisition by Rio Alto Mining Ltd. in 2014 and is now President/CEO of Sulliden Mining Capital Inc.

Mr. Reid holds a B.Sc. from the University of Regina, a M.Sc. from the University of Toronto and an MBA from the Kellogg School of Management at Northwestern University. He is based in Toronto, Canada. The Directors are pleased to attract someone with Mr Reid's background to the Board and believe that he will greatly assist DYL in achieving its growth ambitions.

The remainder of the Board recommend that Shareholders vote in favour of Resolution 4. The Chair intends to vote undirected proxies in favour of Resolution 4.

## EXPLANATORY MEMORANDUM

### RESOLUTIONS 5 TO 8 GRANT OF SHARES TO NON- EXECUTIVE DIRECTORS IN LIEU OF FUTURE FEES

As indicated above, the Company is actively trying to conserve its cash reserves.

Resolutions 5 to 8 (inclusive) seek Shareholder approval for the purposes of Listing Rule 10.11 to allow certain non-executive director remuneration and fees that accrue in the 12 month period from 1 July 2016 (**Future Remuneration**) to be satisfied by the issue of Shares (**Future Remuneration Shares**). Approval is sought to ensure that the capacity exists for a portion of Directors' fees to be settled by way of Shares, should the Board deem it appropriate.

If Resolutions 5 to 8 (inclusive) are approved, the Company would calculate the number of Future Remuneration Shares to the non-executive directors on a progressive monthly basis based on the 5-Day VWAP for the relevant month, the Future Remuneration Shares will then be issued in two six monthly tranches on or before 31 December and 30 June for each six month period from 1 July 2016, with the number of Future Remuneration Shares to be issued each month to be calculated.

The total base remuneration or fees paid to each non-executive director per annum, the amount to be satisfied by cash payments per annum and the amount that could be satisfied by the issue of Future Remuneration Shares per annum is set out in the following table.

Non-Executive Director	Total current Director base remuneration/fees per annum including superannuation	Amount to be satisfied by cash payments per annum ("Future Remuneration")	Amount to be satisfied by issue of Future Remuneration Shares		Future Remuneration Shares (Notional) <sup>1</sup>
			Per annum	Per month	Per annum
Mr Rudolf Brunovs	\$95,000	\$52,250	\$42,750	\$3,562.50	10,687,500
Mr Mervyn Greene	\$60,000	\$33,000	\$27,000	\$2,250.00	6,750,000
Ms Gillian Swaby	\$65,000	\$35,750	\$29,250	\$2,437.50	7,312,500
Mr Christophe Urtel	\$60,000	\$33,000	\$27,000	\$2,250.00	6,750,000
<b>Total</b>	<b>\$280,000</b>	<b>\$154,000</b>	<b>\$126,000</b>	<b>\$10,500.00</b>	<b>31,500,000</b>

Because the number of Future Remuneration Shares to be issued is based on future 5-Day VWAPs for each month, the actual number of Future Remuneration Shares to be issued, and the deemed issue prices, cannot be included in this Notice of Meeting. Further, as the issue would be progressive, (calculated on a monthly basis for the 12 month period from 1 July 2016 and then issued in two six monthly tranches), any Future Remuneration Shares would not be issued within one month of the Meeting.

For this reason an ASX waiver of Listing Rule 10.13.3 and 10.13.5 has been sought and obtained, to allow the Future Remuneration Shares to be issued more than 1 month after the date of the Meeting and to allow the Company to seek shareholder approval under Listing Rule 10.11 without specifying the issue price for the shares to be issued to the Directors.

In accordance with the waiver its terms are disclosed in this Notice (refer Listing Rules disclosure) and will be released by way of separate announcement.

Based on the Share price at the date of this Notice, the fact that \$126,000 of Future Remuneration in total may be satisfied by the issue of Future Remuneration Shares and the total number of Shares currently on issue, it is anticipated that the dilution experienced by shareholders as a result of the issue of the Future Remuneration Shares would be approximately 1.4%.<sup>1</sup>

If Resolutions 5 to 8 (inclusive) are not approved, then the Company will need to pay the Directors an additional \$126,000 in cash, by way of Directors' fees or remuneration for the 12 month period from 1 July 2016.

The Directors consider it is in the interests of the Company and its Shareholders that Shareholder approval for the issue of any Future Remuneration Shares is obtained in advance, as it gives the Company more certainty and flexibility in respect of its cash position and allows the Company to maintain the engagement of high calibre professionals, whilst potentially conserving its cash reserves

<sup>1</sup> Based on a Share price of \$0.004 (being the closing share price on ASX on 30 September 2016), the total Accrued Remuneration to be satisfied by the Future Remuneration Shares being \$126,000 and the total number of Shares on issue being 2,144,322,504 Shares.

## EXPLANATORY MEMORANDUM

### Chapter 2E of the Corporations Act

The issue and allotment of Future Remuneration Shares to the Directors 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, given the Future Remuneration Shares will be issued to satisfy part of accrued directors' fees and remuneration, with the number to be calculated based on the 5 day volume weighted average Share price up to and excluding the 20<sup>th</sup> of each month (being the date on which the fees and remuneration would otherwise be paid), the exception in section 211 of the Corporations Act will apply to the issue of the Future Remuneration Shares

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

### Listing Rules Disclosure

The following information is provided pursuant to Listing Rule 10.13 requirements and further to the conditions of the waiver granted by ASX in respect to 10.13.3 and 10.13.5 and is in relation to the Future Remuneration Shares which may be granted pursuant to Resolution 5 to 8 (inclusive).

- \* The Future Remuneration Shares will be allotted and issued to each of the following Directors or their respective nominees:
  - Resolution 5 - Mr Mervyn Greene (Non-Executive Director)
  - Resolution 6 - Ms Gillian Swaby (Non-Executive Director)
  - Resolution 7 - Mr Rudolf Brunovs (Non-Executive Director)
  - Resolution 8 - Mr Christophe Urtel (Non-Executive Director)
- \* The maximum number of Future Remuneration Shares to be issued to each Director in the 12 month period from 1 July 2016 will be calculated each month based on the following formula:

**No. of Future Remuneration Shares = Future Remuneration/5-Day VWAP**

Where:

**Future Remuneration** is the monthly proportion of the Director fees or remuneration to be satisfied by the issue of Remuneration Shares, as set out in the table above for each Director.

**5-Day VWAP** is the volume weighted average share price for the 5 days on which Shares traded up to but excluding the 20<sup>th</sup> day of the relevant month (being the date that the Future Remuneration would have otherwise been paid in cash).

- \* The Future Remuneration Shares will be issued within 12 months after shareholder approval is obtained and on or before 31 December and 30 June for each six month period from 1 July 2016.
- \* In accordance with the terms of a waiver of Listing Rule 10.13.5, the Future Remuneration Shares will be issued at an issue price equal to the 5-Day VWAP for the relevant month that the Future Remuneration relates to.
- \* The Future Remuneration Shares will rank equally with all other Shares on issue.
- \* The Future Remuneration Shares will be issued to each Director (or their respective nominee) for nil consideration, and as such no funds will be raised from the grant of the securities, but the Company's liability in relation to the Future Remuneration will be fully satisfied.
- \* A voting exclusion statement for each of Resolutions 5 to 8 (inclusive) is included in the Notice. The Chairman will vote undirected proxies in favour of each Resolution.

In respect of Resolutions 5 to 8 inclusive, if the Resolution is passed (and approval is therefore obtained for the purposes of ASX Listing Rule 10.11), further shareholder approval is not required under ASX Listing Rule 7.1, and the securities issued pursuant to the Resolution will not be included in the calculation of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

## EXPLANATORY MEMORANDUM

### RESOLUTION 9 GRANT OF SHARES TO MR CHRISTOPHE URTEL IN LIEU OF CONSULTING FEES

As previously emphasised, the Company is actively trying to conserve its cash reserves. Resolution 9 seeks Shareholder approval for the purposes of Listing Rule 10.11 to allow the issue of 5,688,703 ordinary Shares in the Company to be issued in lieu of consulting fees.

The Company has recently completed substantial negotiations with Marenica Energy Limited, for the provision of technology which may prove pivotal in future development of its assets. As Mr Urtel was instrumental in achieving this outcome the company has resolved, subject to shareholder approval to issue the Shares. The number of shares to be issued was determined on the basis of the consulting fees deemed appropriate of \$20,000 and the 5 day VWAP at the time the fees were accrued which was \$0.0035.

The Directors consider it is in the interests of the Company and its Shareholders that Shareholder approval for the issue of these Shares in lieu of consulting fees is obtained.

#### **Chapter 2E of the Corporations Act**

The issue and allotment of Future Remuneration Shares to the Directors 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, given the Shares will be issued to satisfy accrued consulting fees, which in their determination are reasonable and are in line with commercial fees ordinarily accruing for the nature of work performed, the exception in section 211 of the Corporations Act will apply to the issue of the Shares

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

#### **Listing Rules Disclosure**

The following information is provided pursuant to Listing Rule 10.13 requirements and is in relation to the Shares which will be granted pursuant to Resolution 9.

- \* The Shares will be allotted and issued to Mr Christophe Urtel (Non-Executive Director)
- \* The number of Shares to be issued to Mr Urtel is 5,688,703.
- \* The Shares will be issued within 1 month after shareholder approval is obtained.
- \* The Shares will rank equally with all other Shares on issue.
- \* The Shares will be issued for nil consideration, and as such no funds will be raised, however they are being issued in lieu of consulting fees to the value of \$20,000.
- \* A voting exclusion statement for Resolution 9 is included in the Notice. The Chairman will vote undirected proxies in favour of this Resolution.

In respect of Resolution 9, if the Resolution is passed (and approval is therefore obtained for the purposes of ASX Listing Rule 10.11), further shareholder approval is not required under ASX Listing Rule 7.1, and the securities issued pursuant to the Resolution will not be included in the calculation of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

### RESOLUTION 10 APPROVE THE ISSUE OF SECURITIES UNDER THE DEEP YELLOW LIMITED AWARDS PLAN

Resolution 10 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.

# EXPLANATORY MEMORANDUM

## **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 – i.e. 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 10 is approved will not participate until approval is obtained under Listing Rule 10.14.

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 10 seeks this approval.

The Deep Yellow Awards Plan has been operating successfully since its approval by Shareholders at the Company's AGM held on 24 October 2013.

## **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 B to this Explanatory Memorandum set out as above;
- \* since shareholders in general meeting last approved the terms of the Plan on 24 October 2013 the Company has issued the following securities:

<b>Date of Grant</b>	<b>Number of Performance Rights Issued</b>
30 October 2013	11,610,000
11 November 2014	11,300,000
6 November 2015	13,900,000

- \* a voting exclusion statement has been included for the purposes of Resolution 10.

## EXPLANATORY MEMORANDUM

### RESOLUTION 11                      RATIFICATION OF PRIOR ISSUE OF SECURITIES

On 28 October 2016, the Company announced to ASX that it had successfully completed a placement to an institutional investor.

The placement of 321,648,376 ordinary fully paid shares at 0.44 cents per share for \$1.42 million was made to an affiliate of Sprott a specialist resources fund. As a result of the placement, the affiliate of Sprott has become a substantial shareholder in DYL with 15% of the Company's issued share capital.

Approval is being sought to ratify the placement of 321,648,376 shares.

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

Listing Rule 7.4 allows an issue of securities made without the approval of shareholders to be ratified by shareholders, in order to refresh the Placement Capacity, provided that, at the time the issue was made, the issue was made within the Company's existing Placement Capacity.

Shareholder approval is now sought in accordance with Listing Rule 7.4 to ratify the issue of 321,648,376 Shares so that the Company refreshes its Placement Capacity to issue up to 15% of its issued ordinary capital, if required, in the next 12 months without first requiring shareholder approval for those future issues.

Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of equity securities granted was 321,648,376 ordinary shares;
- (b) the Shares were issued for a consideration of 0.44 cents per Share;
- (c) the Shares rank equally with existing shares on issue;
- (d) the Shares were issued to MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED;
- (e) the funds raised will strengthen the Company's balance sheet as it embarks on a strategic review of the uranium sector and will be used to advance the existing Namibian assets and for general working capital purposes; and
- (f) A voting exclusion statement is incorporated into the resolution.

The Board recommend that Shareholders vote in favour of Resolution 11. The Chair intends to vote undirected proxies in favour of Resolution 11.

### RESOLUTION 12                      DEEP YELLOW LIMITED SHARE PLAN

Pursuant to Resolution 12, the Company is seeking approval to the proposed Deep Yellow Limited Share Plan (Share Plan) for the purposes of the ASX Listing Rules and the Corporations Act.

The proposed Share Plan seeks to allow the Company to reward and incentivise employees (including Directors who are employees of the Company) and contractors through an arrangement where employees and contractors are offered shares subject to long term performance conditions. The shares are offered at market value such that the incentive is linked to the increase in value over and above the purchase price and so aligns employees to the risks and rewards of a shareholder. The purchase price payable by the participant for the ordinary shares is lent to the participant under a limited recourse loan, with the loan secured against the shares.

Shareholder approval of the Share Plan is being sought to enable the Company to fall within certain Corporations Act and ASX Listing Rule exemptions.

#### Summary of Share Plan

A summary of the terms of the Share Plan is set out in Annexure C.

## EXPLANATORY MEMORANDUM

### Regulatory Requirements - Corporations Act

#### *Security over shares*

Section 259B(1) of the Corporations Act 2001 (Cth) (**Corporations Act**) prohibits a company from taking security over its own shares, except as permitted by section 259B(2). Section 259B(2) of the Corporations Act states that a company may take security over shares in itself under an employee share scheme which has been approved by a resolution passed at a general meeting of the company.

If a loan is made to a participant to acquire shares under the Share Plan, until the loan is repaid in full, the Company will have a lien over all the shares held by the participant to which the loan relates, all dividends and other amounts paid or payable on those Shares, and all securities issued in respect of those Shares as part of a bonus or entitlement issue. The Board may also determine under the Share Plan that a participant give a mortgage over the shares as security for the loan.

#### *Financial Assistance*

Section 260A of the Corporations Act states that a company may financially assist a person to acquire shares in the company if the assistance is exempt under section 260C. Section 260C(4) of the Corporations Act provides that financial assistance is exempt from section 260A if it is given under an employee share scheme which has been approved by a resolution passed at a general meeting of the company.

If a loan is made to an employee to acquire shares under the Share Plan, the loan will constitute financial assistance for the purposes of that provision.

Resolution 12 is being put to shareholders for the Share Plan to be approved by shareholders for the purposes of section 259B(2) and section 260C(4) of the Corporations Act.

#### *Termination benefits*

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with ceasing to hold a managerial or executive office in the company or a related body corporate if the giving of the benefit is approved by shareholders or a statutory exemption applies.

Under the terms of the Share Plan, the Board possesses the discretion to determine that, upon the participant ceasing employment, some or all of the vesting conditions of the participant's unvested shares will be waived in circumstances where the entitlement to retain those shares would have otherwise lapsed with the cessation of employment.

The exercise of this discretion by the Board may constitute a "benefit" for the purposes of section 200B of the Corporations Act (and ASX Listing Rule 10.19). The Company is therefore seeking shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Share Plan. The approval, if obtained, is intended to facilitate the Board's discretion to determine termination benefits (if any) that may be awarded and, does not of itself, guarantee that any person will receive such termination benefits.

The value of any benefit relating to shares under the Share Plan that may be given to a person in connection with ceasing to hold a managerial or executive office cannot be presently ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- (a) the date when, and the circumstances in which the person ceases employment;
- (b) the number of unvested shares held by the person prior to cessation of employment;
- (c) the number of unvested shares that the Board has determined will vest (which could be all of the unvested shares held by the person); and
- (d) the market price of the Company's shares on ASX on the date of vesting.

### Regulatory Requirements - ASX Listing Rules

ASX Listing Rule 7.1 provides that shareholder approval is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Exception 9(b) of ASX Listing Rule 7.2 allows the Company to issue securities without shareholder approval and without reducing the 15% capacity under ASX Listing Rule 7.1 where the securities are issued under an employee incentive scheme within 3 years of shareholder approval of that scheme.

Furthermore, under ASX Listing Rule 10.19, unless shareholder approval is obtained, an entity must ensure it does not provide termination benefits to an officer of the entity (or any of its subsidiaries) where the value of the termination benefits that are or may become payable to all officers together, exceeds 5% of the equity interests of the entity (as set out in the latest accounts given to ASX).

Depending upon the value of the termination benefits, and the equity interest of the Company at the time such benefits may crystallize, it is uncertain if such payment would exceed this 5% threshold. Accordingly, shareholder approval is being sought in case the value of the termination benefits exceeds this 5% threshold.



## EXPLANATORY MEMORANDUM

Resolution 12 is being put to shareholders for the Share Plan to be approved by shareholders for the purposes of Exception 9(b) of ASX Listing Rule 7.2 as well as ASX Listing Rule 10.19.

In accordance with Exception 9(b) of ASX Listing Rule 7.2, the Company provides the following information:

- a summary of the terms of the Share Plan is set out in Annexure A; and
- no securities have yet been issued under the Share Plan.

A voting exclusion applies to this resolution.

The Board unanimously recommends that shareholders vote in favour of this resolution. The Chairman of the AGM intends to vote all available proxies in favour of this resolution.

### RESOLUTION 13 APPROVAL OF ISSUE OF SHARES AND LOAN TO MR JOHN BORSHOFF

Pursuant to Resolution 13, conditional on Resolution 13 being first approved, the Company is seeking approval under ASX Listing Rule 10.14 for the proposed issue of ordinary shares to Mr John Borshoff under the Share Plan and for the proposed loan to Mr John Borshoff to assist him to acquire such shares under the Share Plan, on the terms set out below.

The Board considers it highly desirable for shareholders if Mr Borshoff is directly aligned to shareholders through the award of shares under the Share Plan. The Board further believes that the Share Plan is the most appropriate mechanism to deliver this equity component. The Share Plan provides for immediate share ownership, linking a significant proportion of Mr Borshoff's rewards to ongoing share price performance and returns to shareholders over the period of the vesting period.

#### Overview of MD/CEO remuneration

Mr Borshoff's is employed as a consultant by Scovac Management Services Pty Ltd (SMS). SMS has been engaged by Deep Yellow to provide consulting services.

Under the consulting agreement the following consideration is payable to SMS:

	2017 Contract
Base annual fee	\$385,000
Short-term Incentive (up to 25% of base fee)	\$96,250*

\* The STI will be payable subject to the achievement of annual key performance measures, which will be set by the Board each year.

Under the consulting agreement Deep Yellow will make a grant of shares under the Share Plan, with these shares to be directly awarded to Mr Borshoff.

#### Sign-on award

Mr Borshoff will be awarded 30 million shares under the Share Plan as a once off sign on grant. This grant was made in order to lock-in the consulting services of SMS and the key personnel of SMS in Mr Borshoff.

The 30 million sign-on award shares will be granted immediately vested. The shares will be issued for the market price, being the 5 day VWAP share price up to the date of the AGM.

#### Equity Incentive award

Shareholder approval is being sought to award 70 million shares under the Share Plan. The Board has determined that the appropriate performance measures are aligned to share price performance.

The shares will vest as set out in the following table and subject to the consulting agreement with SMS still being in force as at the vesting date.

## EXPLANATORY MEMORANDUM

Number	Vesting Date	Hurdle price per Share
6 million	30 June 2017	N/A
12 million	30 June 2017	1.2 cents each
7 million	30 June 2018	N/A
17 million	30 June 2018	2 cents each
7 million	30 June 2019	N/A
21 million	30 June 2019	3 cents each

### Overview of the proposed share issue and loan

#### Number of Shares

The number of shares that Mr Borshoff receives will be:

- 30m sign-on immediately vested shares
- 70m incentive based shares

The market value of the shares can only be determined post their issuance after the AGM. This is because the shares are required to be issued at the market share price post the AGM.

The value of the shares will be determined using a Black & Scholes Option Pricing Model. This model accords with the AASB2 Share Based Payment standard treatment, whereby loan shares are treated as an in substance option.

#### Issue Price

The key inputs to the valuation model are the share price at the issue date of the shares, the expected volatility in the share price, the dividend yield expected on the shares, the risk free interest rate and the life of the loan.

The Shares will be issued at a price equal to the 5 day VWAP for the period including the day of issue. A loan will be provided equal the 5 VWAP issue price times the total number of shares to be issued.

#### Rights attaching to the Shares

Subject to the terms of the Share Plan, the Shares will carry the same rights as other ordinary shares in the Company.

#### Date of issue

If shareholder approval is obtained, the shares are expected to be allotted to Mr Borshoff on or about 1 December 2016 and, in any event no later than 3 months after the AGM.

## EXPLANATORY MEMORANDUM

**Vesting Conditions** The shares will be split into 6 tranches and will vest as per the following table. In order for any shares to vest, in addition to any specified performance condition, it is a requirement that at the vesting date the SMS consulting agreement remains in force and that Mr Borshoff remains a key personnel of SMS.

Share Award	Tranche	Performance condition	Vesting Date
6 million	1	N/A	1 July 2017
12 million	2	Share price of at least \$0.012	1 July 2017
7 million	3	N/A	1 July 2018
17 million	4	Share price of at least \$0.02	1 July 2018
7 million	5	N/A	1 July 2019
21 million	6	Share price of at least \$0.03	1 July 2019

**Performance testing** Testing of the vesting conditions for each tranche will occur once on the relevant vest date.

There is no re-testing of the vesting conditions.

**Loan terms** The Company or a subsidiary of the Company will provide an interest free limited recourse loan to Mr Borshoff equal to the full value of the shares to be acquired in accordance with the terms of the Share Plan. The Loan must be repaid on the earlier of 10 years after the issuance of the shares and the occurrence of:

(a) in the case of vested shares, the date being 12 months after the SMS consulting agreement ceases for any reason; or

(b) one of the circumstances set out in the summary of the Share Plan in Annexure A.

Mr Borshoff may repay the loan at any time after the shares are vested but in no case, more than 10 years after the issue date of the shares. Mr Borshoff is not required to provide a mortgage, charge or other security interest over the shares to secure the loan.

Further details of the terms of the Loan to be provided to Mr Borshoff under the Share Plan are set out in summary of the Share Plan in Annexure C.

**Dividends** While a loan remains outstanding any dividends received on the shares will be automatically applied, on an after-tax basis, towards the repayment of the loan.

**Trading restrictions** Mr Borshoff must not transfer, encumber, hedge or otherwise deal with shares acquired under the Share Plan until the Loan in respect of those shares has been paid in full or arrangements satisfactory to the Board are made for repayment of the loan in full from the proceeds of sale of the shares.

**Cessation of SMS consulting agreement** In accordance with the terms of the Share Plan, if the SMS agreement ends and/or Mr Borshoff ceases to be a key personnel of SMS, his unvested shares are forfeited, unless otherwise determined by the Board.

**Control Event** Where a Change of Control event occurs (as defined in the Share plan Rules as summarized in Annexure C), all unvested shares will automatically vest.

**Forfeiture Conditions** The circumstances in which the Shares issued to Mr Borshoff may be forfeited under the Share Plan are set out in summary of the Share Plan in Annexure C. Specifically, if the performance based vesting conditions are not met then the shares will be forfeited, with the forfeited shares treated as full consideration for the repayment of the loan. In this case, Mr Borshoff would forfeit any value attached to the shares.

## EXPLANATORY MEMORANDUM

<b>Additional information for ASX Listing Rules</b>	<p>Mr Borshoff is the only director currently entitled to participate in the Share Plan.</p> <p>The Share Plan is being approved by shareholders pursuant to Resolution 12 for the first time. No person referred to in ASX Listing Rule 10.14 has received securities under the Share Plan.</p> <p>ASX Listing Rule 7.1 provides that shareholder approval is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.</p> <p>However, if approval is given under ASX Listing Rule 10.14 pursuant to Item 6, approval will not be required under ASX Listing Rule 7.1. This means that shares issued pursuant to this approval will not use up any part of the 15% capacity available under ASX Listing Rule 7.1.</p>
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### Regulatory Requirements - ASX Listing Rules

ASX Listing Rule 10.14 requires a listed entity to obtain shareholder approval for the acquisition of securities under an employee incentive scheme by specified persons, which includes a Director of the Company.

ASX Listing Rule 10.15B states that ASX Listing Rule 10.14 does not apply to securities purchased on-market by or on behalf of directors under an employee incentive scheme where the terms of the scheme permit such purchases.

The Share Plan provides that Shares acquired under the plan may be satisfied by the issue of new shares or the acquisition of shares (whether on-market or off-market). Resolution 13 is being put to shareholders to preserve the flexibility for the Company to satisfy the acquisition of Shares by Mr Borshoff by the issue of new shares.

### Regulatory Requirements - Corporations Act

The issue of new shares or the acquisition of shares (whether on-market or off-market) under the Share Plan, may 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, given the Shares will be issued or acquired under the Share Plan, and in their determination will be reasonable and in line with commercial fees ordinarily accruing and forming part of a remuneration package, the exception in section 211 of the Corporations Act will apply to the issue of the Shares

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

### Directors' recommendation

The Board (other than Mr Borshoff) considers that the proposed issue of shares under the Share Plan to Mr Borshoff is appropriate and is in the best interests of the Company and its shareholders, as the issue of shares strengthens the alignment of Mr Borshoff's interests with shareholders, and the shares provide a strong link between the reward for Mr Borshoff's performance and Company performance over the long term.

The Board also considers that obtaining shareholder approval to allow the Company to deal with shares under the Share Plan upon Mr Borshoff ceasing employment in accordance with the Plan is appropriate and in the best interests of the Company and its shareholders. It will provide the Company with the ability to ensure its ongoing compliance with section 200B of the Corporations Act and with the terms of the issue of those shares.

Mr Borshoff makes no recommendation on how to vote on Resolution 13 in light of his direct interest.

A voting exclusion applies to this resolution.

The Board (other than Mr Borshoff) recommends that shareholders vote in favour of this resolution. The Chairman of the AGM intends to vote all available proxies in favour of this resolution.

## EXPLANATORY MEMORANDUM

### RESOLUTION 14      SPILL RESOLUTION

As set out above in the Explanatory Memorandum relating to Resolution 1, the Annual Report for the year ended 30 June 2016 contains a Remuneration Report which sets out the policy for the remuneration of the Directors and executives of the Company (Remuneration Report). In accordance with section 250R(2) of the Corporations Act the Company is required to put the Remuneration Report to its Shareholders for adoption.

At the Company's 2015 Annual General Meeting, over 25% of the votes cast were against the adoption of the Remuneration Report. If at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report, the Company will be required to put this Resolution 10 (Spill Resolution) to the 2016 Annual General Meeting, to approve calling a general meeting.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene a Spill Meeting within 90 days of the 2016 Annual General Meeting. All of the Directors who were in office when the relevant Directors' Report was approved, other than the Managing Director, cease to hold office immediately before the end of the Spill Meeting. Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting.

Shareholders should be aware that the convening of a spill meeting will result in the Company incurring material additional expense in conducting a meeting (including legal, printing, mail out and registry costs) as well as potential disruption to its focus on core business operations as a result of management distraction, the time involved in organising such a meeting and the diversion of resources.

Moreover shareholders should note that there are no voting exclusions applicable to resolutions appointing Directors at any subsequent meeting of Shareholders. This would mean there is no barrier to the existing major shareholders of the company exercising their voting rights to reappoint the existing Directors of the Company without any changes to the composition of the Board.

In the Board's view it would be inappropriate to remove all of the non-executive directors in the circumstances. However, the Board recognises that Shareholders can remove a director by a majority Shareholder vote at any time for any reason. As a public company is required to have a minimum of three directors, the Corporations Act includes a mechanism to ensure that the Company will have at least three directors (including the Managing Director) after the Spill Meeting. If at the Spill Meeting, three Directors are not appointed by ordinary resolution, the persons taken to be appointed are those with the highest percentage of votes favouring their appointment cast at the Spill Meeting on the Resolution for their appointment (even if less than half the votes cast on the Resolution were in favour of their appointment).

As the Directors' have an interest in the outcome of Resolution 14, the Directors do not make any recommendation to Shareholders as to how the Shareholders should vote on Resolution 14.

#### **Voting**

Note that a voting exclusion applies to Resolution 14 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair intends to use any such proxies to vote against the Resolution. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 14, in which case an ASX announcement will be made.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

# EXPLANATORY MEMORANDUM

## ANNEXURE A

### GLOSSARY OF TERMS

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

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

**5-day VWAP** for a month means the VWAP for Shares for the five days on which Shares traded up to but excluding the 20<sup>th</sup> of the relevant month

**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.

**Awards Plan** means the Deep Yellow Limited Awards Plan

**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** or **Deep Yellow** 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.

**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.

**Plan** means 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.

**Share Plan** means the Deep Yellow Limited Share Plan

**Spill Meeting** has the meaning set out on in the Explanatory Memorandum.

**Spill Resolution** has the meaning set out in the Explanatory Memorandum.

**VWAP** has the meaning given to the term "volume weighted average market price" in the Listing Rules.

**WST** means Australian Western Standard Time.

# EXPLANATORY MEMORANDUM

## ANNEXURE B

### SUMMARY OF THE RULES OF THE AWARDS PLAN

\* *Participation*

Persons eligible to participate in the Awards Plan (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.

## EXPLANATORY MEMORANDUM

### \* *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.



# EXPLANATORY MEMORANDUM

## ANNEXURE C

### SHARE PLAN SUMMARY OF TERMS AND CONDITIONS OF THE SHARE PLAN

1. The Share Plan (**Share Plan**) is extended to employees of Deep Yellow Limited (the **Company**) and its subsidiaries (including a director employed in an executive capacity) and any contractors, or any other person as the Board may in its discretion determine (each a **Participant**).

2. The Board will determine from time to time at its discretion:

- (a) the purchase price to acquire the ordinary shares, which must not be less than the market value determined under Australian tax legislation (**Purchase Price**);
- (b) whether the shares will be subject to conditions and the terms thereof, including vesting conditions (paragraph 6 below), dealing restrictions (paragraph 7 below) and circumstances in which the Shares can be forfeited (paragraph 8 below); and
- (c) any other terms or conditions to be attaching to the shares or the invitation to participate in the Plan as the Board considers appropriate.

3. At the discretion of the Board, the Company may, when making an invitation, offer the Participant a limited recourse loan for the purpose of acquiring shares (**Loan**) on terms and conditions in accordance with the Plan.

Unless otherwise determined by the Board, the Loan will not bear interest.

Unless otherwise specified in an Invitation, the Loan is to be repaid on the first to occur of the following:

- (a) the date specified in the invitation;
- (b) if determined by the Board, any date after the date on which the Participant has been notified by the Company that some or all of the shares have vested under the Plan;
- (c) if the Participant sells some or all vested Shares to which the Loan relates, the date on which the Participant is entitled to receive the proceeds of the sale of those Shares;
- (d) if determined by the Board to be repayable as a result of a Control Event occurring in respect of the Company or the Participant transferring to work for the Company or any of its subsidiaries outside Australia; or
- (e) any material breach by the Participant where the breach is not remedied within 30 days of the Company's notice to the Participant to do so.

Until the Loan is repaid in full, the Company has a lien over all the Shares held by the Participant to which the Loan relates, all dividends and other amounts paid or payable on those Shares, and all securities issued in respect of those Shares as part of a bonus or entitlement issue. The Board may also determine that a Participant give a mortgage over the Shares as security for the Loan.

4. A Participant may repay all of a Loan at any time in respect of Shares for which all applicable Vesting Conditions have been satisfied.

5. The Company will apply the after - tax amount of dividends (and other distributions) paid in cash in respect of the Shares towards repayment of the Loan.

6. At the discretion of the Board, the Company may, when making an invitation, determine that the shares offered will be subject to vesting conditions.

The nature and terms of the Vesting Conditions shall be at the discretion of the Board and may include conditions relating to continuing employment, performance of the Participant or the Company or the occurrence of specific events.

Where the Company or its subsidiaries acquires or divests a material business, the Board may make special rules that apply to Participants in relation to Shares held pursuant to the Plan, including varying Vesting Conditions or deeming a Participant to remain an employee of a Group Company for a specific period.

## EXPLANATORY MEMORANDUM

7. At the discretion of the Board, the Company may, when making an invitation, determine that the Shares offered will be subject to restrictions on transfer, encumbrances or other dealings (**Dealing**). A Participant must not Deal with Shares acquired under the Plan until the Loan in respect of those Shares has been paid in full (or in the case of a sale, arrangements satisfactory to the Board have been made for the proceeds of sale to be applied towards repayment of the Loan in full) and any further period of Dealing restriction imposed by the Board under the terms of an Invitation has ended.

8. At the discretion of the Board, the Company may, when making an invitation, determine that Shares offered may be forfeited in specified circumstances.

Under the Plan, Shares may be forfeited if the vesting conditions are not satisfied. Subject to law, the Board is also able to take action to prevent a Participant obtaining unfair benefits where shares vest as a result of fraud, dishonesty or breach of obligations of any person, a material misstatement of the financial statements of the Company or its subsidiaries, or any other act or omission.


9. If a Participant ceases employment or a contract for services comes to an end with Deep Yellow Limited, the Participant's unvested shares will be forfeited, unless otherwise determined by the Board. On forfeiture the shares will be either bought back and cancelled or sold on market, any consideration received will be automatically applied to the loan repayment. Any excess disposal proceeds will be retained by the Company (ie the Participant will not benefit from the excess. If there is a shortfall (ie proceeds less than the loan balance), the proceeds received will be treated as full and complete payment of the loan. The Board may provide for a different treatment of shares on cessation of employment in an invitation.

10. Loans granted under the Plan will be on a limited recourse basis. If the Participant does not repay the outstanding balance of the Loan when due, the Company may sell the shares on behalf of the Participant. If the amount received on the sale of the shares is less than the outstanding balance of the Loan, the net proceeds of sale will be accepted in full satisfaction of the Loan, and the Participant will have no further liability under the Loan. If a Participant forfeits his or her interest in shares to the Company, the Participant's liability to repay the Loan will be satisfied.

11. If a takeover of scheme arrangement for the Company occurs, all the shares will automatically vest, unless otherwise specified in the terms of the invitation.

12. Subject to the requirements of the Corporations Act and the Company's constitution, the Company in its discretion may buy back shares held by a Participant if the shares are forfeited in accordance with the Plan, the Participant fails to repay the Loan when due, the Participant ceases to be employed by Deep Yellow Limited (where the shares have not been forfeited) or the Participant requests that the Company buy-back those shares. Any forfeited shares or shares the subject of a Loan non-repayment which are bought back will be bought back for the prevailing market price.

**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

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

**Proxy Form**

**XX**



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- 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 2:00pm (WST) Monday, 28 November 2016**

**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** ➔

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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 EY Building, City Beach Room, Level 5, 11 Mounts Bay Road, Perth, Western Australia on Wednesday, 30 November 2016 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, 5 - 10 and 12-14 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5 - 10 and 12-14 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Resolution 14 where the Chairman of the Meeting intends to vote against.**

**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 Resolutions 1, 5 - 10 and 12-14 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
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Grant of Shares to Mr Christophe Urtel in lieu of consulting fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Mr Rudolf Brunovs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Approve the issue of Securities under the Deep Yellow Awards Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr John Borshoff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 11	Ratification of Prior Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Mr Justin Reid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 12	Deep Yellow Limited Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Grant of Shares to Mr Mervyn Greene in lieu of future fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 13	Approval of Issue of Shares and Loan to Mr John Borshoff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Grant of Shares to Ms Gillian Swaby in lieu of future fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 14	Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Grant of Shares to Mr Rudolf Brunovs in lieu of future fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 8	Grant of Shares to Mr Christophe Urtel in lieu of future fees	<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 with the exception of Resolution 14 where the Chairman of the Meeting intends to vote against. 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 / /