

30 May 2018

Company Announcements Office  
Australian Securities Exchange

## **ISSUE OF PERFORMANCE RIGHTS AND OPTIONS**

Aeris Environmental Ltd (ASX:AEI, Aeris or the Company) advises that 12 of its staff members and four consultants have been issued with a total of 340,500 and 175,000 performance rights respectively, being a total of 515,500 performance rights, in accordance with the Rules of the Company's Employee Incentive Plan. Aeris also advises that its Chief Executive Officer, Peter Bush, has been issued with a total of 1,323,537 performance rights in respect of his short and long-term incentivisation programme for services for the years ended 30 June 2015, 2016 and 2017. All of the abovementioned performance rights will vest as to 33% on 11 April 2019 (being one third), 33% on 11 April 2020 (being one third) and the final 33% (being the balance) on 11 April 2021, and will expire if not converted on 11 April 2022.

The Company also advises that 100,000 options have been issued to an Aeris consultant as partial payment to him for his consulting work, as provided under his contract. The option exercise price is \$0.01, and the options will vest on 1 March 2019, subject to his performance, and expire, if not exercised, on 1 March 2021.

Attached is an Appendix 3B for the issue of these performance rights and options.

### **Cleansing Notice Under Section 708A(5)(e)**

Aeris advises that on 30 May 2018 the Company issued 1,839,037 performance rights and 100,000 options, as set out above. The Company advises that:

- (1) this notice is being given within five business days after the day of the issue under section 708A(5)(e) of the Corporations Act 2001 (Cth);
- (2) the Company issued the securities without disclosure to investors under Part 6D.2 of the Corporations Act 2001;
- (3) as at the date of this notice, the Company has complied with:
  - (a) the provisions of Chapter 2M of the Corporations Act 2001 as they apply to the Company; and
  - (b) section 674 of the Corporations Act 2001; and
- (4) except as may be set out in this notice, there is no other information that is excluded information as at the date of this notice that is required to be set out in this notice under section 708A(6)(e) of the Corporations Act 2001.

**Aeris Environmental Ltd**

**Robert J Waring**  
Company Secretary

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

**Aeris Environmental Ltd (ASX:AEI)**

ABN

**19 093 977 336**

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

1	+Class of +securities issued or to be issued	Performance rights and options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	1,839,037 performance rights 100,000 options
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Issue of 1,839,037 performance rights vesting as to 33% on 11 April 2019 (being one third), 33% on 11 April 2020 (being one third) and the final 33% (being the balance) on 11 April 2021, and will expire if not converted on 11 April 2022.  Issue of 100,000 options at an exercise price of \$0.01, vesting on 1 March 2019, and expiring, if not exercised, on 1 March 2021.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Any fully paid ordinary shares issued, if and when performance rights convert and options are exercised, will rank equally with existing fully paid ordinary shares.</p>
5	Issue price or consideration	<p>Performance rights were issued for no consideration and will convert into fully paid ordinary shares based on vesting conditions.</p> <p>Options were issued for no consideration, and will convert into fully paid ordinary shares after payment of the exercise price of \$0.01, providing the options have vested.</p>
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The purpose of the issue of the 1,839,037 performance rights and 100,000 options is set out in the attached cover letter.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	No
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable

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+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable	
6f	Number of +securities issued under an exception in rule 7.2	Not applicable	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Not applicable	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	30 May 2018	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		157,795,387	Fully paid ordinary shares

9 Number and <sup>+</sup>class of all <sup>+</sup>securities not quoted on ASX (including the <sup>+</sup>securities in section 2 if applicable)

Number	<sup>+</sup> Class
500,000	Options – issued to two vendors of a business acquired by Aeris in August 2014, with an exercise price of 20 cents, with final third vesting on 31 July 2018, and will expire on 31 July 2019.
100,000	Options – issued to a Director under Aeris' EIP, with an exercise price of 42 cents, with one third vesting each year for three years commencing on 14 October 2017, and will expire if not exercised by 14 October 2021.
725,000	Options – issued to staff members under Aeris' EIP, with an exercise price of 42 cents, with one third vesting each year for three years commencing on 23 October 2017, and will expire if not exercised by 23 October 2021.
220,000	Options – issued to five of Aeris' key consultants, with an exercise price of 42 cents, with one third vesting each year for three years commencing on 23 October 2017, and will expire if not exercised by 23 October 2021.
250,000	Options – issued to three of Aeris' consultants as payment for consulting work, with an exercise price of 1 cent, vesting in two halves, commencing on dates in 2017 and ending on dates in 2018, and will expire if not exercised by 1 August 2020.
1,839,037	Performance Rights – issued to Aeris' CEO, 12 staff members and four consultants with no exercise price, and with one third vesting each year for three years commencing on 11 April 2019, and will expire if not converted on 11 April 2022.
100,000	Options – issued to an Aeris consultant as part-payment for consulting work, with an exercise price of 1 cent, vesting on 1 March 2019, subject to performance, and expire, if not exercised, on 1 March 2021.

<sup>+</sup> See chapter 19 for defined terms.

- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Any fully paid ordinary shares issued will have full participation in any future dividends.

## Part 2 - Pro rata issue

Questions 11 to 33 are not applicable

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)

(a) ☒ <sup>+</sup>Securities described in Part 1

(b) ☐ All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

### Entities that have ticked box 34(b)

Questions 38 to 42 are not applicable

## Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

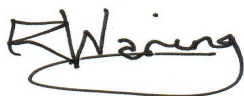
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....  
(~~Director~~/Company Secretary)

Date: 30 May 2018

Print name: Robert J Waring

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	The Company did not seek shareholder approval at its Annual General Meeting under ASX Listing Rule 7.1A.
<b>Add</b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	
<b>“A”</b>	

+ See chapter 19 for defined terms.



<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>“C”</b>	
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p><b>“A” x 0.15</b></p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<b>Total [“A” x 0.15] – “C”</b>	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	Not Applicable
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	
<b>“E”</b>	

+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A” x 0.10</b>  <i>Note: number must be same as shown in Step 2</i>	
<b>Subtract “E”</b>  <i>Note: number must be same as shown in Step 3</i>	
<b>Total</b> [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.