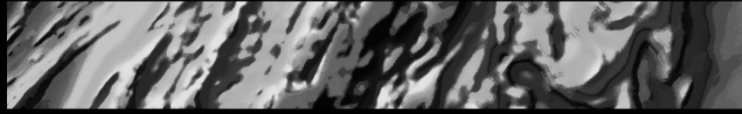


**WESTERN AREAS LTD**



**ACN 091 049 357**

**NOTICE OF ANNUAL GENERAL MEETING  
AND EXPLANATORY STATEMENT**

**Meeting to be held at Fraser's Function Room 1, Fraser Avenue, Kings Park, Western Australia,  
6005 on Thursday, 21 November 2019 at 3.00pm (WST)**

Western Areas' Annual Report is now available at the Company's website  
[www.westernareas.com.au](http://www.westernareas.com.au)

This Notice of Meeting and Explanatory Statement 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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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 3.00pm (WST) on Thursday, 21 November 2019 at:

Fraser's Function Room 1

Fraser Avenue

Kings Park, Western Australia, 6005

**YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

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Voting by proxy can be completed in one of the following ways:

- a) Online: at [www.investorvote.com.au](http://www.investorvote.com.au)
- b) Mobile: scan the QR Code on the enclosed Proxy Form and follow the prompts
- c) By mail: complete and sign the enclosed Proxy Form and return the form to:  
Computershare Investor Services Pty Limited  
GPO Box 242, Melbourne VIC 3001 Australia
- d) By Fax: complete and sign the enclosed Proxy Form and fax the form to:  
If you are in Australia, 1800 783 447  
If you are outside Australia, +61 3 9473 2555
- e) Custodian voting: For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

Proxy Forms must be received no later than 3.00pm (WST) on Tuesday, 19 November 2019.

**Proxy Forms received later than this time will be invalid.**

## NOTICE OF MEETING

Notice is given that the Annual General Meeting (**AGM**) of Western Areas Ltd (**Company**) will be held at Fraser's Function Room 1, Fraser Avenue, Kings Park, Western Australia, 6005 on Thursday, 21 November 2019 commencing at 3.00pm (WST).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Statement, Schedule and the enclosed Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting, Schedule and Explanatory Statement are defined in the Glossary.

## AGENDA

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### 1 WELCOME ADDRESS

By Mr Ian Macliver, Independent Non-Executive Chairman.

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### 2 FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual Financial Report of the Company for the financial year ended 30 June 2019 together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

**Note:** There is no requirement for Shareholders to approve these reports.

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### 3 RESOLUTIONS

#### Resolution 1 – Re-election of Independent Non-Executive Director – Mr Ian Macliver

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

*“That Mr Ian Macliver, who retires by rotation in accordance with clause 17.4 of the Constitution and Listing Rule 14.4 and, being eligible for re-election, be re-elected as a Director of the Company.”*

#### Resolution 2 – Adoption of Remuneration Report

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

*“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2019 be adopted.”*

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

Voting exclusions for Resolution 2 are set out under the heading “Entitlement to Vote” below.

### **Resolution 3 – Re-approval of the Western Areas Ltd Performance Rights Plan**

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

*“That the Western Areas Ltd Performance Rights Plan, the principal terms of which are summarised in the Explanatory Statement accompanying this Notice of Meeting, and the issue of Performance Rights under that plan (including the issue of Shares upon vesting of those Performance Rights), be approved by Shareholders for all purposes, including for the purposes of Listing Rule 7.2 Exception 9 and sections 200B and 200E of the Corporations Act.”*

**Voting exclusions on Resolution 3 are set out under the heading “Entitlement to Vote”**

### **Resolution 4 – Grant of Performance Rights to Daniel Lougher**

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

*“That, for the purposes of Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the grant of 428,130 Performance Rights to Mr Daniel Lougher (or his nominee) under the terms of the Company’s Performance Rights Plan (including the issue or transfer of Shares on the vesting and exercise of those Performance Rights), and otherwise in accordance with the terms and conditions detailed in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting exclusions for Resolution 4 are set out under the heading “Entitlement to Vote” below.**

### **CHAIRMAN'S VOTING INTENTION**

**The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies in favour of all Resolutions.**

### **ENTITLEMENT TO VOTE**

#### **Voting exclusions**

### **Resolution 2 – Adoption of Remuneration Report**

Pursuant to section 250R(4) of the Corporations Act, the Company will disregard any votes cast on Resolution 2 (in any capacity) by or on behalf of either:

- a) a member of key management personnel (**KMP**) of the Company, details of whose remuneration are included in the Remuneration Report; or
  - b) a closely related party of such a member,
- (each a **Prohibited Person**).

However, the Company will not disregard a vote if:

- a) the Prohibited Person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 2, and the vote is not cast on behalf of a Prohibited Person; or
- b) that vote is cast by the Chairman of the Meeting as proxy for a person entitled to vote on Resolution 2 and their appointment does not specify a voting direction but expressly authorises the Chairman to exercise the proxy even though Resolution 2 is connected with the remuneration of the KMP of the Company.

If you are KMP or a closely related party of KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may contravene the voting restrictions that apply to you under the Corporations Act.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of KMP include its Directors and certain senior executives.

#### **Resolutions 3 and 4 – Approval of Performance Rights Plan and Grant of Performance Rights to Mr Daniel Lougher**

The Company will disregard any votes cast:

- a) on Resolution 4 by or on behalf of Mr Daniel Lougher or any of his associates;
- b) without limiting paragraph (a) above, in favour of Resolutions 3 and 4 by or on behalf of any Director (on the basis that they are all eligible to participate in the Company's Performance Rights Plan) or any of their respective associates (as defined in the Listing Rules); or
- c) on Resolutions 3 and 4 by a KMP or a KMP's closely related party acting as a proxy,

unless the vote is cast:

- a) by a person as proxy for a person who is entitled to vote in accordance with a direction on the proxy form; or
- b) by the Chairman of the Meeting as proxy for a person who is entitled to vote and their appointment expressly authorised the Chairman to vote undirected proxies as the Chairman sees fit and exercise the proxy even though the resolution is connected with the remuneration of the KMP for the Company.

A vote must not be cast on Resolution 3 and 4 by a KMP, or a closely related party of a KMP, acting as proxy if their appointment does not specify the way the proxy is to vote on Resolution 3 and 4. However, the Company will not disregard any undirected proxy votes cast on that resolution by a KMP if the KMP is the chair of the Meeting acting as proxy and their appointment expressly authorised the chair to exercise the proxy even though the resolution is connected with the remuneration of the KMP for the Company.

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## **4 CORPORATE PRESENTATION**

By Daniel Lougher, Managing Director & CEO.

### **BY ORDER OF THE BOARD OF DIRECTORS**

Daniel Lougher  
Managing Director  
Western Areas Ltd  
18 October 2019

## NOTES

### EXPLANATORY STATEMENT

The Explanatory Statement accompanying this Notice of Meeting is incorporated in and comprises part of this Notice of Meeting. Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of Meeting and the Explanatory Statement.

### PROXIES

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging proxy forms.

### PROXIES ON RESOLUTIONS 2, 3 AND 4

If you appoint the Chairman as your proxy (or the Chairman is appointed by default) and you do not complete any of the boxes "For", "Against" or "Abstain" opposite Resolutions 2, 3 and 4 on the Proxy Form, you will be expressly authorising the Chairman to vote on the relevant Resolution in accordance with the Chairman's stated voting intention, even though the Resolution is connected directly or indirectly with remuneration of a member of KMP. The Chairman intends to vote (where appropriately authorised) all available undirected proxies in favour of all Resolutions.

If you appoint the Chairman as your proxy and wish to direct him how to vote, you can do so by marking the boxes for the relevant Resolution (ie by directing him to vote "For", "Against" or "Abstain").

**If you appoint a member of KMP (other than the Chairman) or any closely related party of a member of KMP as your proxy, you must direct that person how to vote on Resolutions 2, 3 and 4 if you want your Shares to be voted on those Resolutions.** If you appoint a member of KMP (other than the Chairman) or any closely related party of a member of KMP and you do not direct them how to vote on Resolutions 2, 3 and 4, such a person will not cast your votes on that Resolution and your votes will not be counted in calculating the required majority if a poll is called on that Resolution.

### CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or Computershare Investor Services Pty Limited (being the Company's share registry) in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of corporate representative form is available at the Computershare website, if required.

### ENTITLEMENT TO ATTEND AND VOTE

The Directors have determined, pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that the persons eligible to attend and vote at the AGM are those who are registered Shareholders of the Company at 4.00pm (WST) on Tuesday, 19 November 2019.

## **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's AGM to be held on Thursday, 21 November 2019 at 3.00pm (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions.

This Explanatory Statement should be read in conjunction with the Notice of Meeting and Proxy Form. Capitalised terms in this Explanatory Statement are defined in the Glossary.

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### **FINANCIAL STATEMENTS AND REPORTS**

In accordance with the Corporations Act, the business of the AGM will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. The Company's auditor, Crowe Horwath, will be present at the AGM and Shareholders will be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to the taking of questions at the AGM, written questions to the Chairman about the management of the Company or to the Company's auditor about:

- the preparation and content of the Auditor's Report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting date (that is, by 5.00pm (WST) on Thursday, 14 November 2019) to the Company Secretary.

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### **RESOLUTION 1 – RE-ELECTION OF DIRECTOR – MR IAN MACLIVER**

#### **Background to resolution**

Clause 17.4(a) of the Constitution and Listing Rule 14.4 provide that no Director (other than the Managing Director) may hold office for longer than three years or the third annual general meeting following their last election, whichever is longer, without retiring and re-submitting themselves for re-election. As such, Mr MacLiver retires from office as at this AGM and, being eligible, submits himself for re-election as a Director.

#### **About the Director**

Mr MacLiver is a highly experienced company director and Chartered Accountant with significant experience as a senior executive and director of both resource and industrial companies, with particular responsibility for company strategy development, capital raising and other corporate development initiatives. Mr MacLiver is Executive Chairman of Grange Consulting Group Pty Limited which provides specialist corporate advisory services to both listed and unlisted companies.

Committee responsibilities:

- Member of the Audit & Risk, Remuneration and Nomination Committee

Other relevant experience:

- Fellow of Chartered Accountants Australia and New Zealand
- Fellow of The Australian Institute of Company Directors
- Senior Fellow of Financial Services Institute of Australasia.

### **Board recommendation**

The Board (other than Mr Macliver because of his interest in this Resolution) unanimously recommends that Shareholders vote in favour of Resolution 1.

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## **RESOLUTION 2 – ADOPTION OF REMUNERATION REPORT**

### **Non-binding resolution to adopt the Remuneration Report**

#### **Background to resolution**

The Company's remuneration framework has been overwhelmingly supported by shareholders' vote at all recent annual general meetings. There has been no material change to the remuneration structures or incentive programmes during the current year.

A summary of the framework is provided below. Full details of the remuneration outcomes can be found in the Remuneration Report contained in the Company's 2019 Annual Report.

#### **Executive remuneration framework**

The remuneration framework is structured to align the Company closely to current market practice, most significantly around long term incentives (**LTI**). As such, the components of total annual remuneration for senior executives in FY19 included fixed remuneration (comprised of base salary, superannuation and non-monetary benefits, including salary sacrifice), target short term incentives (**STI**) and target LTIs. The annual LTI grant serves to place a larger portion of an executive's remuneration at-risk and to focus the executives on long-term Shareholder value generation.

#### **Fixed remuneration**

Base levels of remuneration for Directors and senior executives are benchmarked against market data for comparable roles in the market and external independent salary reports are reviewed to ensure that the remuneration levels are set to meet the objectives of the Company, while remaining competitive in the wider employment market. The fixed remuneration levels of senior executives for FY19 remained comparable to market peers.

Furthermore, the base salaries for Non-Executive Directors was maintained at a 5% discounted rate for the entirety of FY19. There is no guaranteed base pay increase included in any executives' contract.



### Short-term incentive (STI)

The Company maintained strong operational and financial performance during FY19, despite the volatile and challenging nickel market conditions. Key outcomes included:

- The Company maintained a class leading performance in safety and environmental management throughout the year;
- A consistent high level of operational performance was again achieved during FY19 with all production and cost guidance attained;
- The consistent operational performance and an improved year on year nickel price generated increased after tax net profits and earnings per share, with an improved operating cashflow produced;
- A full year fully franked dividend was declared in relation to the FY19 Financial Results;
- The Company commenced construction of a significant new capital asset, the Odysseus mine at Cosmos, delivering the first phase of the project on time and on budget; and
- Confirmation of the decision to mine the Odysseus deposit located at the Cosmos Nickel Operation following completion of the definitive feasibility study. Odysseus is a long life nickel sulphide project that will underpin Western Areas' long term future nickel production.

KMP achieved between 79% and 88% of their target STI opportunity. The Remuneration Committee ensures that challenging KPI targets are set, requiring above budget performance to be achieved for most KPI's that relate to operational and financial KPI targets. No member of KMP achieved 100% of their KPI targets, demonstrating the challenging targets that are set to trigger a STI payment.

STI payments have historically fluctuated up and down in line with Company performance. The table below demonstrates the variability in awards received over time.

Year Ended 30 June	2019	2018	2017	2016	2015	2014	2013
Average KMP STI Payout %	82%	82%	83%	56%	90%	87%	29%

The Remuneration Report for FY19 includes detail on the KPIs that were used to assess performance and the rationale for their choice.

### Long-term incentive (LTI)

The Company's shareholder-approved Performance Rights Plan has been in operation for eight years and was overwhelmingly re-approved at the 2016 annual general meeting (with re-approval being sought this year by Resolution 3). The intention of the LTI scheme is for KMP to receive a grant of Performance Rights each year, ensuring that an LTI forms a key component of KMP total annual remuneration. This ensures that KMP are focussed on long-term Shareholder value generation, while also acting as a retention mechanism in the specialised industry in which we operate.

LTI grants for FY20 will be on the following basis:

- (a) The LTI dollar value of grants made to KMP is set at a fixed percentage of their total fixed remuneration (TFR), ranging from 50% to 100% (100% is applicable solely to the Managing Director), depending on the KMP's position within the Company. TFR is defined as the KMP's base salary plus superannuation.
- (b) The LTI dollar value of a participant's grant is then converted to a number of Performance Rights, based on the market value (10 day volume weighted average price) of Shares prior to the commencement of the performance period.
- (c) The Performance Rights will vest subject to a relative total shareholder return (TSR) hurdle, with the Company's TSR performance being assessed against a customised peer group of companies of a similar nature. No Performance Rights will vest unless the percentile ranking of the Company's TSR for the relevant performance period, as compared to the TSR results for the peer group companies, is at or above the 50th percentile.

The Company utilises relative TSR performance rankings, as measured against a customised resources company peer group, as this measure gives a better reflection of company performance as compared to companies that encounter similar cyclical commodity price market conditions. This effectively normalises the fluctuation of commodity prices, as these are outside the ability of the KMP to control. The Remuneration Committee continues to believe that this is the most relevant and appropriate measure.

- (d) The FY20 grants are measured over a three year period which aligns with common market practice.

#### **Executive service agreements**

All senior executives are employed under executive service agreements that broadly align with current market practices and are in accordance with current laws. The executive service agreements include notice periods ranging from 3 months up to the standard maximum of 12 months. There were no material changes to these agreements during the financial year.

#### **Non-Executive Director remuneration**

Non-Executive Directors' annual fees remained at the 5% reduced level for the entirety of FY19. Non-Executive Directors' fees were first discounted in March 2016.

#### **Non-binding Resolution and consequence of voting against Resolution 2**

Shareholder approval is being sought to adopt the Remuneration Report under section 250R(2) of the Corporations Act. Shareholders are advised that pursuant to section 250R(3) of the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives an "against" vote of 25% or more of votes cast at the AGM, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the Company's remuneration policy, even if a 25% "against" vote is not received.

In addition, the Corporations Act sets out a "two strikes" re-election process. Under the "two strikes" re-election process, if the Company's Remuneration Report receives an "against" vote of 25% or more of all votes cast at two consecutive annual general meetings (that is, "two strikes"), a resolution (the "spill resolution") must be put to the second meeting requiring Shareholders to vote on whether the Company must hold another general meeting (known as the "spill meeting") to consider the appointment of all of the Directors who must stand for re-appointment (other than the Managing Director). If the spill resolution is approved at the second meeting by a simple majority of more than 50% of the eligible votes cast, the spill meeting must be held within 90 days of that second meeting (unless none of the Directors, other than the Managing Director, stand for re-appointment).

The Company's remuneration report did not receive an "against" vote of 25% or more at the Company's previous annual general meeting held on 22 November 2018. At the 2018 annual general meeting, 99% of votes cast on the resolution to adopt the Remuneration Report were cast in favour of adopting the report.

A reasonable opportunity will be given to Shareholders at the AGM to ask questions about, or make comments on, the Remuneration Report.

#### **Board recommendation**

The Non-Executive Directors recommend that Shareholders vote in favour of Resolution 2 to approve the Remuneration Report. The Managing Director, whose remuneration has been disclosed in the Remuneration Report, is interested in the outcome of this Resolution and therefore does not consider it appropriate to make a recommendation to Shareholders about how to vote on this Resolution.

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## **RESOLUTION 3 – PERFORMANCE RIGHTS PLAN**

### **Background to resolution**

The Company's Performance Rights Plan was initially introduced and approved by Shareholders at 2011 AGM, the Plan has been subsequently overwhelmingly re-approved at the 2014 and 2016 AGMs. Listing Rule 7.2 Exception 9 requires an employee incentive scheme plan be re-approved every three years to continue to rely on exception 9.

### **Listing Rule approval**

Shareholder approval is being sought to approve the issue of Performance Rights under the Performance Rights Plan so that the Company will satisfy Listing Rule 7.2 Exception 9 (as an exception to Listing Rule 7.1).

Listing Rule 7.1 provides that without the approval of Shareholders, an entity must not issue or agree to issue equity securities which amount to more than 15% of its issued share capital in any rolling 12 month period. However, Listing Rule 7.2 sets out a number of exceptions to Listing Rule 7.1. These exceptions include Exception 9, which relates to an issue under an employee incentive scheme if within three years before the date of issue Shareholders have approved the issue of securities under the scheme.

Resolution 3 seeks Shareholder approval, for the purposes of Listing Rule 7.2, Exception 9(b), and for all other purposes, of the Company's Performance Rights Plan, the grant of Performance Rights under that Plan and the issue of Shares on vesting of such Performance Rights.

If Resolution 3 is approved, all Performance Rights issued by the Company under the Performance Rights Plan (including the Shares issued on vesting of such Performance Rights) will be excluded from the 15% limit imposed by Listing Rule 7.1 for a period of 3 years from the date of the approval. In the absence of such approval, the issue of Performance Rights (and the Shares upon vesting of such Performance Rights) can still occur for the purposes of Chapter 7 of the Listing Rules, but those Performance Rights and Shares will be counted as part of the 15% limit which would otherwise apply during the relevant twelve month period.

### **Plan details**

There have been no material changes to the style or design of the Performance Rights Plan since it was last approved by shareholders at the 2016 AGM.

Under the Performance Rights Plan, senior executives are granted Performance Rights which represent a right to be issued or transferred shares at a future point, subject to the satisfaction of performance hurdles (outlined below). Eligibility to participate in the Performance Rights Plan is at the Board's discretion. In practice, the Performance Rights granted under the Performance Rights Plan do not require any exercise price to be paid on exercise.

The Performance Rights Plan enables the Company to make annual grants to senior executives, so that LTIs form a key component of their total annual remuneration.

4,291,860 Performance Rights have been issued under the Performance Rights Plan since the Performance Rights Plan was last approved by Shareholders at the Company's 2016 AGM on 26 November 2016. 2,581,310 remain unvested as at the date of this report.

The LTI dollar value that senior executives will be entitled to receive is set at a fixed percentage of their annual fixed remuneration and ranges from 25% to 100% (100% is applicable solely to the Managing Director) of fixed remuneration, depending on the participant's level of seniority. This level of LTI is broadly in line with current market practice.

The LTI dollar value of a participant's grant is then converted to a number of Performance Rights, based on the market value (10 day volume weighted average price) of Shares prior to the commencement of the performance period.

The Board believes that the grants made under the Performance Rights Plan have served their purpose of acting as a key retention tool and focusing executives on future Shareholder value generation.

The grants made under the Performance Rights Plan will remain subject to the satisfaction of challenging performance hurdles. The Remuneration Committee believe that relative TSR continues to be an appropriate performance measure of the Company's performance, and is commonly used by companies listed on the ASX.

TSR is a forward-looking performance measure that drives continued and sustainable growth, measuring the return received by Shareholders from holding Shares in the Company over the three year performance period. No reward will be provided to senior executives unless the Company's TSR performance positions it at the 50<sup>th</sup> percentile or greater against peers. No retesting will be permitted.

It is proposed that any Performance Rights will be issued to participants in accordance with the rules of the Performance Rights Plan. A copy of the Performance Rights Plan will be made available for inspection at the Company's registered office before the Meeting and at the Meeting. A summary of the principal terms of the Performance Rights Plan rules is set out in the Schedule to this Explanatory Statement

A voting exclusion statement for Resolution 3 is included in the Notice of Meeting.

#### **Potential dilution**

If the Performance Rights are vested and Shares are issued on exercise, this will have a diluting effect on the percentage interest of existing Shareholders' holdings. If the Performance Rights granted under the Performance Rights Plan are exercised and the prevailing Share price is higher than the exercise price, the value of Shares may also be impacted.

#### **Sections 200B and 200E of the Corporations Act**

The Corporations Act provides that the Company may only give a person a benefit in connection with their ceasing to hold a "managerial or executive office" if it is approved by Shareholders or an exemption applies (for example, where the benefit together with other benefits does not exceed the payment limits set out in the Corporations Act, including where the aggregate benefits do not exceed one year's average base salary). This restriction applies to all KMP.

The term "benefit" in this context is broad, and may include the accelerated vesting of Performance Rights. As outlined in the summary of the terms of the Performance Rights Plan in the Schedule to this Notice, the Board has the discretion to determine that some or all of the Performance Rights vest early:

- (a) in certain specified circumstances, upon the cessation of employment of relevant KMP; or
- (b) if there is a change of control of the Company.

Shareholder approval is also sought so that the accelerated vesting of Performance Rights and the issue of Shares on their vesting in the above circumstances (**Benefits**) does not count towards such maximum termination benefits payable without Shareholder approval.

Shareholder approval of Resolution 3 will allow the Company, where appropriate, to exercise its discretion under the Performance Rights Plans in an equitable manner for all employees equally. If Resolution 3 is not approved, employees who are KMP may not be able to receive Benefits that are available to all other employees unless subsequent Shareholder approval is obtained. Further, equity linked benefits such as the Performance Rights issued under the Performance Rights Plan align the interests of senior executives and Shareholders, and the Directors believe granting approval of Resolution 3 is better for Shareholders than, for example, the Company increasing cash awards in future in lieu of share benefits. Shareholder approval is also expected to assist the Company to retain, motivate and attract key employees.

Details of the Performance Rights that may vest in FY21 for current KMP are set out in the FY19 remuneration report. For Performance Rights, the value of the benefit will depend on the number of Performance Rights that may vest and the market value of Shares at the time of vesting.

The precise value of the Benefits cannot be ascertained at the present time. Apart from the future Share price being unknown, the following are matters which will or are likely to affect the value of the Benefits:

- (a) the number of unvested Performance Rights held by the relevant KMP prior to the cessation of their employment;
- (b) reasons for cessation of employment; and
- (c) the exercise of the Directors' discretion at the relevant time.

It should be noted that, notwithstanding an approval by Shareholders of Resolution 3, any future grant of Performance Rights to a Director will remain subject to Shareholder approval under Listing Rule 10.14.

#### **Board Recommendation**

The non-executive Directors recommend that Shareholders vote in favour of Resolution 3 to approve the Performance Rights Plan. The Managing Director may be interested in the outcome of this Resolution and therefore do not consider it appropriate to make a recommendation to Shareholders.

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## **RESOLUTIONS 4 – GRANT OF PERFORMANCE RIGHTS TO MR DANIEL LOUGHER**

### **Background to Resolutions**

The Company's Shareholders have in the past overwhelmingly supported and approved the Western Areas Performance Rights Plan for KMP. Such plan was last approved at the Company's 2016 annual general meeting. For the purposes of making FY20 grants, Resolutions 4 seeks Shareholder approval for the issue of 428,130 Performance Rights to Mr Lougher (or his nominee) (and the acquisition of Shares by them upon the vesting and exercise of such Performance Rights) in accordance with the Performance Rights Plan.

### **Listing Rules**

Listing Rule 10.11 provides a general restriction against issuing equity securities (including Performance Rights) to "related parties" (which include directors) without Shareholder approval.

Listing Rule 10.14 provides that a company must not issue equity securities to a director of the company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities. If approval is given by shareholders under Listing Rule 10.14, separate shareholder approval is not required under either Listing Rule 7.1 or 10.11.

Under Resolutions 4, the Company seeks approval, for the purposes of Listing Rule 10.14, from Shareholders for the grant of Performance Rights to Mr Lougher (or his nominee) which constitutes the issue of equity securities to a director or one of their associates under an employee incentive scheme.

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

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company.

For the purposes of Chapter 2E of the Corporations Act, Mr Lougher, being a Director, is a "related party" of the Company and the grant of Performance Rights pursuant to the Performance Rights Plan will constitute the giving of "financial benefits".

The Board (other than Mr Lougher because of his interest in Resolution 4) considers that the grant of Performance Rights to Mr Lougher (or his nominee) is an appropriate and reasonable component of his remuneration, and that the financial benefit represented by the grant of the Performance Rights falls within the "reasonable remuneration" exception in section 211 of the Corporations Act. For this reason, the Company is not seeking Shareholder approval of Resolution 4 for the purposes of Chapter 2E of the Corporations Act.

### **Sections 200B and 200E of the Corporations Act**

The Corporations Act provides that the Company may only give a person a benefit in connection with their ceasing to hold a "managerial or executive office" in the Company or its related bodies corporate if such benefit is approved by Shareholders or an exemption applies (for example, where the benefit together with other benefits does not exceed the payment limits set out in the Corporations Act, including where the aggregate benefits do not exceed one year's average base salary).

The term "benefit" in this context is broad, and may include the accelerated vesting of Performance Rights. As outlined in the summary of the terms of the Performance Rights Plan in the Schedule to this Notice, the Board has the discretion to determine that some or all of the Performance Rights vest early:

- (a) in certain specified circumstances, upon the cessation of employment of Mr Lougher; or
- (b) if there is a change of control of the Company.

Upon termination of employment, unvested Performance Rights will be treated in accordance with the rules of the Performance Rights Plan (**Performance Rights Plan Rules** or **Plan Rules**). Where a participant ceases employment or office as a "Bad Leaver" (eg. resignation, serious misconduct, etc.), all unvested Performance Rights will automatically be forfeited by the participant and lapse (unless the Board determines otherwise in its sole and absolute discretion). Where a participant ceases employment or office as a "Good Leaver" (eg. where the participant ceases employment and is not classified as a Bad Leaver, for example upon death, disability, etc.), the Board may determine in its sole and absolute discretion to allow some or all of the unvested Performance Rights held by that participant to vest and be automatically exercised.

If the Board were to exercise its discretion to vest some or all of the Performance Rights early in the circumstances referred to above, this may amount to the giving of a termination benefit requiring Shareholder approval in accordance with the Corporations Act. Accordingly, Shareholder approval is also being sought for any such benefit which Mr Lougher may receive due to accelerated vesting of Performance Rights.

If Shareholders approve Resolution 4, the maximum number of FY20 Performance Rights that may vest and be exercised on the cessation of Mr Lougher's employment will be 428,130.

Details of Mr Lougher's remuneration, including other termination benefits, are set out in the Company's FY19 Remuneration Report.

For Performance Rights, the value of the benefit given upon accelerated vesting will depend on the price of the Company's shares at the time of vesting and the number of Performance Rights that vest. Apart from the future price of Shares being unknown, a number of factors could impact the number of Performance Rights which vest on cessation of employment. Accordingly, the value of the benefit given upon accelerated vesting cannot be calculated at the present time. The following matters will or may affect (as the case may be) the value of the benefit, as they will or may affect (as the case may be) the number of Performance Rights which vest on cessation of employment:

- (a) the number of unvested Performance Rights held by Mr Lougher (or his nominee) prior to the cessation of employment or occurrence of a change of control;
- (b) the reasons for cessation of employment; and
- (c) the exercise of the Board's discretion at the relevant time.

#### **Listing Rules information requirements**

In compliance with the information requirements of Listing Rule 10.15, Shareholders are advised of the information below. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the proposed grant of Performance Rights contemplated by Resolution 4.

*(a) Identity of the related parties to whom Resolutions 4 apply*

The Performance Rights the subject of Resolution 4 will be granted to Daniel Lougher (the Managing Director and Chief Executive Officer) or, if Mr Lougher so requests and subject to the Board exercising its discretion under the Plan Rules to agree to do so, a nominee of Mr Lougher permitted under the Plan Rules.

*(b) Nature of securities to be issued pursuant to Resolution 4*

It is proposed that the Company grants Performance Rights to Mr Lougher (or his nominee) pursuant to the Performance Rights Plan.

*(c) Maximum number of securities to be issued pursuant to Resolution 4*

Resolution 4 seeks approval from Shareholders to allow the Company to grant a maximum of 428,130 Performance Rights to Mr Daniel Lougher (or his nominee). In circumstances where these Performance Rights all vest and are all exercised, a maximum of 428,130 Shares may be issued to Mr Lougher (or his nominee).

*(d) Key terms of issue of the Performance Rights*

Performance period

The Performance Rights the subject of Resolutions 4 will vest subject to the below vesting conditions and performance hurdles assessed over a three year period.

Vesting conditions and performance hurdles

The FY20 Performance Rights will only vest subject to satisfaction of both a continuous service condition until 30 June 2022 and a performance condition assessed against a three year relative TSR hurdle for the period 1 July 2019 to 30 June 2022.

The relative TSR performance for the FY20 Performance rights will be assessed against the performance of a custom peer group of companies as follows:

Aurelia Metals Limited	Metals X Limited	Pilbara Minerals Limited
Bass Resources Limited	Mincor Resources NL	Poseidon Nickel Limited
Bougainville Copper Limited	New Century Resources Limited	Rex Minerals Limited
Galaxy Resources Limited	Nickel Mines Limited	Sandfire Resources NL
Hillgrove Resources Limited	OM Holdings Limited	Syrah Resources Ltd
Independence Group NL	Orocobre Limited	Talisman Mining Limited
Jupiter Mines Limited	Oz Minerals Limited	Westgold Resources Limited
Medusa Mining Limited	Panoramic Resources Limited	Zimplats Holdings Limited

The Performance Rights will become performance-qualified as follows:

Relative TSR performance	Outcome
Less than 50 <sup>th</sup> percentile	Nil
At the 50 <sup>th</sup> percentile	50% of the relevant tranches granted will become performance-qualified
Between the 50 <sup>th</sup> and 75 <sup>th</sup> percentile	For each percentile over the 50 <sup>th</sup> , an additional 2% of the relevant tranches granted will become performance-qualified
At or above the 75 <sup>th</sup> percentile	100% vesting of the relevant tranche

Shareholders should note that, other than in specific circumstances, both the three year TSR performance hurdle and the three year service condition must be satisfied in order for the Performance Rights to vest. As such, other than in specific circumstances, Mr Lougher will not receive any of the potential value from their FY20 LTI grant of Performance Rights until the conclusion of the three-year performance period (eg. at the end of the 2022 financial year).

The Company utilises relative TSR performance rankings, as measured against a customised resources company peer group, as this measure gives a better reflection of the Company's performance as compared to companies that encounter similar cyclical commodity price market conditions. This effectively normalises the fluctuation of commodity prices, as these are outside the ability of the KMP to control. The Remuneration Committee continues to believe that this is the most relevant and appropriate measure.

There will be no retesting of performance. Any Performance Rights that fail to become exercisable due to a failure to satisfy the vesting conditions and performance hurdles will lapse and be forfeited.

The Shares to be issued upon vesting of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares, and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on the ASX.

A summary of the Performance Rights Plan is outlined in the Schedule to this Notice of Meeting.

*(e) Issue price and date of issue*

No cash consideration is payable by Mr Lougher at the time of grant of the Performance Rights, or upon the allocation of Shares to which he may become entitled to on the vesting and exercise of the Performance Rights.



It is expected that the Performance Rights will be granted to Mr Lougher (or his nominee) as soon as practicable after Shareholder approval is received and in any event no later than 12 months from the date of the AGM, without obtaining further Shareholder approval.

*(f) Previous issues under the Performance Rights Plan*

The following grants of securities have been made under the Performance Rights Plan to persons referred to in Listing Rule 10.14 since it was last approved by Shareholders at the Company's 2016 annual general meeting:

Participant name	Number of Performance Rights	Remaining Unvested Performance Rights
Mr D Lougher	1,072,900	697,360
Mr D Southam *	447,740	Nil

(\*) Mr Southam ceased being a director of Western Areas on 26 November 2018

All Performance Rights granted since the Performance Rights Plan was last approved were issued for nil consideration. No cash consideration was payable for the Shares issued since the Performance Rights Plan was last approved upon the vesting and exercise of the Performance Rights.

*(g) Eligible participants under the Performance Rights Plan*

As at the date of this Notice of Meeting, the Company's Managing Director, Mr Lougher, is the only person of the kind mentioned in Listing Rule 10.14 who is entitled to participate in the Performance Rights Plan. Any future grants to Directors under the Performance Rights Plan will remain subject to Shareholder approval under Listing Rule 10.14.

*(h) Loans in relation to the acquisition of Performance Rights*

No loans will be made by the Company in connection with the acquisition of the Performance Rights.

A voting exclusion statement for Resolutions 4 is included in the Notice of Meeting.

**Board recommendation**

The Board (other than Mr Lougher given his interest in the outcome of Resolutions 4) has considered the corporate governance issues relevant to executive compensation arrangements, including the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" and has formed the view that the grant of the Performance Rights to Mr Lougher on the terms and conditions set out in this Explanatory Statement is reasonable, that the value and quantum of the Performance Rights are not excessive nor unusual for a company of the Company's size in light of recent market practice of remuneration for officers in similar positions and Mr Lougher's importance (both now and in the future) to the ongoing business operations of the Company.

The Board (other than Mr Lougher because of his interest in Resolutions 4) unanimously recommends that Shareholders vote in favour of Resolutions 4.

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**ENQUIRIES**

Shareholders should contact the Company Secretary, Mr Joseph Belladonna on (+61 8) 9334 7777 if they have any queries in respect of the matters set out in these documents.

## GLOSSARY

<b>A\$ or \$</b>	Australian dollars.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the financial market conducted by it (the Australian Securities Exchange), as the context requires.
<b>Board</b>	the board of Directors.
<b>Company or Western Areas</b>	Western Areas Ltd ABN 68 091 049 357.
<b>Constitution</b>	the constitution of the Company, as amended from time to time.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	director of the Company.
<b>Explanatory Statement</b>	the explanatory statement that accompanies the Notice.
<b>FY19</b>	the financial year ended 30 June 2019.
<b>FY20</b>	the financial year ending 30 June 2020.
<b>Key Management Personnel or KMP</b>	has the meaning given to the term 'key management personnel' in the Corporations Act, which includes those persons having authority and responsibility for planning, directing or controlling the activities of the Company's consolidated group, either directly or indirectly including any Director (executive and non-executive) of the Company.
<b>Listing Rules</b>	the Listing Rules of the ASX.
<b>LTI</b>	long term incentive.
<b>Meeting or General Meeting or Annual General Meeting or AGM</b>	the meeting convened by the Notice of Meeting.
<b>Notice or Notice of Meeting</b>	this Notice of Annual General Meeting.
<b>Performance Right</b>	an entitlement granted to a participant on the terms set out in the Performance Rights Plan to receive one Share subject to the satisfaction of applicable vesting conditions and/or performance hurdles.
<b>Performance Rights Plan or Plan</b>	the Company's Performance Rights Plan as amended from time to time, and last approved by Shareholders at the Company's 2016 annual general meeting.
<b>Performance Rights Plan Rules or Plan Rules</b>	the rules of the Performance Rights Plan.
<b>Prohibited Person</b>	<p>a member of KMP or a closely related party, including, for a member of the KMP:</p> <ul style="list-style-type: none"> <li>• a spouse or child of the member;</li> <li>• a child of the member's spouse;</li> <li>• a dependant of the member or of the member's spouse;</li> </ul>

	<ul style="list-style-type: none"> <li>• anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or</li> <li>• a company the member controls.</li> </ul>
<b>Proxy Form</b>	the proxy form enclosed with and forming part of this Notice of Meeting.
<b>Remuneration Committee</b>	the Remuneration Committee established by the Board under the Company's Board Charter.
<b>Resolutions</b>	the resolutions set out in the Notice of Meeting.
<b>Schedule</b>	a schedule to this Notice of Meeting and Explanatory Statement.
<b>Share</b>	fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	holder of a Share in the Company.
<b>STI</b>	short term incentive.
<b>TSR</b>	total shareholder return.
<b>WST</b>	Australian Western Standard Time.

## SCHEDULE - TERMS OF PERFORMANCE RIGHTS PLAN

A summary of the Performance Rights Plan is set out below:

Purpose	<p>The purpose of the Performance Rights Plan is to:</p> <ul style="list-style-type: none"><li>• assist in the reward, retention and motivation of eligible participants;</li><li>• link the reward of eligible participants to Shareholder value creation; and</li><li>• align the interests of eligible participants with Shareholders by providing an opportunity to eligible participants to receive an equity interest in the form of Performance Rights.</li></ul>
Eligibility:	<p>The Performance Rights Plan is open to full time and part-time employees of the Company or its related bodies corporate (<b>Group</b>), Directors of any member of the Group, and any other person who is declared by the board of the Company (<b>Board</b>) to be eligible to participate in the Performance Rights Plan.</p>
Instruments:	<p>The Performance Rights Plan allows the Board to grant Performance Rights, with each Performance Right representing a right to acquire one Share, provided that the relevant vesting conditions and/or performance hurdles are satisfied.</p>
Equity pool:	<p>Unless Shareholders approve otherwise, up to 5% of the issued capital of the Company is available for grant under the Performance Rights Plan (assuming all outstanding Performance Rights granted under the Performance Rights Plan are exercised).</p>
Grant of Performance Rights:	<p>The individual grants of Performance Rights to those eligible to participate in the Performance Rights Plan will be as determined by the Board in its sole and absolute discretion, subject to any necessary Shareholder approvals.</p>
Grant date:	<p>The timing and frequency of the grant of Performance Rights will be as determined by the Board in its sole and absolute discretion.</p>
Exercise price:	<p>An exercise price may be payable in respect of a Performance Right, which is the price to be paid by the participant when exercising the Performance Right, as specified in their relevant invitation to participate. For the avoidance of doubt, the exercise price may be nil.</p>
Life of Performance Rights:	<p>Unless otherwise determined by the Board in its sole and absolute discretion, Performance Rights granted will have a maximum life of 15 years, such that if they are not exercised before the 15 year anniversary of their grant (<b>Expiry Date</b>) they will lapse.</p>
Transferability of Performance Rights:	<p>Performance Rights will not be transferable, other than:</p> <ul style="list-style-type: none"><li>• to a Nominated Party of a participant, where the Board determines that that participant may do so; or</li><li>• on a participant's death, to the participant's legal personal representative.</li></ul>

Nominated Parties	<p>The Board may, in its sole and absolute discretion, determine that an eligible participant may notify the Board that an invitation to apply for the grant of Performance Rights be given to that eligible participant's Nominated Party, instead of to the eligible participant.</p> <p>The Board may, in its sole and absolute discretion, determine whether (and on what conditions) it will make the invitation to an eligible participant's Nominated Party.</p> <p>Where the context requires, references to a 'participant' or 'eligible participant' should include to a Nominated Party of that eligible participant.</p> <p><b>Nominated Party</b> means, in respect of an eligible participant:</p> <ul style="list-style-type: none"> <li>• that person's spouse;</li> <li>• that person's biological or legally adopted child of at least 18 years of age;</li> <li>• a trustee or trustees of a trust set up wholly for the benefit of one or more eligible participants or a person mentioned in the bullet points above (but not including trusts established by the Company for the purpose of holding and delivering Shares granted pursuant to the Performance Rights Plan);</li> <li>• a company in which all of the issued shares are beneficially held by, and all of the voting rights are beneficially held by: <ul style="list-style-type: none"> <li>○ the eligible participant; and/or</li> <li>○ a person or persons mentioned in the bullet points above; or</li> </ul> </li> <li>• any other person approved by the Company.</li> </ul>
Rights attaching to Performance Rights:	Participants will have no voting or dividend rights until Performance Rights vest and are exercised, and the participants hold Shares.
Vesting conditions and performance hurdles:	Subject to the terms of the Performance Rights Plan, the vesting of Performance Rights will be conditional on the satisfaction of any vesting conditions and/or performance hurdles which the Board has determined will apply to any Performance Rights.
Vesting notification:	<p>When a Performance Right vests, the Company will issue a vesting notification to the relevant participant and:</p> <ul style="list-style-type: none"> <li>• if a participant's invitation to participate in the Plan provides for the deemed automatic exercise of a Performance Right, no further action is required from the participant and the vested Performance Right will be automatically exercised within a period specified by the Board; or</li> <li>• if a participant's invitation to participate in the Plan provides for the manual exercise of a Performance Right, the participant must deliver a signed notice of exercise and pay the exercise price (if any) as directed by the Company, at any time prior to the earlier of the date specified in the vesting notification and the Expiry Date.</li> </ul>

If the participant does not deliver a signed notice of exercise contemplated by the Plan and pay the exercise price (if any) to or as directed by the Company in relation to a Performance Right by the requisite date, that Performance Right will be automatically forfeited.

Lapsing conditions:

Unless otherwise determined by the Board in its sole and absolute discretion, any unvested Performance Rights will lapse on the earlier of:

- the cessation of a participant's employment or office (subject to the rules governing cessation of employment summarised below);
- where a participant has acted fraudulently, dishonestly, or wilfully breached their duties;
- if any applicable vesting conditions and/or performance hurdles are not, or, in the opinion of the Board, cannot be, achieved by the relevant time; or
- the Expiry Date.

Cessation of employment or office:

Where a participant ceases employment or office as a "Bad Leaver", all unvested Performance Rights will automatically be forfeited by the participant and lapse, subject to the Board determining otherwise in its sole and absolute discretion.

A "Bad Leaver" is defined as a participant whose employment or office ceases in the following circumstances:

- the participant is dismissed from employment or office due to serious misconduct, material breach of the terms of any contract of employment or office, gross negligence, or other conduct justifying summary dismissal;
- the participant voluntarily resigns;
- the participant ceases employment or office for any reason and acts in breach of any post-termination restrictions;
- the participant being ineligible to hold office for the purposes of Part 2D.6 of the Corporations Act; or
- any other reason the Board determines in its sole and absolute discretion.

Where a participant ceases employment or office as a "Good Leaver", the Board may determine in its sole and absolute discretion to allow some or all of the unvested Performance Rights held by that participant to vest and be automatically exercised.

A "Good Leaver" is defined as a participant whose employment or office ceases and who is not a Bad Leaver.

Rights attaching to Shares:

All Shares acquired by participants upon the exercise of Performance Rights will rank equally with existing Shares on and from the date of acquisition.

Disposal restrictions on Shares:	<p>Prior to the Board making an invitation to participate in the Plan, the Board may impose disposal restrictions on Shares acquired by participants following the exercise of Performance Rights. The Board may do such things as it considers necessary to enforce a disposal restriction, including using an employee share trust or imposing an ASX holding lock.</p> <p>During any Share disposal restriction period, participants will have full dividend and voting rights.</p>
Change of control event:	<p>A change of control event occurs if:</p> <ul style="list-style-type: none"> <li>• a person or entity becomes a legal or beneficial owner of 50% or more of the issued share capital of the Company;</li> <li>• a person or entity becomes entitled to, acquires, holds or has an equitable interest in more than 50% of the issued share capital of the Company; or</li> <li>• a Court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies.</li> </ul> <p>In the event of a change of control event occurring, the Board may determine that some or all unvested Performance Rights will vest and be automatically exercised. Any Performance Rights that the Board determines will not vest in such circumstances will automatically lapse.</p>
Bonus issues:	<p>Subject to the Listing Rules, if there is a "bonus issue" (as that term is defined in the Listing Rules) to the holders of Shares, a participant is entitled (upon vesting of a Performance Right) to receive the number of Shares that the participant would have received if the Performance Right had vested before the record date for the bonus issue.</p>
Pro rata issues:	<p>If the Company makes a pro rata issue to the holders of Shares (except a bonus issue), then the number of Shares over which Performance Rights can be exercised will be reduced in accordance with the Listing Rules.</p>
Reorganisation:	<p>In the event of any reorganisation (including consolidation, sub-division, reduction, return or cancellation) of the issued capital of the Company, the number of Performance Rights to which each participant is entitled will be changed in accordance with the Listing Rules.</p>
Limited rights to participate in new issues	<p>Subject to the rules above regarding "bonus issues" and "reorganisation", during the currency of any Performance Rights and prior to their vesting, participants are not entitled to any new issues of Shares as a result of their holding Performance Rights.</p>
Buy-back:	<p>The Company may buy-back Performance Rights and/or Shares acquired upon exercise of Performance Rights in accordance with the rules of the Performance Rights Plan.</p>

**WESTERN AREAS LTD**



ABN 68 091 049 357

WSA

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

## Need assistance?



**Phone:**

1300 727 692 (within Australia)  
+61 3 9946 4448 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **3:00pm (WST)**  
**Tuesday, 19 November 2019**

# Proxy Form

## 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

**If you are attending in person, please bring this form with you to assist registration.**

### Corporate Representative

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

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



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



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 Western Areas Ltd 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 Western Areas Ltd to be held at Fraser's Function Room 1, Fraser Avenue, Kings Park, Western Australia on Thursday, 21 November 2019 at 3:00pm (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 2, 3 and 4 (except where I/we have indicated a different voting direction in step 2) even though Resolutions 2, 3 and 4 are connected directly or indirectly with the remuneration of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 2, 3 and 4 by marking the appropriate box in step 2.

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
1 Re-election of Independent Non-Executive Director – Mr Ian Macliver	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-approval of the Western Areas Ltd Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Grant of Performance Rights to Daniel Lougher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Step 3

Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically