

16 October 2020

## **Mastermyne Group Limited (ASX Code: MYE) Annual General Meeting**

In response to Government restrictions and the potential health risks arising from the coronavirus (COVID-19) pandemic, Mastermyne Group Limited (*Mastermyne* or *Company*) is holding a hybrid Annual General Meeting (*AGM* or *Meeting*) this year to give shareholders the ability to participate in the Meeting online.

In accordance with the determination made by the Commonwealth Treasurer on 5 May 2020, the Notice of Meeting and Explanatory Statement are being made available to shareholders electronically. The Meeting Materials have been released through Australian Securities Exchange (ASX) and can be accessed online on the ASX market announcements page and on the Company's website:

<https://www.mastermyne.com.au/news/investors/asx-announcements/>

The Meeting is to be held at 11:00am (Queensland time) on Tuesday 17 November 2020 at the Company's Registered Office, Level 1, 45 River Street, Mackay, Queensland **and online** at <https://agmlive.link/MYE20>.

The safety of our employees, shareholders and community is paramount. The Company will comply with government restrictions in place at the time of the Meeting, and may be required to limit the number of shareholders permitted to enter the Meeting venue to comply with social distancing requirements.

The online platform provided by the Company's share registry, Link Market Services will allow shareholders to view the Meeting, ask questions during the Meeting, and vote during the Meeting. Further details on how to participate online will be published on the Company's website.

Shareholders wishing to attend and vote online at the Meeting must ensure they have located their Shareholder number in advance of joining the meeting. For security reasons, Shareholder numbers can only be sent by post to the Shareholder's registered address. They cannot be provided by email or phone. Shareholders can attend the meeting without their Shareholder number but will not be able to vote or ask a question.

Even if you plan to attend the Meeting at the venue or online, we encourage you to submit either a direct vote or a proxy vote *ahead of the meeting*, and as early as possible, so that your vote will be counted if for any reason you cannot attend (for example, if there is an issue with your internet connection on the day of the Meeting that prevents you from attending online, or if the Company is required to restrict numbers attending at the venue).

As a shareholder you can either:

- lodge your direct vote or your proxy appointment *online* at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or
- complete and return to Link Market Services, in one of the ways listed in the Notice of Meeting, your hard-copy Shareholder Voting Form, in which you can choose to either vote direct or appoint a proxy.

In either case your vote or your proxy appointment *must be received* by Link Market Services by 11:00am (Queensland time) on Sunday 15 November 2020.

If you need help with lodgement of your voting instructions either online via [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or through return of your Shareholder Voting Form please contact Link Market Services as early as possible.

In the event that it is necessary for the Company to give further updates, information will be provided on the Company's website and lodged with the ASX.

Yours faithfully,

Brett Maff  
Company Secretary

# MASTERMYNE GROUP LIMITED

ACN 142 490 579

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 11<sup>th</sup> Annual General Meeting (**AGM** or **Meeting**) of shareholders of Mastermyne Group Limited (**Company** or **Mastermyne**) will be held as a hybrid meeting as follows:

Date: Tuesday 17 November 2020

Time: commencing at 11:00 am (Queensland time)

Venue: the Company's Registered Office, Level 1, 45 River Street, Mackay, Queensland

Online: <https://agmlive.link/MYE20>

Notes relating to participation and voting, an Explanatory Statement containing information relating to each of the Resolutions to be put to the Meeting, and a Shareholder Voting Form (which includes both a direct voting form and a proxy appointment form) accompany and form part of this Notice.

## AGENDA

### **ORDINARY BUSINESS**

#### **ITEM 1 – PRESENT ANNUAL FINANCIAL REPORT**

To receive and consider the Company's Annual Financial Report comprising the Directors' Report, Balance Sheet, Statements of Comprehensive Income, Changes in Equity, Cash Flows and Notes to the Financial Statements, Directors' Declaration and Auditor's Report for the financial year ended 30 June 2020.

Note: This item of business is formal presentation of the Annual Financial Report to shareholders as required by the Corporations Act 2001 (*Cth*) (**Corporations Act**). Apart from Resolution 2 (Adopt Remuneration Report) no resolution is required, and no resolution is proposed, in relation to the Annual Financial Report, but this item allows shareholders opportunity to ask questions or make statements at the Meeting about the accounts, the audit and Company management.

#### **RESOLUTION 1 – ADOPT REMUNERATION REPORT**

To consider and, if considered appropriate, pass the following non-binding resolution as an ordinary resolution, under section 250R(2) of the Corporations Act:

*“To adopt the Remuneration Report of the Company (as set out in the Directors' Report) for the financial year ended 30 June 2020.”*

Note: The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Resolution 1 is subject to voting exclusions set out at the end of this Notice of Meeting.

## **RESOLUTION 2 – RE-ELECT MR COLIN BLOOMFIELD AS DIRECTOR**

To consider and, if considered appropriate, pass the following resolution as an ordinary resolution:

*“That Colin Bloomfield, a Non-Executive Director who retires by rotation in accordance with ASX Listing Rules and Article 47(b) of the Company’s Constitution, and being eligible, is re-elected as a Non-Executive Director of the Company.”*

Note: The Explanatory Statement provides information about Colin Bloomfield.

## **SPECIAL BUSINESS**

### **RESOLUTION 3 – APPROVE PROPOSED ISSUE OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR OR NOMINEE**

To consider and, if considered appropriate, pass the following resolution as an ordinary resolution:

*“That in accordance with ASX Listing Rule 10.14 and for all other purposes, the Company is authorised to issue to Managing Director Mr Tony Caruso, or his nominee, 423,516 Performance Rights under the Mastermyne Group Limited Employee Performance Rights Plan, on the terms described in the Explanatory Statement.”*

Note: The Explanatory Statement summarises the proposed terms of the Managing Director’s Performance Rights and the effect of the proposed approval under ASX Listing Rules. If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 10.11.

Resolution 3 is subject to voting exclusions set out at the end of this Notice of Meeting.

### **RESOLUTION 4 – APPROVE ADDITIONAL 10% PLACEMENT CAPACITY**

To consider and, if considered appropriate, pass the following resolution as a special resolution:

*“That the Company have the additional capacity to issue equity securities provided for in ASX Listing Rule 7.1A.*

Note: The Explanatory Statement provides a summary of ASX Listing Rule 7.1A.

Resolution 4 is subject to voting exclusions set out at the end of this Notice of Meeting.

### **RESOLUTION 5 – APPROVE FUTURE ISSUES OF SECURITIES UNDER EMPLOYEE PERFORMANCE RIGHTS PLAN**

To consider and, if considered appropriate, pass the following resolution as an ordinary resolution:

*“That for the purposes of Exception 13(b) in ASX Listing Rule 7.2 and for all other purposes, the Company is authorised to issue securities under the Mastermyne Group Limited Employee Performance Rights Plan and the Plan is otherwise approved.”*

Note: The Explanatory Statement provides a summary of the Employee Performance Rights Plan.

Resolution 5 is subject to voting exclusions set out at the end of this Notice of Meeting.

**RESOLUTION 6 – APPROVE PROPOSED INCREASE IN NON-EXECUTIVE DIRECTORS' ANNUAL FEE POOL**

To consider and, if considered appropriate, pass the following resolution as an ordinary resolution:

*“That the maximum aggregate annual amount that the Company can pay to Non-Executive Directors for their services as Directors is increased from \$300,000 to \$500,000 per annum.”*

Note: The Explanatory Statement summarises the amount currently paid to Non-Executive Directors and the reasons for and intended effects of the proposed increase.

Resolution 6 is subject to voting exclusions set out at the end of this Notice of Meeting.

**GENERAL BUSINESS**

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

**By Order of the Board**

Brett Maff  
Company Secretary  
16 October 2020

## NOTES RELATING TO ATTENDANCE AND VOTING

### Entitlement to Attend and Vote

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), for the purposes of determining voting entitlements at the AGM, Shares will be taken to be held by the persons who are registered as holding the Shares at 11.00am (Queensland time) on Sunday, 15 November 2020. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

If more than one joint holder of shares is present at the Meeting (whether personally, online, or by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

### All decisions will be determined by poll

All items of business in the Notice of Meeting will be decided by way of a poll. On a poll, shareholders have one vote for every fully paid ordinary share held (subject to the restrictions on voting referred to below).

On a poll, if:

- a shareholder has appointed a proxy (other than the Chair of the Meeting) and the appointment of the proxy specifies the way the proxy is to vote on the resolution; and
- that shareholder's proxy is either not recorded as attending the Meeting or does not vote on the resolution,

the Chair of the Meeting will, before voting on the resolution closes, be taken to have been appointed as the proxy for the shareholder for the purposes of voting on that resolution and must vote in accordance with the written direction of that shareholder.

All Shareholders will have the opportunity to ask questions at the meeting.

### VOTING EXCLUSIONS

The Corporations Act 2001 (Cth) and the ASX Listing Rules require that certain persons must not vote *in favour of* certain resolutions, and the Company must disregard any votes cast *in favour of* any such resolution by certain persons, for the resolutions to be considered at the Meeting. These voting exclusions are described below.

For the purposes of these voting exclusions -

- (a) The **key management personnel for the Mastermyne consolidated group** are the Directors (whether executive or otherwise) of Mastermyne (including the Chairman) and other employees having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.
- (b) The Remuneration Report identifies the key management personnel for the Mastermyne consolidated group for the financial year ended 30 June 2020.
- (c) Their **closely related parties** are defined in the Corporations Act 2001 (Cth), and include certain of their family members, dependents and companies they control.
- (d) The Company will also apply these voting exclusions to persons appointed as attorney by an excluded shareholder to attend and vote at the Meeting under a power of attorney – on the basis that references to persons attending and voting as proxy are

read as references to persons attending and voting as attorney and references to an instrument under which the proxy is appointed are read as references to the power of attorney under which the attorney is appointed.

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.

If the Chair of the Meeting is a shareholder's proxy, either by appointment or by default, and the shareholder does not provide voting directions on all or any of Resolutions 1, 3, 5 and 6, the Proxy Form expressly authorises the Chair of the Meeting to exercise the proxy in respect of those resolutions even though they are connected directly or indirectly with remuneration of a member or members of key management personnel for the Mastermyne consolidated group.

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed.

Any undirected proxies that default to the Chair of the Meeting in such circumstances will be voted under the authority given in the Proxy Form, including where a resolution is connected directly or indirectly with remuneration of a member or members of key management personnel for the Mastermyne consolidated group.

### **Resolution 1 – Adopt Remuneration Report**

Except to the extent otherwise permitted by law, the following persons may not vote ***in favour of*** Resolution 1, and the Company will disregard any vote cast ***in favour of*** Resolution 1 (personally or as proxy or attorney) by or on behalf of the following persons:

- (a) A member of the key management personnel for the Mastermyne consolidated group whose remuneration details are included in the Remuneration Report, or a closely related party of any such member, save where it is cast by:
  - (i) a person as proxy or attorney for another person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
  - (ii) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
  - (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    - A. the beneficiary provides written confirmation to the holder that they are not excluded from voting, and are not an associate of a person excluded from voting, on the resolution; and
    - B. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
- (b) A member of the key management personnel for the Mastermyne consolidated group whose remuneration details are included in the Remuneration Report, or a closely related party of any such member, that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on Resolution 1, unless:

- (i) the proxy is the Chair of the meeting at which Resolution 1 is voted on; and
- (ii) the proxy appointment expressly authorises the Chair to exercise the proxy on Resolution 1 even though it is connected directly or indirectly with the remuneration of a member of the key management personnel for the Mastermyne consolidated group.

**Resolution 3 – Approve proposed issue of Performance Rights to Managing Director Mr Tony Caruso or his nominee**

The Company will disregard any votes cast *in favour of* Resolution 3 by:

- Mr Tony Caruso and his associates.
- Any other Director of the Company who is eligible to participate in any employee incentive scheme in relation to the Company and their associates.
- Any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company)..

However, the Company will not disregard a vote *in favour of* Resolution 3 if it is cast by:

- (i.) a person as proxy or attorney for another person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- (ii.) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (iii.) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - A. the beneficiary provides written confirmation to the holder that they are not excluded from voting, and are not an associate of a person excluded from voting, on the resolution; and
  - B. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard any votes cast *in favour of* Resolution 3 by a member of the key management personnel for the Mastermyne consolidated group, or a closely related party of any such member, that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on Resolution 3, unless:

- (i.) the proxy is the Chair of the meeting at which Resolution 3 is voted on; and
- (ii.) the proxy appointment expressly authorises the Chair to exercise the proxy even though Resolution 3 is connected directly or indirectly with the remuneration of a member of the key management personnel for the Mastermyne consolidated group.

#### **Resolution 4 – Approve Additional 10% Placement Capacity**

The Company will disregard any votes cast on Resolution 4 by a person (or any associate of a person) who:

- is expected to participate in a proposed issue under the Additional 10% Placement Capacity; or
- will obtain a material benefit as a result of a proposed issue under the Additional 10% Placement Capacity, except a benefit solely by reason of being a holder of ordinary securities in the Company, if Resolution 4 is passed.

However, the Company will not disregard a vote on Resolution 4 if it is cast by:

- (i.) a person as proxy or attorney for another person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- (ii.) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (iii.) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - A. the beneficiary provides written confirmation to the holder that they are not excluded from voting, and are not an associate of a person excluded from voting, on the resolution; and
  - B. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

At the date of this Notice, it is not known who will participate in the proposed issue of Equity Securities the subject of this special resolution and the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. Therefore, no existing shareholder votes will be excluded under the voting exclusion for Resolution 4 in this Notice.

#### **Resolution 5 – Approve future issues of securities under Employee Performance Rights Plan**

The Company will disregard any vote cast on Resolution 5:

- by any person who is eligible to participate in the employee incentive scheme or any associate of such a person; or
- as proxy by a member of key management personnel (or any closely related party of key management personnel).

However, the Company will not disregard a vote on Resolution 5 if it is cast by:

- (i.) a person as proxy or attorney for another person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;



- (ii.) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (iii.) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - A. the beneficiary provides written confirmation to the holder that they are not excluded from voting, and are not an associate of a person excluded from voting, on the resolution; and
  - B. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Resolution 6 – Approve proposed increase in non-executive directors’ annual fee pool**

The Company will disregard any vote cast on Resolution 6:

- by a Director or any associate of a Director; or
- as proxy by a member of key management personnel (or any closely related party of key management personnel).

However, the Company will not disregard a vote on Resolution 6 if it is cast by:

- (i.) a person as proxy or attorney for another person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- (ii.) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (iii.) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - A. the beneficiary provides written confirmation to the holder that they are not excluded from voting, and are not an associate of a person excluded from voting, on the resolution; and
  - B. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **ATTENDING THE MEETING**

To facilitate Shareholder participation in the Meeting, the Board has determined that Shareholders and Proxyholders can choose between attending at the Meeting venue or attending the Meeting electronically through the online platform at <https://agmlive.link/MYE20> provided by the Company’s share registry, Link Market Services.

##### ***Attending online***

The Meeting will be viewable online from computers with access to the internet. Shareholders can register attendance and participate in the Meeting via computer by entering the URL for the online platform in their browser: <https://agmlive.link/MYE20>

A Shareholder or Proxyholder wishing to participate and vote online should log into the online platform at least 15 minutes prior to the scheduled start time for the Meeting using these instructions:

- Enter <https://agmlive.link/MYE20> into a web browser on their computer or online device.
- Shareholders must enter the **Holder Identifier** (Security holder Reference Number (SRN) or Holder Identification Number (HIN)) and postcode for their shareholding as shown on their Shareholder Voting Form or Holding Statement.
- Proxyholders must enter their Proxy Code which Link Market Services will provide via email no later than 24 hours prior to the Meeting.

Further information on how to participate virtually is set out in the Online Platform Guide at <https://www.mastermyne.com.au/news/investors/asx-announcements/>

### ***Attending at the Meeting venue***

Shareholders who attend at the Meeting venue should present their personalised Shareholder Voting Form on arrival to register their attendance at the Meeting. A Shareholder that does not present their Voting Form at registration prior to the Meeting will still be able to register and attend the Meeting if they verify their identity and eligibility in some other way acceptable to the Company.

Registration at the venue will commence from 10.30am (Queensland time) on the day of the Meeting.

The Company may be required to restrict the number of persons, including Shareholders, that are permitted to enter the venue under social distancing requirements in force at the time of the Meeting.

### ***Technical difficulties when attending online***

Technical difficulties may arise online during the course of the Meeting. The Chair of the Meeting has discretion as to whether and how the Meeting should proceed online in the event that a technical difficulty arises. In exercising such discretion, the Chair will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected. Where the Chair considers it appropriate, the Company may continue to hold the Meeting and transact business online, including conducting a poll and voting in accordance with valid proxy instructions.

For this reason, even if they plan to attend the Meeting online, Shareholders are encouraged to submit either a direct vote or a proxy vote *ahead of the meeting*, as early as possible, and in any event before 11.00am (Queensland time) Sunday, 15 November 2020, so that their vote will be counted if for any reason they cannot attend.

### ***Proxies***

A Shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote on behalf 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 must 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
- it provides satisfactory evidence to the Company's share registry of the appointment of its corporate representative.

If such evidence is not received at least 48 hours before the Meeting, ie by 11.00am (Queensland time) Sunday, 15 November 2020, then the body corporate (through its representative) will not be permitted to act as a proxy.

## VOTING

Shareholders can vote in one of five ways:

1. by lodging a direct vote electronically online *before the Meeting*;
2. by lodging a direct vote *before the Meeting* using the Shareholder Voting Form that accompanies this Notice of Meeting;
3. by appointing a proxy *before the Meeting* to attend and vote on their behalf at the Meeting (with or without voting instructions) using the Shareholder Voting Form that accompanies this Notice of Meeting;
4. by appointing such a proxy electronically online (with or without voting instructions) *before the Meeting*; or
5. by attending and voting *at the Meeting*, either at the venue or online via the electronic meeting platform, and either in person or by attorney or (if a corporate shareholder) corporate representative.

Note:

- A. A Shareholder using their Shareholder Voting Form for **direct voting** must mark the **Option A** box in Step 1 on the form, and is taken to agree to be bound by the direct voting rules adopted by the Board. A copy of the Mastermyne Group Limited Rules for Direct Voting at General Meetings is available under the "Investors" tab at [www.mastermyne.com.au](http://www.mastermyne.com.au).
- B. A Shareholder using their Shareholder Voting Form to **appoint a proxy** must mark the **Option B** box in Step 1 on the form, choose the person they appoint as proxy, and choose whether (or not) to give their proxy voting directions. Shareholders who appoint the Chair of the Meeting as their proxy are advised that the Chair intends to vote undirected proxies in favour of all resolutions in the Notice of Meeting.

### Direct vote before the Meeting

Shareholders can vote directly on the resolutions at the Meeting at any time from the date of this Notice of Meeting until 11:00am (Queensland time) on Sunday, 15 November 2020.

A Shareholder who lodges a direct vote is voting directly and not appointing a third party, such as a proxy, to attend and vote on their behalf.

Shareholders can lodge a direct vote before the Meeting by voting online *or* by completing and lodging their Shareholder Voting Form (with **Option A** in Step 1 selected).

## Online

Shareholders can lodge direct votes online by visiting the Company's share registry website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), going to the *Online Voting* page and following the prompts and instructions. To use the online direct voting facility, shareholders will need the **Holder Identifier** (Security holder Reference Number (SRN) or Holder Identification Number (HIN)) and postcode for their shareholding as shown on their Shareholder Voting Form.

For online direct votes to be effective, electronic lodgement must be complete by 11:00am (Queensland time) on Sunday, 15 November 2020, or if the Meeting is adjourned, at least 48 hours before its resumption in relation to the adjourned part of the Meeting.

## Shareholder Voting Form

Alternatively, shareholders can lodge direct votes by completing and lodging their Shareholder Voting Form (with **Option A** in Step 1 selected). They must follow the instructions and notes on the Form and should read the Mastermyne Group Limited Rules for Direct Voting at General Meetings which are available at <https://www.mastermyne.com.au/news/investors/asx-announcements/>.

The Shareholder Voting Form may be lodged with the Company by:

<b>delivery to:</b>	Link Market Services Limited 1A Homebush Bay Drive, Rhodes NSW 2138
or to:	Link Market Services Limited Level 12, 680 George Street, Sydney NSW 2000
or to:	the Company's registered office Level 1, 45 River Street, Mackay Qld 4740
<b>mail to:</b>	Mastermyne Group Limited c/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
<b>fax to:</b>	+61 2 9287 0309

For direct votes to be effective, the Shareholder Voting Form must be received by the Company's share registry by no later than 11:00am (Queensland time) on Sunday, 15 November 2020, or if the Meeting is adjourned, at least 48 hours before its resumption in relation to the adjourned part of the Meeting. A Shareholder Voting Form received after this time will be invalid.

## Direct vote during the Meeting - via the online meeting platform

Shareholders attending the Meeting via Link Group's online platform at <https://agmlive.link/MYE20> will be able to vote directly through the online platform at any time from commencement of the Meeting (11:00am Queensland time on Tuesday, 17 November 2020) until the close of voting as announced by the Chair during the Meeting.

To use the online platform, shareholders will need the **Holder Identifier** (Security holder Reference Number (SRN) or Holder Identification Number (HIN)) and postcode for their shareholding as shown on their Shareholder Voting Form.

Information about how to use the online platform (including how to vote and ask questions online during the Meeting) is set out in the Online Platform Guide, which has been lodged with ASX and is available at <https://www.mastermyne.com.au/news/investors/asx-announcements/>

Shareholders intending to participate in the Meeting via the online platform should ensure before the Meeting that the online platform works on their computer or device. Further instructions are provided in the Online Platform Guide.

**Voting by proxy** – appoint online **or** complete and lodge Shareholder Voting Form

Shareholders can appoint (and direct) a proxy online before the Meeting or by completing and lodging their Shareholder Voting Form before the Meeting (with **Option B** in Step 1 selected).

A shareholder who is entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote for them. A proxy need not be a shareholder of the Company. If a shareholder is entitled to cast two or more votes, that shareholder may appoint up to two proxies to attend and vote on the shareholder's behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half. Fractions of votes will be disregarded. However, if both proxies are present at the Meeting, neither may vote on a show of hands.

#### Online

A shareholder can appoint a proxy online by visiting the Company's share registry website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), going to the *Online Voting* page and following the prompts and instructions. To use the online appointment facility, shareholders will need the **Holder Identifier** (Security holder Reference Number (SRN) or Holder Identification Number (HIN)) and postcode for their shareholding as shown on their Shareholder Voting Form or Holding Statement.

For online appointment of a proxy to be effective, the appointment must be complete by 11:00 am (Queensland time) on Sunday, 15 November 2020, or if the Meeting is adjourned, at least 48 hours before its resumption in relation to the adjourned part of the Meeting.

#### Shareholder Voting Form

Alternatively, a shareholder can appoint (and direct) a proxy by completing and lodging their Shareholder Voting Form before the Meeting with **Option B** in Step 1 selected.

Any shareholder who needs help with, or cannot locate, their Shareholder Voting Form is urged to contact Link Market Services as early as possible.

Shareholder Voting Forms will be supplied by the Company's share registry (Link Market Services) on request.

The Shareholder Voting Form must be signed by the shareholder or their attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act 2001 (Cth) or other applicable corporate legislation. In the case of shares jointly held by two or more persons, all joint holders must sign the Shareholder Voting Form.

For appointment of a proxy by Shareholder Voting Form to be effective, the completed Form must be received by the Company's share registry by no later than 11:00 am (Queensland

time) on Sunday, 15 November 2020, or if the Meeting is adjourned, at least 48 hours before its resumption in relation to the adjourned part of the Meeting. Shareholder Voting Forms received after this time will be invalid.

The Shareholder Voting Form may be given to the Company in any of the ways noted above.

### **Using powers of attorney**

If a Shareholder has appointed one or more attorneys to attend and vote at the Meeting, or if the Shareholder Voting Form is signed by one or more attorneys, the power of attorney (or a certified copy of the power of attorney) must be received by the Company's share registry or the Company's registered office as set out above by no later than 11:00 am (Queensland time) on Sunday, 15 November 2020, or if the Meeting is adjourned, at least 48 hours before its resumption in relation to the adjourned part of the Meeting, unless the power of attorney has been previously lodged for notation with the Company's share registry. The attorney(s) must declare that no notice of revocation of appointment has been received.

### **Revocation of proxies**

A revocation of any proxy (including an online proxy) or power of attorney must be received by the Company's share registry or the Company's registered office as set out above before commencement of the Meeting, or at the registration desk for the Meeting at the Company's Registered Office from 10.30 am (Queensland time) on the day of the Meeting until commencement of the Meeting.

### **Voting while attending the Meeting online**

Shareholders and Proxyholders attending and participating the Meeting through the online platform will be able to view the Meeting live, lodge a direct vote in real time and ask questions online.

### **Voting while attending the Meeting at the venue**

Shareholders and Proxyholders attending the Meeting at the venue must register their attendance upon arrival and produce suitable identification.

Those who plan to attend the Meeting at the venue are asked to arrive there 15~30 minutes prior to the designated commencement time for the Meeting so that their shareholding or appointment can be checked against the share register, their identity verified and their attendance registered.

If Shares are held jointly, only one joint holder may vote. If more than one joint shareholder votes, only the vote of the first person named on the Company's shareholder register counts.

If a shareholder that is a body corporate wishes to attend and vote at the Meeting venue, it must appoint an individual to attend and vote as its representative. The representative must bring to the Meeting a letter or certificate evidencing their appointment unless it has previously been provided to the Company or its share registry. A form of certificate of appointment may be obtained from the Company's share registry at <http://www.linkmarketservices.com.au/corporate/InvestorServices/Forms.html> or from the address set out above.

## QUESTIONS OR COMMENTS FOR THE DIRECTORS OR THE AUDITOR

Shareholders who do not attend the Meeting or who prefer to register questions or comments for the Directors or the Auditor in advance of the Meeting can submit their questions or comments either by submitting their questions online via the Company's share registry or submitting the Question Form that accompanies this Notice of Meeting.

To submit questions online Shareholders must:

- login via [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) by entering details of their shareholding,
- then select *Voting*, and
- then select *Ask a Question*.

To allow time to collate questions and prepare answers, it is requested that questions be submitted by 11:00am (Queensland time) on Tuesday 10 November 2020.

Questions will be collated and the Chair will seek to address as many as possible of the more frequently raised topics during the Meeting. However, there may not be sufficient time available at the Meeting to address all topics raised. Please note that individual responses will not be sent to Shareholders.



## EXPLANATORY STATEMENT

This Explanatory Statement is intended to assist shareholders of Mastermyne Group Limited (**Company** or **Mastermyne**) to better understand the resolutions to be put before shareholders at the Company's Annual General Meeting (**AGM** or **Meeting**) to be held on Tuesday 17 November 2020.

### Item 1 – Present Annual Financial Report

The Corporations Act 2001 (*Cth*) (**Corporations Act**) requires the Directors to present to the AGM the Directors' report, the Auditor's report and the financial report (which are part of the **Annual Financial Report**) for the year ended 30 June 2020.

Apart from Resolution 1, for adoption of the Remuneration Report, no shareholder resolution is required, and no shareholder resolution is proposed, in respect of the Annual Financial Report, but Item 1 will allow shareholders opportunity to ask questions or make statements at the Meeting about the accounts, the audit and Company management.

The Annual Financial Report will be tabled and discussed at the AGM and the Directors will be available to answer questions from shareholders. In addition, a representative of the Company's auditors, Pitcher Partners, will be present to answer any questions about the conduct of the audit or the preparation and content of the auditor's report.

The Company's Annual Financial Report for the year ended 30 June 2020 has been sent to shareholders who requested a copy and is available on the Company's website at [www.mastermyne.com.au](http://www.mastermyne.com.au)

### Resolution 1 - Adopt Remuneration Report

The Corporations Act requires that the section of the Directors' Report dealing with the remuneration of key management personnel including the Directors (**Remuneration Report**) be put to shareholders for consideration and adoption by way of a non-binding ordinary resolution.

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 of the Company; and
- details and explains any performance conditions applicable to remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided at the AGM for shareholders to ask questions about or make comments on the Remuneration Report.

The vote on Resolution 1 is advisory only and the outcome will not be binding on the Board or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Pursuant to amendments to the Corporations Act with effect from 1 July 2011, if 25% or more of votes cast on the resolution to adopt the Remuneration Report are cast against the resolution at two consecutive Annual General Meetings, shareholders will be required to vote at the second of those Annual General Meetings on a resolution (**Spill Resolution**) that another general meeting (**Spill Meeting**) be held within 90 days. The Spill Resolution will be passed if more than 50% of the votes cast on the resolution are in favour of it.



If the Spill Resolution is passed, all of the Directors (other than the Managing Director who, under ASX Listing Rules, is not subject to retirement by rotation and continues to hold office indefinitely without a requirement for re-election) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

The resolution to adopt the Remuneration Report for the year ended 30 June 2019 was approved at the Company's last Annual General Meeting held on 19 November 2019.

**Recommendation:** As Resolution 1 relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, make no recommendation in relation to this resolution.

## **Resolution 2 – Re-elect Mr Colin Bloomfield as Director**

ASX Listing Rule (LR) 14.4 and Article 47(a) of the Company's Constitution require Directors to retire no later than 3 years after appointment or at the third AGM following appointment, whichever is the longer. LR 14.5 and Article 47(b) require an election of Directors each year.

In accordance with those requirements Mr Colin Bloomfield retires from office by rotation and submits himself for re-election as a Non-Executive Director.

Mr Bloomfield was appointed a Non-Executive Director of the Company on 6 March 2014, and Independent Chairman on 26 February 2015. Mr Bloomfield brings to the Company over 30 years of mining experience in technical, operations, management and corporate roles. He led BHP Billiton's Illawarra Coal Group as President Illawarra Coal and was a Director of NSW Minerals Council for almost nine years including three as Chairman. He was also Chairman of Port Kembla Coal Terminal for over eight years. He is also a non-executive director with The Flagstaff Group.

Mr Bloomfield is a member of the Audit and Risk Management Committee and the Remuneration and Nomination Committee.

**Recommendation:** The Board (with Mr Bloomfield abstaining) unanimously recommends the re-election of Mr Bloomfield as a Director of the Company and that shareholders vote in favour of Resolution 2 for this purpose.

## **Resolution 3 – Approve proposed issue of Performance Rights to Managing Director Mr Tony Caruso or his nominee**

The Company has agreed to issue **Performance Rights** under the Mastermyne Group Limited Employee Performance Rights Plan (**Plan**) to the Company's Managing Director, Mr Caruso, or his nominee, subject to shareholder approval. The Plan is an employee incentive scheme under ASX Listing Rules.

Performance Rights are rights to receive ordinary Shares in the Company, subject to satisfaction of vesting conditions including performance conditions. Under ASX Listing Rule (LR) 10.14, the Company must seek shareholder approval to issue securities to a Director under an employee incentive scheme.

Accordingly shareholder approval for the issue of Performance Rights to Mr Caruso or his nominee is sought for all purposes, including under LR 10.14.

If shareholder approval is given under LR 10.14, the issue of equity securities to the Director will:

- not require separate approval under LR 10.11 – prohibition on issue of equity securities to a related party ie a director (due to exception 8 in LR 10.12);

- not count towards the Company's 15% Placement Capacity or require separate approval under listing rule 7.1 (due to exception 14 in LR 7.2 – see explanatory information for Resolution 4); and
- not count towards the Company's Additional 10% Placement Capacity or require separate approval under listing rule 7.1A (due to exception 14 in LR 7.2 – see explanatory information for Resolution 4).

The proposed issue is in accordance with the Mastermyne Group Limited Employee Performance Rights Plan rules (which are available at [www.mastermyne.com.au](http://www.mastermyne.com.au) under the "Investors" tab) and the specific offer to Mr Caruso is summarised below.

The proposed issue of Performance Rights to Mr Caruso detailed in this Notice of Meeting and Explanatory Statement forms, in the opinion of the other Directors of the Company, part of the reasonable remuneration of Mr Caruso by the Company.

Full details of Mr Caruso's awarded remuneration for the 2020 financial year are disclosed in the 2020 Remuneration Report. Mr Caruso's remuneration for the current financial year consists of:

- fixed remuneration of \$473,205 (unchanged from 2020 financial year); plus
- a maximum short-term incentive (STI) opportunity of up to 75% of the \$376,108 cash salary component of fixed remuneration (up to \$202,081 payable in cash, subject to achievement of STI metrics aligned with the Company's strategic objectives, with specific financial and non-financial measures for individual performance, group performance and the Company's underlying performance), plus
- a maximum long term incentive (LTI) opportunity of up to 75% of the \$376,108 cash salary component of fixed remuneration (to be represented by the 423,516 FY 2021 Performance Rights with a face value of \$202,081 to be issued subject to the vesting conditions, including performance conditions, disclosed in this Explanatory Statement).

If shareholders do not approve the proposed issue of FY 2021 Performance Rights to Mr Caruso under Resolution 3, the proposed issue will not proceed. This may impact the Company's ability to incentivise the Managing Director and align his interests with the interests of shareholders and with the remuneration arrangements of the Company's other executives. The Board would need to consider an alternative remuneration arrangement which may not be consistent with the Company's remuneration principles, such as a cash payment.

**Table 3.1** provides information that is required under LR 10.15 for the purpose of Resolution 3.

<b>Table 3.1</b>	<b>Information required under ASX LR 10.15</b>
<b>Eligible Participant</b>	The Company's Managing Director, Mr Tony Caruso, or his nominee
<b>Type of Securities</b>	FY 2021 Performance Rights ( <b>PRs</b> ) to be issued under the Plan – each being a right, subject to vesting, to receive 1 fully paid ordinary Share in Mastermyne Group Limited ACN 142 490 579.
<b>Plan</b>	Mastermyne Group Limited Employee Performance Rights Plan.
<b>Numbers of Rights Granted Subject to Shareholder Approval</b>	423,516
<b>Amount payable for the Rights</b>	No payment or other consideration will be sought for grant or issue of the PRs, but vesting of the PRs will be subject to satisfaction of the vesting conditions.

<b>Issue Date of Rights</b>	The PRs will be issued no later than 30 November 2020 but Time of Grant will be 1 October 2020.												
<b>Term of the Rights</b>	Unless they have lapsed, PRs vest when the vesting conditions have been met. If the vesting conditions have been met the PRs will vest on 1 October 2023 ( <b>Test Date</b> ).												
<b>Vesting of Rights</b>	Vesting of the PRs will be subject to achievement of the vesting conditions set out below and the eligible participant being employed at the vesting date.												
<b>Vesting Conditions</b>	<p>The PRs will vest on the Test Date, subject to the below four Vesting Conditions being met:</p> <ol style="list-style-type: none"> <li>1. Vesting Condition 1: The main Vesting Condition is that you need to still be employed within the Group on the Test Date. If you have ceased employment with the Group prior to the Test Date, the PRs will lapse unless the Board at its absolute discretion determines otherwise.</li> <li>2. Vesting Condition 2: Vesting is also conditional on your continuing sound moral and socially responsible conduct, and the execution of your duties in the best interests of Mastermyne. If it is deemed that you have breached these obligations to Mastermyne, the Board at its discretion may determine that some or all of the PRs will lapse.</li> <li>3. Vesting Condition 3: If Vesting Conditions 1 &amp; 2 are achieved there are two further Vesting Conditions that will each be applied independently to 50% of the PRs. Both of these Vesting Conditions depend on Mastermyne's TSR percentile rank during the TSR measurement period and the Earnings per Share (EPS) performance over the measurement period: <ol style="list-style-type: none"> <li>a. Tranche A: 50% of the PRs will be conditional on the Company's TSR rank relative to companies in the ASX Small Ordinaries Index;</li> <li>b. Tranche B: 50% of the PRs will be conditional on the Company's EPS performance.</li> </ol> </li> </ol> <p>For each tranche, the percentage of PRs which will vest will be as specified in the tables below.</p> <table border="1"> <thead> <tr> <th>TSR Rank during TSR measurement period</th><th>Percentage of Tranche A PRs vesting</th></tr> </thead> <tbody> <tr> <td>Below 50th percentile of the ASX Small Ordinaries Index</td><td>0%</td></tr> <tr> <td>50th percentile to 75th percentile of the ASX Small Ordinaries Index</td><td>50% plus 2% for each percentile above 50th percentile</td></tr> <tr> <td>Above 75th percentile of the ASX Small Ordinaries Index</td><td>100%</td></tr> </tbody> </table> <table border="1"> <thead> <tr> <th>EPS Performance during EPS measurement period</th><th>Percentage of Tranche B PRs vesting</th></tr> </thead> <tbody> <tr> <td>EPS growth at &lt;6%</td><td>0%</td></tr> </tbody> </table>	TSR Rank during TSR measurement period	Percentage of Tranche A PRs vesting	Below 50th percentile of the ASX Small Ordinaries Index	0%	50th percentile to 75th percentile of the ASX Small Ordinaries Index	50% plus 2% for each percentile above 50th percentile	Above 75th percentile of the ASX Small Ordinaries Index	100%	EPS Performance during EPS measurement period	Percentage of Tranche B PRs vesting	EPS growth at <6%	0%
TSR Rank during TSR measurement period	Percentage of Tranche A PRs vesting												
Below 50th percentile of the ASX Small Ordinaries Index	0%												
50th percentile to 75th percentile of the ASX Small Ordinaries Index	50% plus 2% for each percentile above 50th percentile												
Above 75th percentile of the ASX Small Ordinaries Index	100%												
EPS Performance during EPS measurement period	Percentage of Tranche B PRs vesting												
EPS growth at <6%	0%												

	EPS growth between 6% and 12%	0% to 100% pro rata
	EPS growth at >12%	100%
<b>Total Shareholder Return (TSR) &amp; Earnings Per Share (EPS)</b>	<p>TSR or total shareholder return is the Board's measurement of the entire return a shareholder would obtain from holding an entity's securities over a period, taking into account factors such as changes in the market value of the securities and dividends paid over that period.</p> <p>The vesting condition compares and ranks Mastermyne's TSR against the TSR of the entities in the ASX Small Ordinaries Index.</p> <p>To determine Mastermyne's rank in the ASX Small Ordinaries Index on the Test Date, the Board will:</p> <ol style="list-style-type: none"> <li>1. Determine the TSR from the Time of Grant to the Test Date for Mastermyne and each member of the ASX Small Ordinaries Index. This will involve assessing changes in the market value of the Shares in Mastermyne and the members of the ASX Small Ordinaries Index from the Time of Grant to the Test Date. For this purpose: <ol style="list-style-type: none"> <li>a. the market value of the Shares on the Time of Grant will be determined by reference to the average of the daily volume weighted average prices on the ASX in the period of one month (or such other period of not less than one trading day determined by the Board) preceding the Time of Grant; and</li> <li>b. the market value of Shares on the Test Date will be determined by reference to the average of the daily volume weighted average trading prices on ASX in the period of one month (or such other period of not less than one trading day determined by the Board) up to and including the Test Date; and</li> </ol> </li> <li>2. Rank Mastermyne and the members of the ASX Small Ordinaries Index by reference to each entity's TSR on a percentile scale, with the entity with the highest TSR at that day ranked at 100. The rank for the Test Date is the position of Mastermyne on that percentile scale.</li> </ol> <p>The EPS performance measure is designed to ensure that the quality of share price growth is supported by Group's performance, not market buoyancy alone. For this reason, the Board considers that it is appropriate to set a minimum level of operating performance, and that the EPS growth measure is an appropriate measure for this purpose.</p> <p>EPS performance is calculated by dividing the net profit after tax for the group for the relevant reporting period by the weighted average number of ordinary shares on issue in the Company over the relevant reporting period.</p>	
<b>TSR and EPS Measurement Period</b>	TSR: Commencing on 1 October 2020 for 3 years ending on 1 October 2023.	

	EPS: Financial reporting periods commencing on 1 July 2020 for 3 years to 30 June 2023.
<b>Dealing Restrictions</b>	PRs may not be sold to someone else. However, Shares received as a result of the vesting of PRs can be transferred or sold, subject to complying with laws regarding insider trading and the Mastermyne Securities Trading Policy.
<b>Automatic Vesting</b>	An Eligible Participant will automatically receive, without further consideration or payment, one Share for each PR that has vested and has not lapsed.
<b>Termination of Employment</b>	The Board will determine the extent, if any, to which unvested PRs will vest. Subject to the terms set out above, any PRs that do not vest will lapse.
<b>Change of Control</b>	<p>If a change of control occurs, the Board has certain discretions under the EPRP in determining how Performance Rights will be dealt with. If a change of control occurs:</p> <ol style="list-style-type: none"> <li>a pro rata proportion of unvested PRs will be considered by the Board for early vesting; and</li> <li>the Board will determine, having regard to the vesting conditions and its ability to estimate whether the vesting conditions would have been satisfied in full or not, how many (if any) of those unvested PRs will vest.</li> </ol>
<b>Bonus Issues and Capital Reconstructions</b>	In the event of a pro rata bonus issue of Company Shares or any reorganisation of the issued capital of the Company the number of Shares subject of the PRs will be adjusted as determined by the Board to ensure that no advantage or disadvantage accrues to holders of PRs from such actions.
<b>Directors Eligible to Participate</b>	Mr Caruso is the only Director currently eligible to participate in the Plan
<b>Number of securities previously issued to Mr Caruso or nominee under the Plan and average acquisition price (if any) paid for those securities</b>	<p>Since the 2015 AGM the Company has issued 1,235,875 unquoted PRs to Mr Caruso or his nominee under the Plan, covering different periods, prices and hurdles and with vesting dates up to 01/10/2022.</p> <p>In respect of those securities:</p> <ul style="list-style-type: none"> <li>No payment or other consideration was sought for grant or issue of the PRs, but all PRs were issued subject to satisfaction of vesting conditions.</li> <li>All PRs were issued with shareholder approval.</li> <li>All PRs were issued with a nil exercise price upon vesting.</li> <li>713,286 of the PRs have vested and have been exercised.</li> <li>522,589 of the PRs remain on issue subject to vesting.</li> </ul>
<b>Other information</b>	<p>Details of any securities issued under the Plan will be published in the Company's annual report relating to the period in which they are issued, along with a statement that approval for the issue was obtained under listing rule 10.14.</p> <p>Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the Plan after Resolution 3 is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.</p>

**Recommendation:** The Board (with Mr Caruso abstaining) believes that the proposed issue of Performance Rights to Mr Caruso or his nominee is in the best interest of the Company and unanimously recommends that shareholders vote in favour of Resolution 3.

#### **Resolution 4 – Approve Additional 10% Placement Capacity under LR 7.1A**

##### **a) 15% Placement Capacity**

ASX Listing Rule (**LR**) 7.1 sets an aggregate limit on the number of equity securities a listed entity can issue over any 12 month period without security holder approval. This limit, broadly equivalent to 15% of the entity's fully paid ordinary issued capital, is often referred to as the entity's **15% Placement Capacity**. The 15% Placement Capacity under LR 7.1 is available to all listed entities, and is automatically replenished every 12 months on a rolling basis. There are no conditions on the type of equity securities that can be issued under a listed entity's 15% Placement Capacity or the price at which they can be issued.

##### **b) Additional 10% Placement Capacity**

LR 7.1 operates subject to LR 7.1A, which was introduced in 2012 to make it easier for small to mid-cap entities to raise additional equity capital. LR 7.1A allows an eligible entity to obtain at its annual general meeting (**AGM**) shareholder approval by special resolution (**LR 7.1A Mandate**) to have additional placement capacity broadly equivalent to 10% of its fully paid ordinary issued capital (**Additional 10% Placement Capacity**).

##### **c) LR 7.1A Mandate**

By comparison to 15% Placement Capacity under LR 7.1, Additional 10% Placement Capacity is only available to an eligible entity with an LR 7.1A Mandate.

The LR 7.1 Mandate expires on the first to occur of:

- a) The date that is 12 months after the date of the AGM at which the approval is obtained.
- b) The time and date of the entity's next AGM.
- c) The time and date of security holder approval of a transaction under LR 11.1.2 (significant change in the nature or scale of activities) or 11.2 (disposal of main undertaking).

There are also constraints on the type of equity securities that can be issued, the consideration for which they can be issued and the price at which they can be issued under an LR 7.1A Mandate.

##### **d) Eligible entity**

An entity is eligible for the purposes of LR 7.1A if the entity is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, based on the closing price of the entity's quoted securities on the securities trading day (**Trading Day**) before the AGM. For illustrative purposes only, it is noted that on 8 October 2020 the market capitalisation of the Company's 105,169,542 issued ordinary Shares is \$89,394,111 based on the Trading Price of \$0.85 at closing on that date. The Company is not included in the S&P/ASX300 Index on the date of this Notice of Meeting and the Company does not anticipate that it will be included in the S&P/ASX300 Index on the date of the AGM. On this basis, the Company anticipates being an eligible entity for the purposes of LR 7.1A on the date of the AGM.

##### **e) Shareholder approval required**

The Company seeks shareholder approval by special resolution for an LR 7.1A Mandate to issue equity securities under Additional 10% Placement Capacity. The number and issue price of equity securities to be issued under Additional 10% Placement Capacity will be

determined in accordance with the formula prescribed in LR 7.1A.2 (see paragraphs f) & g) below).

As the Company continues to execute on its growth strategy it will actively pursue opportunities across both operating divisions of the business. The Company may rely on Additional 10% Placement Capacity to help in funding acquisition of new assets or investments to support the growth strategy by issuing Shares for cash consideration.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

**f) Type of securities that may be issued and minimum issue price**

Any equity securities issued under Additional 10% Placement Capacity must be:

- a) in the same class as an existing quoted class of equity securities of the Company; and
- b) issued for cash consideration per security which is not less than 75% of the volume weighted average market price (VWAP) for securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:
  - i. the date on which the price at which the securities are to be issued is agreed by the Company and the recipient of the securities; or
  - ii. if the securities are not issued within 10 trading days of the date in paragraph i), the date on which the securities are issued.

**Table 4.1** provides details of the two classes of equity securities that the Company has on issue at the date of this Notice of Meeting, being ordinary Shares quoted on ASX and unquoted Performance Rights.

<b>Table 4.1</b>	
<b>Type of Equity Security</b>	<b>Number on issue</b>
Quoted Shares	105,169,542
Unquoted Performance Rights with a range of vesting conditions and vesting dates and maximum expiry date of 01/10/2022 (see Table 5.1 in this Explanatory Statement)	1,078,604

A description of the Company's unquoted Performance Rights is set out in the sections of this Explanatory Statement dealing with Resolutions 3 and 5.

**g) Formula for calculating Additional 10% Placement Capacity**

An eligible entity that obtains shareholder approval for Additional 10% Placement Capacity at an AGM may issue or agree to issue equity securities under LR 7.1A.2 in the 12 month period after the AGM up to the number of equity securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of ordinary securities in the entity on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in LR 7.2 other than Exception 9, 16 or 17,
- (ii) plus the number of fully paid ordinary securities issued in the 12 months on conversion of convertible securities within LR 7.2 Exception 9 where:
  - (A) the convertible securities were issued or agreed to be issued before the commencement of the 12 months; or
  - (B) the issue of, or agreement to issue, the convertible securities was approved, or taken under ASX Listing Rules to have been approved, under LR 7.1 or 7.4;
- (iii) plus the number of fully paid ordinary securities issued in the 12 months under an agreement to issue securities within LR 7.2 Exception 16 where:
  - (A) the agreement was entered into before the commencement of the 12 months; or
  - (B) the agreement or issue was approved, or taken under ASX Listing Rules to have been approved, under LR 7.1 or 7.4;
- (iv) plus the number of any other fully paid ordinary securities issued in the 12 months with approval under LR 7.1 or 7.4;
- (v) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (vi) less the number of fully paid ordinary securities cancelled in the 12 months.

*Note: 'A' has the same meaning in LR 7.1 when calculating an entity's 15% Placement Capacity.*

**D** is 10%

**E** is the number of equity securities issued or agreed to be issued under LR 7.1A.2 in the 12 months before the date of the issue or agreement to issue where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under LR 7.4.

#### **h) Interaction of Listing Rule 7.1 and Listing Rule 7.1A**

Additional 10% Placement Capacity under LR 7.1A is in addition to the Company's 15% Placement Capacity under LR 7.1, so Resolution 4, if approved, will allow the Directors to issue equity securities under LR 7.1A during the 10% Placement Period without using the Company's 15% Placement Capacity under LR 7.1.

At the date of this Notice of Meeting, the Company has on issue 105,169,542 Shares and has capacity to issue:

- (a) 15,539,605 equity securities under its 15% Placement Capacity; and
- (b) 10,516,954 equity securities under its Additional 10% Placement Capacity approved at the Company's 2019 AGM.

The actual number of equity securities that the Company will have capacity to issue under LR 7.1A, if Resolution 4 is approved, will be calculated at the date of issue of the equity



securities in accordance with the formula prescribed in LR 7.1A.2 (refer to paragraph g) above).

#### i) Potential Dilution

If Resolution 4 is approved by shareholders and the Company issues Shares under Additional 10% Placement Capacity, existing shareholders face a risk of voting power dilution and may face a risk of economic dilution.

**Table 4.2** illustrates the potential extent of voting power dilution and presents a range of scenarios illustrating potential economic dilution.

The risk of economic dilution to existing ordinary security holders includes:

- (a) the risk that the market price of the Company's Shares may be significantly lower on the date that Shares are issued, or agreed to be issued, under Additional 10% Placement Capacity, than it was on the date of the AGM; and
- (b) the risk that the Company may issue or agree to issue Shares under Additional 10% Placement Capacity at a discount to the market price of the Company's Shares on the date of issue (or agreement to issue).

For holders of Performance Rights, similar dilution may occur if their Performance Rights vest and they receive Shares.

The hypothetical scenarios in Table 4.2 show the amount of additional capital that the Company would raise and the potential dilution of existing shareholders where:

- The number of new Shares issued under Additional 10% Placement Capacity is:
  - 10% of Variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice of Meeting (**Current Variable "A"**);
  - 10% of a Variable "A" which is 50% greater than Current Variable "A"; and
  - 10% of a Variable "A" which is 100% greater than Current Variable "A".
- The Issue Price of new Shares issued under Additional 10% Placement Capacity is:
  - equal to the Share price at the date of this Notice of Meeting (**Current Share Price**, being \$0.85 per Share);
  - equal to a Share price that has fallen 50% below Current Share Price; and
  - equal to a Share price that has risen 100% above Current Share Price.

<b>Table 4.2</b>		<b>potential dilution of existing Shares by new issue under Additional 10% Placement Capacity</b>		
<b>Number of Shares</b>		<b>Issue Price</b>	<b>Issue Price</b>	<b>Issue Price</b>
<b>Determined by Variable "A" in Listing Rule 7.1A.2</b>		<b>50% fall in Share Price</b>	<b>Current Share Price at 08/10/2020</b>	<b>100% rise in Share Price</b>
		\$0.425	\$0.85	\$1.70
<b>Current Variable "A"</b>	new Shares issued	10,516,954	10,516,954	10,516,954

105,169,542	voting power dilution	10%	10%	10%
Shares	additional capital raised	\$4,469,705	\$8,939,411	\$17,878,822
<b>50% increase in current Variable "A"</b>	new Shares issued	15,775,431	15,775,431	15,775,431
157,754,313	voting power dilution	10%	10%	10%
Shares	additional capital raised	\$6,704,558	\$13,409,116	\$26,818,233
<b>100% increase in current Variable "A"</b>	new Shares issued	21,033,908	21,033,908	21,033,908
210,339,084	voting power dilution	10%	10%	10%
Shares	additional capital raised	\$8,939,411	\$17,878,822	\$35,757,644

Assumptions relevant to Table 4.2:

- (1) Number of additional Shares issued under Listing Rule 7.1A is equal to 10% of the Company's existing Shares at date of issue.
- (2) No Options are exercised before the date of issue of additional Shares under Listing Rule 7.1A. The Company currently has no Options on issue other than the Performance Rights.
- (3) No Performance Rights vest and are exercised before date of issue of additional Shares under Listing Rule 7.1A. The Company currently has 1,078,604 Performance Rights on issue.
- (4) The 10% voting dilution reflects the aggregate percentage dilution of the Company's issued share capital at date of issue. This is why the voting dilution is shown in each example as 10%.
- (5) The dilution of any particular shareholder's voting power may vary from the aggregate percentage dilution if the shareholder participates in the issue of additional Shares under the Additional 10% Placement Facility.
- (6) The table shows only the effect of an issue of Shares under the Additional 10% Placement Capacity, and does not attempt to show the effect of an issue of equity securities (which may be Shares or Performance Rights or other options) under the 15% Placement Capacity (as well or instead).
- (7) The three hypothetical Issue Price scenarios are based on the Current Share Price of \$0.85 being the closing price of Shares on ASX on 8 October 2020. The alternative scenarios are purely illustrative of an issue price range, and do not reflect any other assumption such as the discount to market price of up to 25% at which Shares may be issued under Additional 10% Placement Capacity.

- (8) 'A' is the current number of Shares on issue and assumes full placement capacity is available.

**j) Potential purposes of Share issues under Additional 10% Placement Capacity**

The Company may seek to issue equity securities for cash consideration to provide additional capital that may be applied towards acquisition of new assets or investments (including expenses associated with such an acquisition) or may supplement the Company's current assets and/or general working capital.

**k) Disclosure and Allocation**

ASX Listing Rules require the Company, when issuing equity securities under Additional 10% Placement Capacity, to:

- a) state in its announcement of the proposed issue or in its application for quotation of the securities that the securities are being issued under LR 7.1A; and
- b) give to ASX immediately after the issue (not for release to market) a list of names of the persons to whom the Company issued the equity securities and the number of equity securities issued to each.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to Additional 10% Placement Capacity. The identity of the participants in any issue will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- (1) the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the equity securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

Participants or potential participants in any issue under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include some existing shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

**l) Other information**

**Table 4.3** sets out the information required by ASX Listing Rule 7.3A.6.

<b>Table 4.3</b>	<b>Information required by LR 7.3A.6</b>
<b>equity securities issued or agreed to be issued under Additional 10% Placement Capacity in the 12 months preceding date of 2020 AGM</b>	
Number of equity securities issued	zero
Type of equity securities issued	N/A
Persons to whom equity securities issued	N/A
Price at which equity securities were issued	N/A
Use of Funds	N/A

**Recommendation:** The Board believes that renewal of Additional 10% Placement Capacity is in the best interest of the Company and unanimously recommends that shareholders vote in favour of Resolution 4.

## **Resolution 5 – Approve future issues of securities under Employee Performance Rights Plan**

The Company seeks shareholder approval under exception 13(b) in ASX Listing Rule 7.2 (**LR 7.2 Exception 13(b)**) for the Company's Employee Performance Rights Plan (**Plan**) and for future issues of securities under the Plan. The Plan is an employee incentive scheme under ASX Listing Rules.

Information about the Company's **15% Placement Capacity** under LR 7.1 and its proposed **Additional 10% Placement Capacity** under LR 7.1A is set out in the section of this Explanatory Statement dealing with Resolution 4.

An issue of a listed entity's equity securities under an employee incentive scheme falls within an exception to LR 7.1 and 7.1A - and therefore the issue of those securities does not count towards the entity's 15% Placement Capacity, or its Additional 10% Placement Capacity (if any) and does not require separate approval under LR 7.1 or 7.1A – if, *within 3 years before the issue date*, the entity's security holders approved the future issue of equity securities under the scheme under LR 7.2 Exception 13(b).

In the absence of shareholder approval under LR 7.2 Exception 13(b), a listed entity can still issue equity securities under an employee incentive scheme, but each issue must fall within and be permitted by the entity's 15% Placement Capacity at time of issue.

Importantly, neither 15% Placement Capacity nor security holder approval under LR 7.2 Exception 13(b) operates in respect of any proposed issue of equity securities to a Director, which must be separately approved under LR 10.14 (see information provided for Resolution 3).

As required for shareholder approval under LR 7.2 Exception 13(b), this Notice of Meeting and Explanatory Statement provides:

- a summary of the terms of the Plan;
- the number of securities issued under the Plan since the date of the last approval under LR 7.2 Exception 13(b);
- the maximum number of equity securities proposed to be issued under the Plan following the approval; and
- a voting exclusion statement.

## **Background**

In 2010, before the Company was listed on ASX, shareholders adopted the Plan, and shareholder approval was renewed for another three years under LR 7.2 Exception 13(b) at the Company's 2012 and 2015 AGMs.

The three year currency of the 2015 AGM approval of the Plan expired on 16 November 2018. The purpose of Resolution 5 is to renew shareholder approval of the Plan under LR 7.2 Exception 13(b) for another three years.

## **Purpose of Issue of Securities**

The Plan supports the Company's remuneration policy of providing effective long-term incentives for performance of the Company's staff. The broad purpose for issuing securities under the Plan is to enable the Company to attract and retain highly skilled management, employees and consultants, to align their incentives with the interests of shareholders, and to

motivate management to increase shareholder value and the Company's share price for the benefit of all shareholders.

The Board considers the ability to issue securities under the Plan will enhance the attractiveness of the Company to key personnel and therefore have a positive effect on the Company's ability to retain those personnel over the medium to long term. The Board wishes to encourage key personnel to participate in the Plan on the basis that they can share in the growth of the Company they are working to grow.

Issues under the Plan will provide Performance Rights to Eligible Participants with the intent of rewarding performance and superior shareholder returns. Under the Plan, an Eligible Participant may be granted Performance Rights that only vest if the Company-wide performance measures are achieved and the Eligible Participant remains employed by the Company.

Subject to satisfaction of the vesting conditions attached to the Performance Rights, each Performance Right will give the holder a right to receive one ordinary Share without further consideration or payment.

Participation in the Plan is at the discretion of the Board and no Eligible Participant has a contractual right to receive a Performance Rights under the Plan.

### **Reasons for seeking shareholder approval**

The Board intends to make regular grants of Performance Rights under the Plan, including in the current year, and seeks renewal of shareholder approval for the Plan and for issues under the Plan in accordance with a policy of transparency in executive remuneration.

The Board also seeks shareholder approval under LR 7.2 Exception 13(b) to assist in efficient management of the Company's capital requirements by ensuring that the Company's 15% Placement Capacity is not diminished by issues of Performance Rights and is available for capital management initiatives, if necessary.

### **Plan terms**

A summary of the terms and conditions of the Plan is set out in Annexure A to this Explanatory Statement.

A copy of the Plan is available at the Company's website, [www.mastermyne.com.au](http://www.mastermyne.com.au) under the "Investors" tab, or by calling the Company on 07 4963 0400.

As at the date of this Notice, the Company's Managing Director, Mr Tony Caruso, is the only Director eligible to participate in the Plan.

### **Number of securities issued under the Plan since last shareholder approval under LR 7.2 Exception 13(b)**

Mastermyne shareholders last approved the Plan and future issues of Performance Rights under the Plan under LR 7.2 Exception 13(b) at the AGM held on 16 November 2015. That approval ceased to operate in respect of new issues under the Plan after 16 November 2018.

**Table 5.1** sets out number of equity securities issued under the Plan (all of which were Performance Rights) since 16 November 2015, and the basis on which they were issued under ASX Listing Rules. Of the 2,348,290 Performance Rights issued in that period:

- No payment or other consideration was sought for grant or issue of the Rights, but all Rights were issued subject to satisfaction of vesting conditions.
- All Rights were issued with a nil exercise price upon vesting.

- 1,195,449 of the Rights have vested and have been exercised.
- 74,237 of the Rights have been forfeited.
- 1,078,604 of the Rights remain on issue subject to vesting.

Table 5.1 equity securities issued under the Plan since last shareholder approval under LR 7.2 Exception 13(b)						
Type of Performance Right	Grant Date	Vesting Date	Total Rights	Participants	note	
FY 2020	21/11/2019	1/10/2022	147,893	Managing Director	1	
FY 2020	21/11/2019	1/10/2022	235,826	execs other than MD	2	
FY 2019	21/11/2018	1/10/2021	117,959	Managing Director	1	
FY 2019	21/11/2018	1/10/2021	135,152	execs other than MD	2	
FY 2018	21/11/2017	1/10/2020	256,737	Managing Director	1	
FY 2018	21/11/2017	1/10/2020	259,274	execs other than MD	3	
FY 2017	15/11/2016	1/10/2019	365,850	Managing Director	1	
FY 2017	15/11/2016	1/10/2019	251,650	execs other than MD	3	
FY 2016	21/01/2016	1/10/2018	347,436	Managing Director	1	
FY 2016	21/01/2016	1/10/2018	230,513	execs other than MD	3	
total to MD			1,235,876	Managing Director		
total to other execs			1,112,417	execs other than MD		
Total issued			2,348,290			
note 1	Performance Rights issued to MD each year only after shareholder approval under LR 10.14 at AGM					
note 2	Performance Rights issued to other execs under the Company's 15% Placement Capacity					
note 3	Performance Rights issued to other execs under 3 year shareholder approval under LR 7.2 Exception 13(b) at 2015 AGM					

### Maximum number of equity securities to be issued under the Plan

The terms of the Plan provide that Mastermyne may not grant Performance Rights where the Shares that may be issued under the Performance Rights would, together with issues under any other employee incentive scheme during the previous 3 years (excluding offers made under a prospectus or that were exempt from prospectus disclosure), exceed 5% of Mastermyne's total issued ordinary Shares.

No loan has been provided to any participant (or their nominee) in relation to an issue of Performance Rights, or an issue of Shares on exercise of vested Performance Rights.

**Recommendation:** The Board (with Mr Caruso, the only executive director of the Company and the only Director eligible to participate in the Plan, abstaining) believes that approval of the Plan and for future issues of securities under the Plan is in the best interest of the Company and unanimously recommends that shareholders vote in favour of Resolution 5.

## **Resolution 6 – Approve proposed increase in non-executive directors’ fee pool**

Resolution 6 seeks an increase in the maximum aggregate amount that the Company can pay to the non-executive directors for their services as directors from \$300,000 per annum to \$500,000. Under rule 61.2 of the Company’s constitution and ASX Listing Rule 10.17, the increase must be approved by shareholders in general meeting. The limit does not apply to executive director remuneration. Non-executive directors do not receive performance-based remuneration and no securities have been issued to any non-executive director under ASX Listing Rule 10.11 or 10.14 within the last three years. The Fee Pool has not been increased since the Company first listed on ASX in 2010.

The Directors are seeking shareholder approval to increase the Fee Pool for the following reasons:

- a) to ensure that the Fee Pool can accommodate payment of fees to any additional non-executive directors appointed to the Board. The Directors continue to review the size and composition of the Board. The increase in the Fee Pool will provide the Board with the ability to appoint additional directors with the requisite skills and experience as appropriate; and
- b) to enable the Company to maintain remuneration arrangements that are market-competitive, so it can attract and retain high calibre individuals as non-executive directors.

The level of Non-Executive Directors’ remuneration is reviewed annually to ensure alignment with the market. The Directors are satisfied that the proposed Fee Pool will be within the average bands applying to companies within the Company’s industry that are of similar size, profitability, growth and risk profiles and that the proposed increase is appropriate for the reasons set out above.

The Board intends to review and revise director fees to ensure market competitiveness for non-executive directors, and considering the recent growth and strategy of the company. The Board does not, however, intend to pay the full amount of the increase in the short to medium term.

Details of the directors’ remuneration for the period ended 30 June 2020 are contained in the Remuneration Report.

**Recommendation:** As Resolution 6 relates to remuneration of Directors, the Board makes no recommendation in relation to this resolution.



## MASTERMYNE GROUP LIMITED

ACN 142 490 579

### 2020 ANNUAL GENERAL MEETING

#### SHAREHOLDER QUESTIONS

Your concerns as Shareholders are important to the Company's Directors.

Shareholders who do not attend the 2020 AGM, or who prefer to submit questions or comments for the Directors or the Auditor in advance of the Meeting, can submit questions and comments to the Meeting *online* via the Company's share registry website, or on the Question Form that accompanies the Notice of Meeting.

To submit questions and comments online Shareholders must:

- login via [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) by entering details of their shareholding,
- then select *Voting*, and
- then select *Ask a Question*.

Alternatively, Shareholders can put their questions and comments on the accompanying Question Form and return it to the share registry.

In either case, please submit questions and comments to the share registry by *11:00am (Queensland time) on Tuesday, 10 November 2020*. This will allow time for the Company to collate questions and prepare answers.

During the Meeting, the Chair of the Meeting will endeavour to address as many as possible of the more frequently raised shareholder topics and, where appropriate, will give a representative of Pitcher Partners, the Company's Auditor, opportunity to answer written questions submitted to the Auditor. However, there may not be sufficient time available at the Meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

Questions and comments that you ask the Directors to respond to at the 2020 AGM should relate to matters that are relevant to the business of the meeting, as outlined in the Notice of Meeting and Explanatory Statement.

You may also submit written questions to the Company's Auditor if the questions are relevant to the content of the Auditor's report, or the conduct of the audit of the Company's Annual Financial Report for the year ended 30 June 2020.

In accordance with the Corporations Act 2001 (Cth), shareholders as a whole will be given reasonable opportunity at the AGM to ask:

- the Directors questions about, or make comments on, the management of the Company and the Annual Financial Report, including the Remuneration Report; and
- the Company's Auditor questions relevant to 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.

**MASTERMYNE GROUP LIMITED**

ACN 142 490 579

**2020 ANNUAL GENERAL MEETING**

**Explanatory Statement**

**Annexure "A"**

**Summary of the terms of the 2015 Employee Performance Rights Plan (Plan) proposed to be approved under Resolution 5**

1. Under the Plan, the Board may grant Performance Rights to employees (including executive directors) of Mastermyne and its related bodies corporate and to other persons determined by the Board.
2. The Board may determine the number of any Performance Rights to be granted under the Plan, as well as the vesting conditions, exercise price (if any), exercise period (if any), lapsing conditions, disposal restrictions and other terms applicable to the Performance Rights.
3. Each performance right which has vested and not lapsed or expired entitles the participating employee to one fully paid ordinary Share in Mastermyne. Subject to the terms of grant, Mastermyne may issue new Shares or arrange a transfer or purchase of existing Shares.
4. Shares may be subject to disposal restrictions determined by the Board at the time of grant.
5. Unless the Board determines otherwise, Performance Rights will expire if:
  - a. the vesting conditions have not been satisfied at the end of the vesting period;
  - b. the Performance Rights have not vested and the employee ceases to be employed by Mastermyne or a related body corporate of Mastermyne, subject to the terms on which the Performance Rights are granted; or
  - c. the employee purports to transfer or encumber their Performance Rights without the consent of the Board.
6. Performance Rights do not carry entitlements to participate in new issues of securities made by Mastermyne. However, subject to the Listing Rules, adjustments may be made to the number of Shares to which the Performance Rights relate and/or the exercise price to take into account changes to the capital structure of Mastermyne that occur by way of a pro rate issue or bonus issue.
7. In any reconstruction of Mastermyne's capital, Performance Rights may be adjusted in a similar way as applies to options under the Listing Rules.
8. If there is a change of control of Mastermyne, Performance Rights will vest on a pro rata basis according to the time period over which they would otherwise vest. Where performance conditions apply to vesting, the Board may determine that a lesser number of Performance Rights will vest having regard to the performance conditions.
9. Mastermyne may not grant Performance Rights where the ordinary Shares that may be issued under the Performance Rights would, together with Shares issued by Mastermyne under any other employee or non-executive share or option scheme during the previous 3 year period (disregarding offers that were made under a prospectus or that do not need disclosure under section 208 of the Corporations Act) exceed 5% of Mastermyne's total issued ordinary Shares.


10. A copy of the Plan is available on the Company's website, [www.mastermyne.com.au](http://www.mastermyne.com.au) under the "Investors" tab, or by calling the Company on +61 7 4963 0400.


## LODGE YOUR VOTE

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
Mastermyne Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



**X99999999999**


## VOTING FORM

I/We being a member(s) of Mastermyne Group Limited and entitled to attend and vote hereby appoint:

**STEP 1** Please mark either A or B

### A VOTE DIRECTLY

☐ elect to lodge my/our vote(s) directly (mark box)

 in relation to the Annual General Meeting of the Company to be held at **11:00am (Queensland time), Tuesday, 17 November 2020**, and at any adjournment or postponement of the Meeting. You should mark either "for" or "against" for each item. Do not mark the "abstain" box.

OR

### B APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (Queensland time) on Tuesday, 17 November 2020 at the Company's Registered Office, Level 1, 45 River Street, Mackay, Queensland** or online at <https://agmlive.link/MYE20> (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1, 3, 5 and 6:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 3, 5 and 6, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

## VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approve future issues of securities under Employee Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-elect Mr Colin Bloomfield as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approve proposed increase in Non-Executive Directors' annual fee pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approve proposed issue of performance rights to Managing Director or Nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approve additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

**STEP 2**

## SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, all shareholders must sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**STEP 3**

**MYE PRX2001G**



## HOW TO COMPLETE THIS SHAREHOLDER VOTING FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### VOTING UNDER BOX A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either **"for"** or **"against"** for each item. Do not mark the **"abstain"** box. If you mark the **"abstain"** box for an item, your vote for that item will be invalid.

If no direction is given on all of the items, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

Custodians and nominees may, with the Share Registrar's consent, identify on the Voting Form the total number of votes in each of the categories **"for"** and **"against"** and their votes will be valid.

If you have lodged a direct vote, and then you attend the Meeting, your attendance will cancel your direct vote.

The Chairman's decision as to whether a direct vote is valid is conclusive.

### VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Voting Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Voting Form and the second Voting Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (Queensland time) on Sunday, 15 November 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Voting Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Voting Form).



#### BY MAIL

Mastermyne Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
  
or  
  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

## LODGE YOUR QUESTIONS



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Mastermyne Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000



### ALL ENQUIRIES TO

Telephone: +61 1300 554 474



**X99999999999**

Please use this form to submit any questions about Mastermyne Group Limited ("the Company") that you would like us to respond to at the Company's 2020 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Company's auditor it should be relevant to the content of the auditor's report, or the conduct of the audit of the financial report.

This form must be received by the Company's share registrar, Link Market Services Limited, by **Tuesday, 10 November 2020**.

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible and, where appropriate, will give a representative of the Company's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

#### My question relates to *(please mark the most appropriate box)*

☐

Performance or financial reports

☐

A resolution being put to the AGM

☐

General suggestion

☐

Remuneration Report

☐

Sustainability/Environment

☐

Other

☐

My question is for the auditor

☐

Future direction


☐

Performance or financial reports

☐

A resolution being put to the AGM

☐

General suggestion

☐

Remuneration Report

☐

Sustainability/Environment

☐

Other

☐

My question is for the auditor

☐

Future direction


QUESTIONS

# Virtual Meeting Online Guide

## Before you begin

Ensure your browser is compatible.  
Check your current browser by going to the website: **[whatismybrowser.com](http://whatismybrowser.com)**

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Supported browsers are:

- Chrome – Version 44 & 45 and after
- Firefox – 40.0.2 and after
- Safari – OS X v10.9 & OS X v10.10 and after
- Internet Explorer 9 and up

**To attend and vote you must have your securityholder number and postcode.**

Appointed Proxy: Your proxy number will be provided by Link before the meeting.

**Please make sure you have this information before proceeding.**



# Virtual Meeting Online Guide

A screenshot of the LINK Group registration form. The form is titled "Please register your details to participate" and includes fields for Full Name, Mobile (e.g. 022 123 1234), Email, and Company Name. Below these fields is a checkbox for "I have read and accept the Terms & Conditions" and a red button labeled "REGISTER AND WATCH AGM". A small text at the bottom indicates a Help Number: 1800 999 343.

## Step 1

Open your web browser and go to <https://agmlive.link/MYE20> and select the relevant meeting.

## Step 2

Log in to the portal using your full name, mobile number, email address, and company name (if applicable).

Please read and accept the terms and conditions before clicking on the blue **'Register and Watch Meeting'** button.

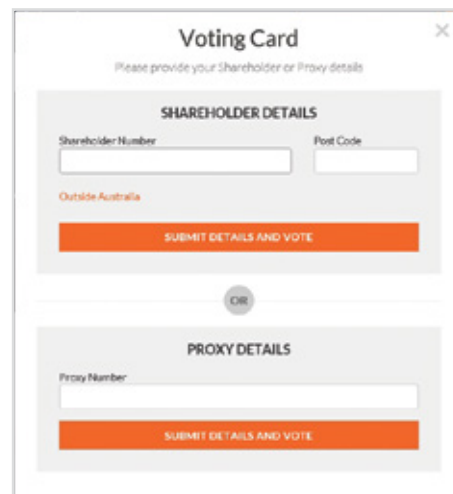
- On the left – a live video webcast of the Meeting
- On the right – the presentation slides that will be addressed during the Meeting
- At the bottom – buttons for 'Get a Voting Card', 'Ask a Question' and a list of company documents to download

**Note:** If you close your browser, your session will expire and you will need to re-register. If using the same email address, you can request a link to be emailed to you to log back in.

## 1. Get a Voting Card

To register to vote – click on the 'Get a Voting Card' button.

This will bring up a box which looks like this.

A screenshot of the "Voting Card" registration form. The form is titled "Voting Card" and includes a sub-header "Please provide your Shareholder or Proxy details". It has two sections: "SHAREHOLDER DETAILS" with fields for Shareholder Number and Post Code, and "PROXY DETAILS" with a field for Proxy Number. Both sections have a red button labeled "SUBMIT DETAILS AND VOTE". There is an "OR" button between the two sections.

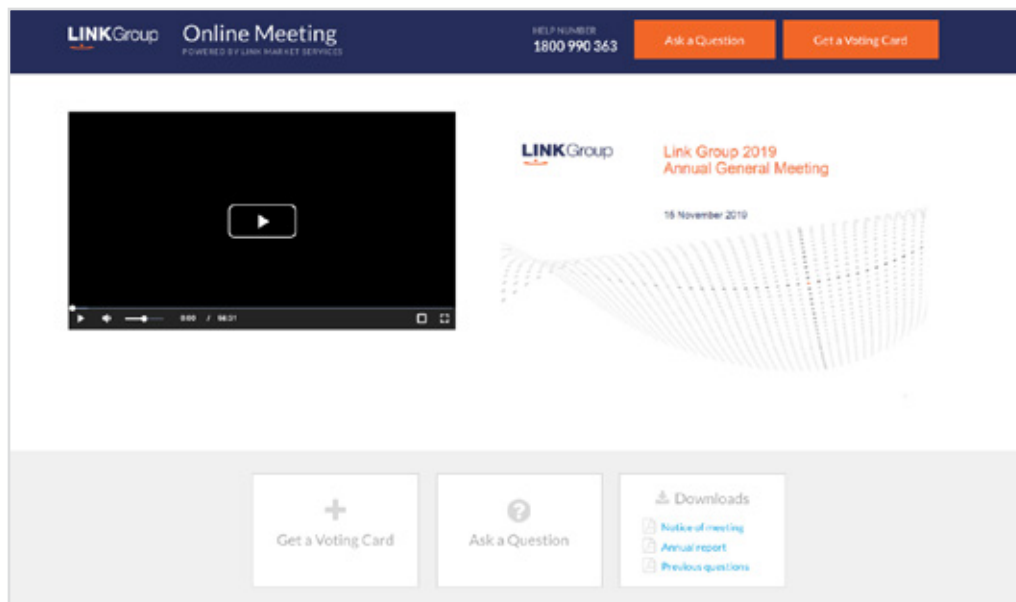
If you are an individual or joint securityholder you will need to register and provide validation by entering your securityholder number and postcode.

If you are an appointed Proxy, please enter the Proxy Number issued by Link in the PROXY DETAILS section. Then click the **'SUBMIT DETAILS AND VOTE'** button.

Once you have registered, your voting card will appear with all of the resolutions to be voted on by securityholders at the Meeting (as set out in the Notice of Meeting). You may need to use the scroll bar on the right hand side of the voting card to view all resolutions.

Securityholders and proxies can either submit a Full Vote or Partial Vote.





**Voting Card**

Please complete your vote by selecting the required voting instruction (For, Against or Abstain) for each resolution. If you would like complete a partial vote, please specify the number of votes for each resolution in the Partial Vote section. Proxy holder votes will only be applied to discretionary (undirected) votes. Directed votes will be applied as per the Unitholder's voting instructions.

**Full Vote** **Partial Vote**

**Resolution 2B** ☐ For ☐ Against ☐ Abstain  
RE-ELECTION OF MR. ABC AS A DIRECTOR

**Resolution 2C** ☐ For ☐ Against ☐ Abstain  
RE-ELECTION OF MS. XYZ AS A DIRECTOR

**Resolution 3** ☐ For ☐ Against ☐ Abstain  
INCREASE TO DIRECTORS' MAXIMUM FEE POOL LIMIT

**Resolution 4** ☐ For ☐ Against ☐ Abstain  
ADOPTION OF REMUNERATION REPORT

**SUBMIT VOTE**

## Full Votes

To submit a full vote on a resolution ensure you are in the **'Full Vote'** tab. Place your vote by clicking on the **'For'**, **'Against'**, or **'Abstain'** voting buttons.

## Partial Votes

To submit a partial vote on a resolution ensure you are in the **'Partial Vote'** tab. You can enter the number of votes (for any or all) resolution/s. The total amount of votes that you are entitled to vote for will be listed under each resolution. When you enter the number of votes it will automatically tally how many votes you have left.

**Note:** If you are submitting a partial vote and do not use all of your entitled votes, the un-voted portion will be submitted as No Instruction and therefore will not be counted.

Once you have finished voting on the resolutions scroll down to the bottom of the box and click on the **'Submit Vote'** or **'Submit Partial Vote'** button.

**Note:** You can close your voting card without submitting your vote at any time while voting remains open. Any votes you have already made will be saved for the next time you open up the voting card. The voting card will appear on the bottom left corner of the webpage. The message **'Not yet submitted'** will appear at the bottom of the page.

You can edit your voting card at any point while voting is open by clicking on **'Edit Card'**. This will reopen the voting card with any previous votes made.

Once voting has been closed all voting cards will automatically be submitted and cannot be changed.

At the conclusion of the Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide windows advising the remaining voting time. Please make any changes and submit your voting cards.

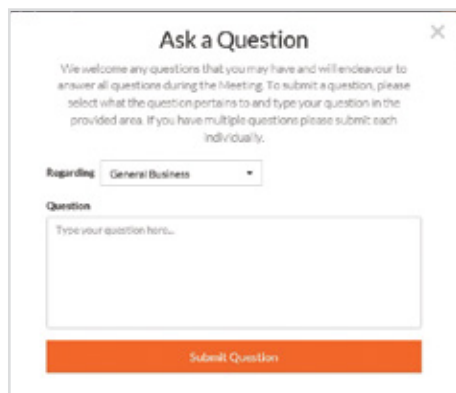
## 2. How to ask a question

**Note:** Only securityholders are eligible to ask questions.

You will only be able to ask a question after you have registered to vote. To ask a question, click on the 'Ask a Question' button either at the top or bottom of the webpage.

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The '**Ask a Question**' box will then pop up with two sections for completion.

A screenshot of a web-based 'Ask a Question' form. The title 'Ask a Question' is at the top with a close button (X). Below the title is a welcome message: 'We welcome any questions that you may have and will endeavour to answer all questions during the Meeting. To submit a question, please select what the question pertains to and type your question in the provided area. If you have multiple questions please submit each individually.' There is a 'Regarding:' section with a dropdown menu currently set to 'General Business'. Below this is a 'Question' section with a text input field containing the placeholder 'Type your question here...'. At the bottom is an orange button labeled 'Submit Question'.

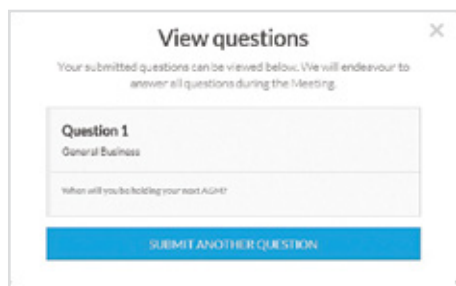
In the '**Regarding**' section click on the drop down arrow and select the category/resolution for your question.

Click in the '**Question**' section and type your question and click on 'Submit'.

A '**View Questions**' box will appear where you can view your questions at any point. Only you can see the questions you have asked.

If your question has been answered and you would like to exercise your right of reply, you can submit another question.

Note that not all questions are guaranteed to be answered during the Meeting, but we will do our best to address your concerns.

A screenshot of a web-based 'View questions' box. The title 'View questions' is at the top with a close button (X). Below the title is a message: 'Your submitted questions can be viewed below. We will endeavour to answer all questions during the Meeting.' There is a section for 'Question 1' with the category 'General Business' and the text 'When will you be holding your next AGM?'. At the bottom is a blue button labeled 'SUBMIT ANOTHER QUESTION'.

## 3. Downloads

View relevant documentation in the Downloads section.

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## Voting closing

Voting will end 5 minutes after the close of the Meeting.

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At the conclusion of the Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide screens advising the remaining voting time. If you have not submitted your vote, you should do so now.

At the close of the meeting any votes you have placed will automatically be submitted.

## Contact us

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