



## Notice of 2022 Annual General Meeting

# NOTICE OF ANNUAL GENERAL MEETING & EXPLANATORY MEMORANDUM

**Date of meeting** – Thursday, 10 November 2022

**Time of meeting** – 10:30 am (Australian Central Daylight Time)

**Place of meeting** – Level 1, 43 Franklin Street, Adelaide

**Webcast** – <https://webcast.openbriefing.com/9082/>

This is an important document. Please read it carefully and in its entirety. If you do not understand it, please consult with your professional advisers.

If you are unable to attend the Annual General Meeting (AGM) in person, please complete the Proxy Form enclosed and return it in accordance with the instructions set out in that form.

The annual report is available online, visit <http://www.cooperenergy.com.au/investor-information/reports>

# Notice of 2022 Annual General Meeting

## Background Information

To assist you in deciding how to vote on the Resolutions, further details as background information to the Resolutions are set out in the Explanatory Notes forming part of this Notice of Meeting.

The Annual General Meeting of Cooper Energy Limited ABN 93 096 170 295 (**Company**) will be held at 10.30 am (ACDT) on Thursday, 10 November 2022 at Level 1, 43 Franklin Street, Adelaide, South Australia.

The AGM will also be webcast live from <https://webcast.openbriefing.com/9082/>. Shareholders can access this platform by navigating to <https://webcast.openbriefing.com/9082/> on any internet browser. Please note, however, that questions and voting will **not** be available through the webcast – please see below further detail on how to ask questions and vote.

Terms used in this Notice and the accompanying Explanatory Notes are defined in the glossary to this document on page 16.

## Business

### Financial Statements and Reports

To receive and consider the Company's Annual Report, Directors' Report (incorporating the Remuneration Report) and Auditor's Report for the financial year ended 30 June 2022.

Note: There is no vote on this item.

## Remuneration Report

### Resolution 1 – Adoption of Remuneration Report

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

*“That the Remuneration Report as set out in the Directors' Report for the financial year ended 30 June 2022 be adopted.”*

**The Board recommends that Shareholders vote in favour of adopting the Remuneration Report.**

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. A voting exclusion for this Resolution is set out under Important Information below.

## Election of Directors

### Resolution 2 – Re-election of Mr John Conde AO as a Director

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

*“That Mr John Conde, a Director of the Company who retires by rotation in accordance with clause 5.1 of the Constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

**The Board (with Mr Conde abstaining) recommends that Shareholders vote in favour of this Resolution.**

### Resolution 3 – Re-election of Mr Hector Gordon as a Director

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

*“That Mr Hector Gordon, a Director of the Company who retires by rotation in accordance with clause 5.1 of the Constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

**The Board (with Mr Gordon abstaining) recommends that Shareholders vote in favour of this Resolution.**

## Proportional takeover provisions

### Resolution 4 – Renewal of proportional takeover provisions

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That pursuant to section 648G of the Corporations Act, the existing proportional takeover approval provision in clause 163 of the Constitution is renewed for a period of three years, commencing on the date of the expiry of the last renewal period for clause 163.”*

**The Board recommends that Shareholders vote in favour of renewing the proportional takeover provisions.**

## Equity Incentive Plan

### Resolution 5 – Approval of Equity Incentive Plan

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

*“That, for the purpose of Listing Rule 7.2 Exception 13(b) and for all other purposes, the Company’s equity incentive plan, as summarised in the Explanatory Notes section of this Notice, and the grant of rights and issues of shares under that plan, be approved.”*

**The Board recommends that Shareholders vote in favour of approving the Equity Incentive Plan.**

Note: A voting exclusion for this resolution is set out under Important Information below.

## Grant of long term incentive to Managing Director under Equity Incentive Plan

### Resolution 6 – Issue of rights to Mr David Maxwell, Managing Director

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

*“That, for the purpose of Listing Rule 10.14 and for all other purposes, the issue to Mr David Maxwell of performance rights and share appreciation rights pursuant to the Company’s equity incentive plan as described in the Explanatory Notes section of this Notice, be approved.”*

**The Board (with Mr Maxwell abstaining) recommends that Shareholders vote in favour of this Resolution.**

Note: A voting exclusion for this Resolution is set out under Important Information below.

By order of the Board



Amelia Jalleh  
**Company Secretary**

10 October 2022

## Important Information

The information set out below forms part of this Notice of Meeting.

### Voting exclusion for Resolution 1

In accordance with section 250R(4) of the Corporations Act, a vote must not be cast, and the Company will disregard any votes cast (regardless of the capacity in which the vote is cast), on Resolution 1 by the Company's Key Management Personnel (**KMP**), as named in the Remuneration Report, or by any Closely Related Party of a member of the KMP.

However, the Company will not disregard a vote if the vote:

- is cast by that person as proxy for a person who is entitled to vote on this Resolution, in accordance with directions on the proxy form; or
- is cast by that person chairing the meeting as proxy for a person who is entitled to vote on this Resolution, and the proxy form expressly authorises the Chairman to exercise the undirected proxy as the Chairman decides.

If you appoint the Chairman as your proxy on this Resolution 1 and the proxy is not directed, you expressly authorise the Chairman to cast your vote on this Resolution.

**The Chairman intends to vote all available proxies including undirected proxies in favour of Resolution 1.**

### Voting exclusion for Resolution 5

In accordance with the Listing Rules, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person who is eligible to participate in the Company's equity incentive plan, or any of their Associates.

However, the Company will not disregard a vote cast in favour of Resolution 5 by:

- a person as proxy or attorney for another person who is entitled to vote on Resolution 5, in accordance with the directions given to the proxy or attorney to vote on Resolution 5 in that way; or
- the Chairman of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with a direction given to the Chairman to vote on Resolution 5 as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that they are not excluded from voting, and they are not an Associate of a person excluded from voting, on Resolution 5; and
  - the holder votes on Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, and the Company will disregard any votes cast, on Resolution 5, if the person is either:

- a member of the KMP of the Company, as named in the Remuneration Report; or
- a Closely Related Party of a member of the KMP acting as a proxy,

and the appointment does not specify the way the proxy is to vote on Resolution 5.

If you appoint the Chairman as your proxy on Resolution 5 and the proxy is not directed, you expressly authorise the Chairman to cast your vote on this Resolution.

**The Chairman intends to vote all available proxies including undirected proxies in favour of Resolution 5.**

## Voting exclusion for Resolution 6

In accordance with the Listing Rules, the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of Mr David Maxwell and any of his Associates (and any other person referenced in Listing Rule 10.14 who is eligible to participate in the Equity Incentive Plan).

However, the Company will not disregard a vote cast in favour of Resolution 6 by:

- a person as proxy or attorney for another person who is entitled to vote on Resolution 6, in accordance with the directions given to the proxy or attorney to vote on Resolution 6 in that way; or
- the Chairman of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with a direction given to the Chairman to vote on Resolution 6 as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that they are not excluded from voting, and they are not an Associate of a person excluded from voting, on Resolution 6; and
  - the holder votes on Resolution 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, and the Company will disregard any votes cast, on Resolution 6, if the person is either:

- a member of the KMP of the Company, as named in the Remuneration Report; or
- a Closely Related Party of a member of the KMP acting as a proxy,

and the appointment does not specify the way the proxy is to vote on Resolution 6.

If you appoint the Chairman as your proxy on Resolution 6 and the proxy is not directed, you expressly authorise the Chairman to cast your vote on this Resolution.

**The Chairman intends to vote all available proxies including undirected proxies in favour of Resolution 6.**

## Entitlement to vote

For the purpose of voting at the AGM, shares in the Company will be taken to be held by the persons who are registered as Shareholders in the Company at 6.30 pm (ACDT) on Tuesday, 8 November 2022.

## Voting in person

All Resolutions will be voted on by poll.

Please arrive at the venue 15 minutes before the start of the AGM so the Company may check each shareholding against the Share Register and note attendances.

## Voting by proxy

A proxy form accompanies this Notice. A Shareholder who is entitled to vote at the AGM may appoint not more than two people as proxy to vote in the Shareholder's place. The proxy need not be a Shareholder. A Shareholder that appoints two proxies may specify the proportion or number of votes each proxy may exercise, failing which each proxy may exercise half the Shareholder's votes.

If the proxy chooses to vote, the proxy must vote in accordance with the directions on the proxy form. If a Shareholder does not indicate on the proxy form the manner in which the proxy is to vote, the proxy may vote as he or she thinks fit.

To vote by proxy, the proxy form (together with the original or certified copy of any power of attorney or other authority under which the form is signed, if any) must be received at the Share Registrar no later than 10.30am (ACDT) on Tuesday, 8 November 2022 via any of the following methods:

**Proxy Forms received after this time will not be valid for the purposes of the AGM.**

**Online:** [www.investorvote.com.au](http://www.investorvote.com.au)

**By mobile:**

Scan the QR Code on your proxy form and follow the prompts.

**By post:**

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne Victoria 3001

**By facsimile (within Australia):**

1800 783 447

**By facsimile (outside Australia):**

+61 3 9473 2555

For Intermediary Online subscribers only (custodians): Visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

## Voting by corporate representative

A body corporate Shareholder may appoint an individual as a corporate representative to vote at the AGM. Corporate representatives must lodge a certificate of appointment with the Company and/or the Share Registrar before the AGM. Certificates of appointment of corporate representatives are available on request by contacting the Share Registrar on 1300 655 248 (within Australia) or +61 3 9415 4887 (outside Australia).

## Questions from Shareholders

The Chairman will allow a reasonable opportunity for Shareholders at the AGM:

- to ask questions about the management and performance of the Company; and
- to ask the auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditors in relation to the conduct of the audit.

Shareholders may submit written questions (including questions to the auditors relevant to the content of the Auditor's Report or the conduct of the audit of the Annual Report) by no later than 10.30am (ACDT) on Thursday, 3 November 2022 via any of the following:

**By post:**

Attention: Company Secretary  
GPO Box 1819, Adelaide  
South Australia 5001

**By facsimile (within Australia):**

08 8100 4997

**By facsimile (outside Australia):**

+61 8 8100 4997

**By email:**

[customerservice@cooperenergy.com.au](mailto:customerservice@cooperenergy.com.au)

## Enquiries

Shareholders are invited to contact the Company Secretary, Ms Amelia Jalleh on +61 8 8100 4900 or [customerservice@cooperenergy.com.au](mailto:customerservice@cooperenergy.com.au) if they have any queries in respect of the matters set out in these documents.



## Explanatory Notes

These Explanatory Notes form part of this Notice of Meeting.

### 1. Financial Statements and Reports

The Corporations Act requires the Company's Annual Report, the Directors' Report (incorporating the Remuneration Report), and the Auditor's Report to be received and considered at the AGM. The Corporations Act does not require Shareholders to vote on these reports.

An electronic copy of the Company's Annual Report is available on the Company's website:  
<http://www.cooperenergy.com.au/investor-information/reports>.

The 2022 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy.

### 2. Resolution 1 – Adoption of Remuneration Report

The Remuneration Report is set out on pages 75 to 97 of the 2022 Annual Report.

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for adoption. The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration practices and policies.

Shareholders should also note that if 25% or more of votes cast are against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of the consecutive AGMs on a resolution (**spill resolution**) to determine whether another meeting of Shareholders (**spill meeting**) be held to consider the re-election of the Directors (other than the Managing Director). If a spill resolution is passed, all Directors (other than the Managing Director) will cease to hold office at the end of the spill meeting, unless re-elected at that meeting.

The Company received 98.56% of proxy votes in favour of its Remuneration Report for the 2021 financial year. The vote was carried on a poll (all resolutions at the Company's 2021 annual general meeting were voted on by poll).

***The Board recommends that Shareholders vote in favour of adopting the Remuneration Report.***

***The Chairman intends to vote undirected proxies in favour of Resolution 1.***

### 3. Resolution 2 – Re-election of Mr John Conde AO as a Director

Mr Conde will retire by rotation at the AGM in accordance with Rule 5.1 of the Constitution and, being eligible, offers himself for re-election.

Mr Conde was appointed to the Board and as Chairman on 25 February 2013. Mr Conde has extensive experience in business and commerce and in chairing high profile business, arts and sporting organisations. Mr Conde is the President of the Remuneration Tribunal, responsible for the remuneration of key senior Commonwealth officers, Members of Parliament and the federal Judiciary.

Mr Conde was made an Officer of the Order of Australia in 1994 for his services to business and commerce, particularly in the field of electricity generation and commerce.

Biographical details for Mr Conde, including relevant qualifications, skills and experience, other material directorships currently held and status as an independent Non-Executive Director, are set out on page 71 of the 2022 Annual Report.

***The Board supports the re-election of Mr Conde as a Director and (with Mr Conde abstaining) recommends that Shareholders vote in favour of this Resolution.***

***The Chairman intends to vote undirected proxies in favour of Resolution 2.***

### 4. Resolution 3 – Re-election of Mr Hector Gordon as a Director

Mr Gordon will retire by rotation at the AGM in accordance with Rule 5.1 of the Constitution and, being eligible, offers himself for re-election.

Mr Gordon is a geologist with over 40 years' experience in the upstream petroleum industry, primarily in Australia and South-east Asia. He joined the Company in 2012, initially as an Executive Director – Exploration & Production and subsequently moved to his position as a Non-Executive Director in 2017.

Mr Gordon was previously Managing Director of Somerton Energy until it was acquired by the Company in 2012. Previously he was an Executive Director with Beach Energy Limited where he was employed for more than 16 years. In this time, Beach Energy experienced significant growth and Mr Gordon held a number of roles including Exploration Manager, Chief Operating Officer and, ultimately, Chief Executive Officer.

Biographical details for Mr Gordon, including relevant qualifications, skills and experience, other material directorships currently held and status as an independent non-executive Director, are set out on page 73 of the 2022 Annual Report.

***The Board supports the re-election of Mr Gordon as a Director and (with Mr Gordon abstaining) recommends that Shareholders vote in favour of this Resolution.***

***The Chairman intends to vote undirected proxies in favour of Resolution 3.***

## **5. Resolution 4 – Renewal of proportional takeover provisions**

### **5.1 Background**

Clause 163 of the Constitution deals with proportional takeover bids for shares in accordance with the Corporations Act and is designed to assist Shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company.

Under section 648G of the Corporations Act, this provision must be renewed every three years or it will cease to have effect. Clause 163 was renewed at the 2019 AGM and continues to have effect until 7 November 2022. If renewed, the provision in clause 163 will continue to have effect for a further 3 year period until 10 November 2025 (unless renewed by a further special resolution of Shareholders).

The proportional takeover provisions set out in clause 163 do not apply to full takeover bids.

The Corporations Act requires that the following information is provided to shareholders when they are considering the inclusion or renewal of a proportional takeover provision in a constitution.

### **5.2 Effect of the proportional takeover provisions**

A proportional takeover bid is one where an offer is made to each Shareholder for a proportion of that Shareholder's shares.

Under clause 163 of the Constitution, in the event of a proportional takeover bid being made, the Directors must hold a meeting of the Shareholders of the class of shares the subject of the bid to consider whether or not to approve the bid. A resolution approving the bid must be voted on by the 14<sup>th</sup> day before the end of the bid period. If the resolution is not voted on within this timeframe, a resolution approving the bid is taken to have been passed. The vote is decided on a simple majority. The bidder and its associates are not allowed to vote on the resolution.

If a resolution to approve the bid is rejected, accepted offers are entitled to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are treated as withdrawn at the end of the 14<sup>th</sup> day before the end of the bid period.

If the bid is approved or taken to have been approved, the transfers resulting from the bid may be registered provided they comply with the provisions of the Corporations Act and the Constitution.

### **5.3 Reasons for renewal of the proportional takeover provisions**

Without the proportional takeover approval provision being included in the Constitution, a proportional takeover bid may enable control of the Company to pass without Shareholders having the opportunity to sell all of their shares to the bidder. Shareholders may be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their shares.

The proportional takeover provisions lessen this risk because they allow Shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

### **5.4 No knowledge of any acquisition proposals**

As at the date of this Explanatory Memorandum, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

## 5.5 Review of advantages and disadvantages of the proportional takeover provisions

During the time the proportional takeover provisions have been in effect, no takeover bids for the Company have been made, either proportional or otherwise. Accordingly, there are no actual examples against which the advantages or disadvantages for the Directors and Shareholders of the renewal of clause 163 of the Constitution can be reviewed.

The Directors are not aware of any potential takeover bid that was discouraged by clause 163 of the Constitution.

## 5.6 Potential advantages and disadvantages of renewal of the proportional takeover provisions

The Directors consider that the proposed renewal of clause 163 of the Constitution has no potential advantages or potential disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved. However, it enables Directors to formally obtain the views of Shareholders in respect of a bid.

The potential advantages of renewing clause 163 of the Constitution for Shareholders are:

- (a) it gives Shareholders their say in determining by majority vote whether a proportional takeover bid should proceed;
- (b) it may assist Shareholders to avoid being locked in as a relatively powerless minority;
- (c) it increases Shareholders' bargaining power and may assist in ensuring that any bid is adequately priced; and
- (d) knowing the view of the majority of Shareholders assists each individual Shareholder in assessing the likely outcome of the bid and whether to approve or reject a particular bid.

As a bid would be required to undergo an approval process under clause 163 of the Constitution, some potential disadvantages renewing clause 163 of the Constitution for Shareholders are:

- (a) it may be a hurdle to, and may therefore discourage, the making of proportional takeover bids in respect of the Company;
- (b) this hurdle may depress the share price or deny Shareholders an opportunity of selling their shares at a premium; and
- (c) it may reduce the likelihood of a proportional takeover bid being successful.

However, the Directors do not perceive those or any other possible disadvantages as justification for not renewing the proportional takeover provisions in clause 163 of the Constitution for a further period of three years.

***The Board recommends that Shareholders vote in favour of Resolution 4.***

***The Chairman intends to vote undirected proxies in favour of Resolution 4.***

## 6. Resolution 5 – Approval of Equity Incentive Plan

The Company's remuneration framework has been formulated with a view to:

- attracting and retaining highly skilled directors and employees who are motivated to pursue and deliver the Company's strategy and goals;
- ensuring that directors and employees receive remuneration that is fair, reasonable and competitive; and
- providing incentive to deliver future individual and Company performance.

The Company believes that encouraging its employees to become shareholders is the best way of aligning their interests with those of the Company's shareholders and for this reason, all employees are eligible to participate in the Company's equity incentive plan (EIP).

The Cooper Energy EIP was last approved by Shareholders at the 2019 AGM.

### 6.1 Listing Rule 7.1 and Listing Rule 7.2 Exception 13(b)

Listing Rule 7.1 restricts the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.2 Exception 13(b) provides that securities issued under an employee incentive scheme will not be counted in the 15% if, within 3 years before the issue date, the holders of ordinary securities approved the issue of securities under the scheme as an exception to Listing Rule 7.1.

Approval for the purposes of Listing Rule 7.2 Exception 9(b) (being the predecessor to Exception 13(b)) was obtained at the 2019 AGM for the 3 year period after that AGM.

Accordingly, shareholder approval is sought in Resolution 5 for the issue of securities under the EIP during the 3 year period after this AGM as an exception to Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue securities under the EIP during the 3 year period after this AGM without those securities counting towards the Company's Listing Rule 7.1 capacity.

If Resolution 5 is not passed, issues of securities under the EIP will not fall within an exception to Listing Rule 7.1 and will be counted towards the Company's Listing Rule 7.1 capacity. This will effectively decrease the number of equity securities the Company can issue without Shareholder approval over the 12 month period following any such issue.

## 6.2 Information for the purposes of Listing Rule 7.2 Exception 13(b)

In accordance with Listing Rule 7.2, Exception 13(b), the following information is provided to Shareholders:

- a summary of the terms of the EIP is set out in Section 6.3 and Appendix A and a copy of the EIP terms may also be requested from the Company Secretary;
- the number of securities issued under the EIP since the date of the last approval at the 2019 AGM is set out in section 6.3 below;
- the maximum number of equity securities proposed to be issued under the EIP following the shareholder approval is 120,000,000 securities inclusive of the equity securities to be offered pursuant to Resolution 6. The maximum number is not intended to be a prediction of the actual number of securities to be issued under the EIP, simply a ceiling for the purposes of Listing Rule 7.2, Exception 13(b). If shareholder approval is not obtained, any securities granted under the EIP will not be excluded from the Company's placement capacity; and
- a voting exclusion statement for Resolution 5 is included in the Notice of Meeting.

## 6.3 Summary of terms of the EIP

The Board may grant eligible participants awards in the form of performance rights, share appreciation rights (**SARs**), options or a combination of all or some of those. The Board may invite eligible participants to participate in a grant of awards on such terms as it determines. For example, the Board may determine that the vesting of the awards is subject to performance and/or service conditions and may determine that a trading restriction applies to any shares allocated on vesting or exercise of performance rights, SARs or options granted under the plan.

The key terms of the Invitations that will be made by the Board to KMP and certain senior staff as part of the LTIP in 2022 are set out in section 7.2 below.

In addition, employees who are not offered the opportunity to participate in the Company's LTIP will be invited to participate in the Company's deferred short term incentive (**STIP**) offer in 2022. This provides eligible employees with an opportunity to achieve a maximum of either 15% or 35% of fixed annual remuneration (**FAR**) (that percentage depending upon the seniority of the employee), depending on individual and company performance over the financial year which will be payable in performance rights instead of cash. The only criteria for the issue/vesting of the deferred STIP performance rights will be continued service with Cooper Energy for one year after the STIP entitlement has been determined. KMP do not participate in the deferred STIP.

The Company may issue new shares or acquire shares on market for allocation to participants on exercise of awards under the EIP.

Further details are set out in Appendix A.

## 6.4 Securities issued since date of last shareholder approval

Since the 2019 AGM:

- 25,509,999 performance rights have been issued under the EIP;
- 63,794,805 share appreciation rights have been issued under the EIP;
- 7,654,849 shares have been issued on vesting of performance rights;
- 3,528,941 shares have been issued on vesting of share appreciation rights;
- 6,350,869 performance rights have lapsed; and
- 16,218,284 share appreciation rights have lapsed.

***The Board recommends (with Mr Maxwell abstaining) that Shareholders vote in favour of Resolution 5.***

***The Chairman intends to vote undirected proxies in favour of Resolution 5.***

## 7. Resolution 6 – Issue of rights to Mr David Maxwell, Managing Director

### 7.1 Background

The Board considers that its senior executives should be remunerated in a manner that encourages them to become Shareholders as this is the best mechanism to align their interests with those of the Company's Shareholders. It is the Company's policy that the performance based (that is, at risk) pay of senior executives forms a significant portion of their total remuneration. Granting incentives under a long-term incentive plan seeks to encourage and reward long-term sustainable performance.

The Company is proposing to issue performance rights and share appreciation rights (**Incentives**) to the Company's Managing Director, Mr David Maxwell.

Listing Rule 10.14 provides that a company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.2); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3),

without the prior approval of the holders of its ordinary securities.

The issue falls within Listing Rule 10.14.1 above and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

Under Resolution 6, Shareholder approval is sought for the issue of Incentives to Mr Maxwell for the purposes of Listing Rule 10.14.

If Resolution 6 is passed, the Incentives will be issued in accordance with an invitation made by the Board (**Invitation**) pursuant to the terms of the Company's EIP.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Incentives under the EIP and the Company will consider alternative remuneration arrangements to remunerate and incentivise Mr Maxwell appropriately and align his interests with the long term success of the Company.

### 7.2 Invitations under EIP

#### (a) Type of Incentives

Incentives will be granted in two equal tranches as follows:

Tranche	Percentage	Type of Incentive
1	50% of maximum award	Performance Rights
2	50% of maximum award	Share Appreciation Rights ( <b>SARs</b> )

A Performance Right will entitle Mr Maxwell to one share (ranking equally with other shares on issue) if that Performance Right vests. No consideration is payable on the issue or vesting of the Performance Right.

A SAR will entitle Mr Maxwell to an amount equal to the increase in value of a share over the relevant performance period, settled in shares (or cash at the discretion of the Board) if that SAR vests. No consideration is payable on the grant or vesting of the SAR.

#### (b) Number of Incentives

The number of Incentives to be granted to Mr Maxwell will be calculated by reference to his organisational level benchmarks (**OLB**) determined by the Board. Mr Maxwell's OLB is 100% of his FAR.

The number of Incentives to be offered to Mr Maxwell is calculated by:

- (i) for the Tranche 1 Performance Rights – dividing 50% of his OLB by the Market Value of a share on 19 September 2022. The Market Value of a share on a day is determined as, in summary, the volume weighted average price of shares over the 20 Trading Days ending on that day; and
- (ii) for the Tranche 2 SARs – dividing 50% of his OLB by the fair value of the SARs on 19 September 2022. The fair value is determined using a Black Scholes valuation model, based on a range of input assumptions (including volatility, performance period, time to vest, share price at grant etc. but excluding the probability of vesting based on performance hurdles).

**(c) Grant Date**

The grant date is the date on which the Incentives are issued. If Shareholder approval is obtained, the Board intends that the Incentives will be issued in December and in any event no later than 3 years after the date of the AGM.

**(d) Performance Period**

The Incentives are subject to performance conditions that must be met for the Incentives to vest (**Vesting Criteria**). The period over which the Vesting Criteria will be measured is 3 years from the grant date (**Performance Period**).

**(e) Vesting Criteria**

The Company's relative total Shareholder return (**RTSR**) performance over the Performance Period will be assessed against peer companies. The peer group companies are as follows:

- (i) Woodside Energy Limited;
- (ii) Santos Limited;
- (iii) Beach Energy Limited;
- (iv) Karoon Gas Australia Limited;
- (v) Central Petroleum Limited;
- (vi) Buru Energy Limited;
- (vii) Carnarvon Petroleum Limited;
- (viii) Strike Energy Limited;
- (ix) Warrego Energy Limited;
- (x) Tamboran Resources Limited;
- (xi) Norwest Energy NL; and
- (xii) Galilee Energy Limited.

The peer group is based on a group of ASX listed companies in the oil and gas sector, with a range of market capitalisations.

The Vesting Criteria is challenging and the maximum award opportunities are only achieved by outstanding performance. No Incentives will vest if performance is below medium level and less than half (30%) of the Incentives will vest if at the 50th percentile. Incentives may vest in accordance with the Vesting Criteria set out below:

RTSR percentile ranking	Percentage of Incentives to vest
Lower than 50th percentile	No Incentives
50th percentile	30% of Incentives
Between 51st to 89th percentile	Pro rata percentage of Incentives
90th percentile or greater	100% of Incentives

**(f) Testing**

Incentives will be tested against the Vesting Criteria on the earliest date reasonably practicable after the end of the Performance Period.

### 7.3 Information for the purposes of Listing Rule 10.15

For the purposes of Listing Rule 10.15, the following information is provided in relation to Resolution 6:

- (a) The proposed recipient is Mr David Maxwell, Managing Director of the Company.
- (b) Mr Maxwell falls within Listing Rule 10.14.1 as he is a current Director of the Company;
- (c) The number of Incentives proposed to be issued to Mr Maxwell is to be calculated using the formulas set out above at paragraphs 7.2(b) and 7.2(e). The Performance Rights entitle Mr Maxwell to be issued shares if they vest and the SARs entitle Mr Maxwell to be issued fully paid ordinary shares or to receive a cash payment if they vest, in each case as set out in paragraph 7.2(a) and 7.2(e) above.
- (d) The details of Mr Maxwell's current total remuneration package are as follows:
  - a. FAR (base salary and superannuation): \$954,000 as at 30 September 2022;
  - b. Short term incentives target of 50% of fixed annual remuneration and maximum award opportunity of 100% of fixed annual remuneration (determined at the end of each financial year in respect of that financial year) – further detail is set out in the Remuneration Report at page 82 of the Annual Report;
  - c. Long service leave (pro-rata): \$232,177 as at 30 September 2022;
  - d. Long term incentive maximum annual grant of 100% of fixed remuneration – further detail is set out in the Remuneration Report at pages 83 to 84 of the Annual Report; and
  - e. Other benefits (accommodation, mobile phone): estimated to be approximately \$67,523 pa.
- (e) 16,044,917 Performance Rights, 29,515,009 SARs and 12,722,712 shares have been issued to Mr Maxwell for nil consideration under the EIP since Mr Maxwell became an employee of the Company on 12 October 2011.
- (f) The material terms of the Incentives are as set out above at paragraph 7.2.
- (g) The offer of Incentives to Mr Maxwell forms part of the Company's policy that the performance based (that is, at risk) pay of senior executives is to form a significant portion of their total remuneration. Granting incentives under a long-term incentive plan seeks to encourage and reward long-term sustainable performance. The grant of Incentives is viewed as a cost effective and efficient reward and incentive as opposed to alternative forms of incentives, such as the payment of additional cash compensation, being of benefit to the recipient if the Company's Share price appreciates through good performance.
- (h) For the purpose of Listing Rule 10.15.6, the Company attributes a total value to the Tranche 1 Performance Rights to be issued as being a value being equal to 50% of Mr Maxwell's OLB, being 50% of his FAR (ie. \$477,000) and the Company attributes a total value to the Tranche 2 SARs to be issued as being a value being equal to 50% of Mr Maxwell's OLB, being 50% of his FAR (ie. \$477,000).  
 Mr Maxwell will be issued the number of Performance Rights determined by taking the 50% of Mr Maxwell's OLB, being 50% of his FAR (ie. \$477,000) and dividing by the 'Market Value' on 19 September 2022 (as described in paragraph 7.2(a) above) and the number of Tranche 2 SARs to be issued will be determined by taking the 50% of Mr Maxwell's OLB, being 50% of his FAR (ie. \$477,000) and dividing by the 'fair value' of Tranche 2 SARs on 19 September 2022 (also as described in paragraph 6.2(a) above). For the purpose of attributing value for Listing Rule 10.15.6, the Company ignores the effect of the Vesting Criteria.  
 The respective numbers of Tranche 1 Performance Rights and Tranche 2 SARs cannot be determined on the information available to the Company at the date of preparation of these Explanatory Notes.
- (i) If approved by Shareholders of the Company, the Incentives will be issued by the dates specified above at paragraph 7.2(c).
- (j) The Incentives will be issued for nil cash consideration, and accordingly, have a nil issue price.
- (k) A summary of the material terms of the EIP is set out in the Annexure to these Explanatory Notes.
- (l) Details of any Incentives issued under the EIP will be published in the Annual Report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (m) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Incentives under the EIP after Resolution 6 is approved and who were not named in this Notice will not participate until approval is obtained under that rule.

**The Board (with Mr Maxwell abstaining) recommends that Shareholders vote in favour of Resolution 6.**

**The Chairman intends to vote undirected proxies in favour of Resolution 6.**

## Glossary

### In this document:

**ACDT** means Australian Central Daylight Saving Time.

**AGM** means annual general meeting.

**Annual Report** means the Company's annual report for the year ended 30 June 2022 containing the Financial Report, the Directors' Report and the Auditor's Report.

**Associate** has the meaning given to it by the Listing Rules.

**ASX** means ASX Limited (ACN 008 624 691).

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Auditor's Report** means the auditor's report in the Financial Report.

**Board** means the Company's board of directors.

**Chairman** means the chairman of the AGM and chairman of the Board.

**Closely Related Party of a member of the Key Management Personnel** means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** means Cooper Energy Limited (ABN 93 096 170 295).

**Constitution** means the Company's constitution, as amended from time-to-time.

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

**Directors** means the directors of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**EIP** means the Company's equity incentive plan.

**Explanatory Memorandum** means the explanatory memorandum which accompanies and forms part of the Notice of Meeting.

**FAR** means fixed annual remuneration (including superannuation).

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

**Group** means the Company and each of its subsidiaries.

**Key Management Personnel** or **KMP** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** or **Notice of Meeting** means this notice of annual general meeting.

**OLB** means organisational level benchmark.

**Proxy Form** means the proxy form attached to the Notice of Meeting.

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

**RTSR** means relative total Shareholder return.

**SAR** means a share appreciation right.

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

**Shareholder** means a registered holder of a share.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.



**ANNEXURE**  
**Material Terms of Equity Incentive Plan**

<b>Eligibility</b>	The Board may make invitations under the EIP to executive Directors, any permanent full time or part time employee of the Group and any other person who is declared by the Board to be eligible to receive a grant of an Incentive under the EIP, but excluding any Non-Executive Director of the Group ( <b>Eligible Participants</b> ).
<b>Terms of grant</b>	<p>A grant of Incentives under the EIP is subject to both the EIP Rules and the terms of the specific grant as determined by the Board.</p> <p>For example, the Board may determine that the vesting of the Incentives is subject to performance or service conditions (or both) and may determine that a trading restriction applies to any shares allocated on vesting or exercise of performance rights, share appreciation rights or options granted under the EIP.</p>
<b>Incentives</b>	The Board may grant Incentives in the form of options, performance rights, share appreciation rights or any other incentive award that is approved by the Board.
<b>Administration of EIP</b>	The EIP is administered by the Board or as determined by the Board from time to time.
<b>Vesting criteria</b>	An Incentive will vest if the vesting criteria as determined by the Board and set out in any invitation for grant of the Incentives are satisfied.
<b>Lapse and forfeiture</b>	<p>An Incentive will lapse where its vesting criteria and/or other conditions are not met by the date determined by the Board and set out in the invitation for grant.</p> <p>Where an Eligible Participant ceases to be employed by the Group all Incentives held by that participant which have not already been settled by share or cash settlement after vesting will lapse. However, in the case of a “qualifying leaver” (as defined) all incentives held will be retained unless the Board determines otherwise. The Board may also determine that some or all Incentives that will be retained by the participant will vest earlier or immediately prior to the cessation of employment.</p> <p>The Board also has a general right to determine that some or all of a participants Incentives will not lapse or be forfeited upon the participant ceasing to be employed by the Group.</p>
<b>Vested Incentives</b>	A share issued or transferred on the vesting or exercise of an Incentive will be a fully paid ordinary share in the Company ranking equally with, and having the same rights and entitlements as, other ordinary shares in the Company on issue at the date of allotment of the share (other than rights and entitlements accrued prior to the date of allotment of the share).
<b>Allocation of Shares</b>	<p>The Board can decide whether to procure the purchase of Shares on-market for transfer or issue new Shares on vesting or exercise of Incentives.</p> <p>The Board may also determine to make a cash payment to a participant in lieu of issuing or transferring Shares to the participant. The amount of the cash payment will be equal to the market value of the share on the last day of the performance period specified in the invitation for the Incentives (determined by the volume weighted average price of the Shares over the 20 trading days ending on that date) less the amount of the exercise price (if any) payable in respect of the Share.</p>

	The Board may determine to temporarily defer the issue of shares on the vesting or exercise of Incentives for up to six (6) calendar months if it considers that it is in the interests of the Company to do so.
<b>Restrictions on transfer</b>	An Eligible Participant must not assign or transfer an Incentive or grant any security interest over an Incentive, other than a transfer to a legal personal representative in the event that an Eligible Participant has died or become subject to mental health legislation.
<b>Adjustment of Incentives</b>	If before vesting of an Incentive there is any change to the number of Shares on issue by reason of a rights issue, bonus issue, share consolidation or subdivision or other capital restructure, the Board may in its discretion make adjustments to the Incentives (including to the number of Incentives and vesting criteria) on any basis it sees fit to minimise any advantage or disadvantage accruing to the participant or to comply with the ASX Listing Rules.
<b>Early vesting</b>	Incentives may vest (in whole or in part) earlier than the vesting date in some circumstances, subject to exercise of the Board's discretion including if there is a change of control event (such as a takeover bid or scheme). Unless the Board determines otherwise Incentives will vest to the extent the applicable vesting criteria are satisfied as at the date determined by the Board.
<b>Restriction on disposal</b>	The Board may impose a restriction on disposal or transfer of Shares allocated on exercise or vesting of an Incentive.
<b>Clawback</b>	If the Board determines that a participant has acted fraudulently, dishonestly or in breach of their obligations to the Group, any Incentive held by the Participant that has not vested will automatically lapse and the Participant will automatically forfeit their interest in those Incentives.
<b>Variations</b>	The Board may terminate, suspend or amend the terms of the EIP at any time. However, the Board may not without the consent of the participants amend any restriction or other condition relating to the EIP that materially reduces or adversely affects the rights of participants in respect of Incentives or Shares acquired by or granted to them under the EIP, except in certain circumstances (for example, if the amendment is required to comply with the ASX Listing Rules or the Corporations Act).



