

# AEERIS LTD

ABN: 18 166 705 595



## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**DATE:** Thursday, 16 November 2017  
**TIME:** 12 noon (Sydney Time)  
**PLACE:** Aeeris Ltd Head Office  
120 Chinderah Bay Drive  
Chinderah NSW 2487

### 2017 Annual Report

A copy of Aeeris Limited's 2017 Annual Report, including the financial report, directors' report and auditors report for the year ended 30 June 2016 is available on Aeeris' website at

[www.aeeris.com.au/annual-reports.html](http://www.aeeris.com.au/annual-reports.html)

**AEERIS LTD**  
**ABN 18 166 705 595**

**NOTICE OF ANNUAL GENERAL MEETING**  
**Thursday, 16 November 2017**

Notice is hereby given that the Annual General Meeting of Shareholders (**AGM**) of Aeeris Ltd (**Company** or **Aeeris**) will be held at the Company's head office, 120 Chinderah Bay Drive, Chinderah NSW on Thursday, 16 November at 12noon Sydney time.

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered at the AGM. Please ensure you read the Explanatory Statement in full.

**AGENDA**

**1. ANNUAL REPORT**

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To receive and consider the Annual Financial Report of the Company and its controlled entities for the year ended 30 June 2017 which includes the Financial Report, the Directors' and Auditor's Reports.

**2. RESOLUTION 1 – REMUNERATION REPORT**

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a non-binding **ordinary resolution**:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2017 be adopted."*

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

**Voting Exclusion Statement:** In accordance with Section 250R of the Corporations Act, the Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of either of the following persons:

- (a) A member of the Key Management Personnel details of whose remuneration are included in the remuneration report;
- (b) A closely related party of such a member. A closely related party includes close family members and companies the Key Management Personnel controls.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### 3. RESOLUTION 2 - ELECTION OF BRYCE REYNOLDS

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

*"That Mr. Bryce Reynolds, who retires in accordance with the Company's Constitution, being eligible, be re-elected as a director of the Company."*

### 4. RESOLUTION 3 - APPROVAL FOR ADDITIONAL SHARE PLACEMENT CAPACITY

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

*"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve giving the Company an additional ten percent (10%) capacity to issue equity securities in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 3 by:

- any person who may participate in the issue of equity securities under this resolution and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary Shares, if the resolution is passed; and
- any associates of that person.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### 5. RESOLUTIONS 4 & 5- APPROVAL TO ISSUE SHARES TO KERRY PLOWRIGHT

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To consider and, if thought fit, to pass, with or without amendment, the following resolutions 4 and 5 as **ordinary resolutions**:

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue 377,358 fully paid ordinary shares at \$0.053 per share to Mr. Kerry Plowright (or his nominee) in consideration of Directors Fees for the period 1 January to 30 June 2017 and in accordance with the terms and conditions set out in the Explanatory Statement."*

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue \$15,000 worth of fully paid ordinary shares at \$0.06 per share or the volume weighted average price of shares for the period 1 July 2017 to the time of issue, whichever is the highest, per share to Mr. Kerry Plowright (or his nominee) in consideration of Directors Fees for the period 1 July to 31 December 2017 and in accordance with the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolutions 4 and 5 by:

- Mr Kerry Plowright (or his nominee); or

- any associate of Mr. Kerry Plowright or his nominee.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form.

## 6. RESOLUTIONS 6 & 7 - APPROVAL TO ISSUE SHARES TO BEN LOITERTON

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To consider and, if thought fit, to pass, with or without amendment, the following resolutions 6 and 7 as **ordinary resolutions**:

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue 251,572 fully paid ordinary shares at \$0.053 per share to Mr. Ben Loiterton (or his nominee) in consideration of Directors Fees for the period 1 January to 30 June 2017 and in accordance with the terms and conditions set out in the Explanatory Statement."*

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue \$15,000 worth of fully paid ordinary shares at \$0.06 per share or the volume weighted average price of shares for the period 1 July 2017 to the time of issue, whichever is the highest, per share to Mr. Ben Loiterton (or his nominee) in consideration of Directors Fees for the period 1 July to 31 December 2017 and in accordance with the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolutions 6 and 7 by:

- Mr. Ben Loiterton (or his nominee); or
- any associate of Mr. Ben Loiterton or his nominee.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form.

## 7. RESOLUTIONS 8 & 9 - APPROVAL TO ISSUE SHARES TO BRYCE REYNOLDS

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To consider and, if thought fit, to pass, with or without amendment, the following resolutions 8 and 9 as **ordinary resolutions**:

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue 377,358 fully paid ordinary shares at \$0.053 per share to Mr. Bryce Reynolds (or his nominee) in consideration of Directors Fees for the period 1 January to 30 June 2017 and in accordance with the terms and conditions set out in the Explanatory Statement."*

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue \$15,000 worth of fully paid ordinary shares at \$0.06 per share or the volume weighted average price of shares for the period 1 July 2017 to the time of issue, whichever is the highest, per share to Mr. Bryce Reynolds (or his nominee) in consideration of Directors Fees for the period 1 July to 31 December 2017 and in accordance with the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolutions 8 and 9 by:

- Mr. Bryce Reynolds (or his nominee); or
- any associate of Mr. Bryce Reynolds or his nominee.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form.

## NOTES

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### Your vote is important

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

### Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7pm (EDST) on 14 November 2017.

### Voting in person

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

### Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

**Questions and Comments from Shareholders**

In accordance with the Corporations Act, reasonable opportunity will be given to Shareholders to ask about or make comments on the financial statements for the year ended 30 June 2017 and the management of the Company at the AGM.

Similarly, Shareholders will be given a reasonable opportunity to ask the Company's external auditors, Hall Chadwick, questions relevant to the accounting policies adopted by the Company in relation to the financial report, the conduct of the audit, the independence of the auditor in relation to the conduct of the audit and the preparation and content of the Auditor's Report.

Shareholders may also submit written questions to the Company or the auditor in advance of the AGM by email to the Company Secretary:

- By email to [elissa.hansen@cosecservices.com.au](mailto:elissa.hansen@cosecservices.com.au); or
- By mail to PO Box H329 Australia Square NSW 1215; or
- By hand to the Company's registered address at 120 Chinderah Bay Drive, Chinderah NSW 2487

No later than five (5) days before the AGM.

**Dated: 13 October 2017**

**By order of the Board**



**Elissa Hansen**  
**Company Secretary**

# AEERIS LTD

ABN 18 166 705 595

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

### 1. ANNUAL REPORT

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The first agenda item is to receive the Annual Report of the Company for the year ended 30 June 2017.

Section 317 of the *Corporations Act 2001 (Cth)* requires the directors to lay before the Annual General Meeting the Financial Report, the Directors' Report (including the Remuneration Report) and the Auditor's Report for the last financial year that ended 30 June 2017.

The Annual Report is available on the Company's website and a printed copy has been sent to those shareholders who requested it.

In accordance with sections 250S and 250SA of the Corporations Act, Shareholders present at the Annual General Meeting will be provided with a reasonable opportunity to:

- (a) ask questions or make comment to the Directors present on the management of the Company and Remuneration Report; and
- (b) ask questions or make comment to the Auditor about the conduct of the audit and the preparation and content of the Auditor's Report.

No formal resolution to adopt the Annual Report will be put to the Shareholders at the Annual General Meeting.

Shareholders who are unable to attend the Annual General Meeting are able to submit written questions to the Chairman about:

- (a) The preparation and the content of the 2017 Auditor's Report;
- (b) The conduct of the 2017 audit;
- (c) Accounting policies adopted by the Company in relation to the preparation of the 2017 financial statements; and
- (d) The independence of the Auditor in relation to the conduct of the 2017 audit.

The questions will need to be submitted no later than five (5) business days before the Annual General Meeting to the Company Secretary at the Company's Registered Office.

### 2. RESOLUTION 1 – REMUNERATION REPORT

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In accordance with Section 250R(2) of the Corporations Act, at a listed company's Annual General Meeting, a resolution that the Company's Remuneration Report be adopted must be put to the vote. Section 250R(3) of the Corporations Act provides that the vote on the resolution is advisory only and does not bind the Directors or the Company.

In accordance with Section 300A, the Remuneration Report sets out the Company's remuneration arrangements for Key Management Personnel. The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report for the financial year ending 30 June 2017. A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

#### Voting Consequences

Under the Corporations Act, companies are required to put to shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company ("Spill Resolution") if, at consecutive Annual General Meetings, at least 25% of the votes cast on the Remuneration Report are voted against the adoption of the Remuneration Report and at the first of those Annual General Meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those Annual General Meetings.

If more than 50% of votes are cast in favour of a Spill Resolution, the Company must convene a shareholder meeting ("Spill Meeting") within 90 days of the second Annual General Meeting. At that meeting, all directors who were in office at the time of the Directors' Report, other than the managing director, will cease to hold office immediately before the Spill Meeting. Those persons who are elected or re-elected at the Spill Meeting will be the directors of the company. Note those directors who ceased to hold office immediately prior to the Spill Meeting may stand for re-election.

Adoption of the 2016 Remuneration Report was passed unanimously on a show of hands at the last Annual General Meeting. Accordingly, a Spill Resolution is not relevant to this Annual General Meeting.

Shareholders of the Company will be provided with the opportunity to ask questions about or make comments on the Remuneration Report.

### **3. RESOLUTION 2 - ELECTION OF BRYCE REYNOLDS**

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In accordance with ASX Listing Rule 14.5; a public listed company must hold an election of directors at each annual general meeting.

Clause 61. of the Company's Constitution states that no Director, other than the Managing Director, may hold office for a continuous period beyond the later to occur of the following:

- (a) the third anniversary of the date of the Director's appointment; or
- (b) the date of the third annual general meeting following the Director's appointment or election,

without submitting for re-election.

If no Director is required to submit for re-election but the ASX Listing Rules require an election of Directors to be held, the Director to retire will be the Director who has been longest in office since their last election and, as between persons who became Directors on the same day, the one to retire will (unless they otherwise agree among themselves) be determined by lot. A retiring Director remains in office until the end of the meeting at which the Director retires or vacates office, and will be eligible for re-election at the meeting.

Mr. Bryce Reynolds was last re-elected as a director at the 2015 AGM, having initially been appointed as a director on 18 July 2014. Bryce will retire at the conclusion of this meeting and, being eligible, offers himself for re-election.

Bryce has been involved in the finance industry since 1986. His experience includes funds management, proprietary trading, stockbroking and investment banking. He has detailed experience in advisory, mergers and acquisitions and equity capital markets.

In 2006, Bryce established Veritas Securities Limited as a founding director after working for a large investment bank and two mid tiered Australian securities firms. Since then he has further added to his skill base by being an active company director for numerous private ventures in the funds management and IT/digital fields.



#### 4. RESOLUTION 3 - APPROVAL FOR ADDITIONAL SHARE PLACEMENT CAPACITY

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ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its Annual General Meeting to allow it to issue Equity Securities up to 10% of its issued capital (**Additional Placement Capacity**). For the purposes of ASX Listing Rule 7.1A an 'eligible entity' is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. Aeeris Ltd is an 'eligible entity'. The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1 and, as such, if the Additional Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 25% of the Company's issued share capital without prior approval from shareholders.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity, should the need arise. The Company previously sought and obtained shareholder approval under Listing Rule 7.1A. at the 2016 AGM. Approval was sought to allow the Company flexibility to issue additional capital should a suitable opportunity arise. It did not however, utilise the additional capacity.

As a **special resolution** at least 75% of votes cast by Shareholders eligible to vote at the meeting must be in favour of the resolution for it to be passed.

##### ASX Listing Rule 7.3A Requirements

Pursuant to ASX Listing Rule 7.3A. the issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in the table below). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Table 1 following shows the dilution of existing Shareholders calculate in accordance with the formula outlined in ASX Listing Rule 7.3A.2 on the basis of the current market price of Shares and the current number of ordinary securities quoted on ASX for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% against the current market price.

**Table 1**

Variable "A" Number of Shares on Issue	Dilution			
	Issue Price (per Share)	0.018 50% decrease in Issue Price	0.036 Issue Price	0.054 50% Increase in Issue Price
<b>56,658,858</b> (Current number of Shares on Issue)	<b>10% Voting Dilution</b>	5,665,886 Shares	5,665,886 Shares	5,665,886 Shares
	<b>Funds Raised</b>	\$101,986	\$203,972	\$305,958
<b>84,988,287</b> (50% increase in Shares on Issue)	<b>10% Voting Dilution</b>	8,498,829 Shares	8,498,829 Shares	8,498,829 Shares
	<b>Funds Raised</b>	\$152,979	\$305,958	\$458,937
<b>113,317,716</b> (100% increase in Shares on Issue)	<b>10% Voting Dilution</b>	11,331,772 Shares	11,331,772 Shares	11,331,772 Shares
	<b>Funds Raised</b>	\$203,972	\$407,944	\$611,916

The above table is based on the following assumptions:

- The number of shares on issue (variable "A") is calculated as 56,658,858 being all fully paid ordinary shares quoted on ASX as at the date of this Notice (54,902,570 shares) together with the shares to be issued to related parties (directors or their nominees) under Resolutions 4 to 9 in this Notice of Meeting should those resolutions are passed by Shareholders (an additional 1,756,288 shares).
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under Listing Rule 7.1.
- The issue of equity securities under the Additional Placement Capacity includes only Shares.
- The issue price of \$0.036 was the closing price of shares on ASX on 22 September 2017.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- the date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2.

To be clear, any approval of the Additional Placement Capacity at this Annual General Meeting will cease to be valid in the event that ordinary shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

The Company may issue equity securities under the Additional Placement Capacity for the following purposes:

- non-cash consideration: for the acquisition of new assets and investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3); or
- cash consideration: to raise funds for the exploration and development of the Company's existing assets, the acquisition of new assets or investments (including assets associated with such acquisition), to repay debt or to fund working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities under the Additional Placement Capacity.

The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue. The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the purpose of the issue;
- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from the Company's advisors.

As the Company has no current plans to undertake a new capital raising, the allottees under the Additional Placement Capacity have not yet been determined but if such an exercise was undertaken, allottees may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

The Company obtained shareholder approval under LR 7.1A at the previous AGM however it did not utilise its placement capacity under this rule. The Company has not issued any shares in the previous twelve months.

A voting exclusion statement has been included in this Notice. However, as at the date of this Notice, the Company has not approached any particular existing Shareholders to participate in the issue of equity securities under the Additional Placement Capacity. No existing Shareholders' votes will therefore be excluded under the voting exclusion in the Notice.

When the Company issues equity securities pursuant to the Additional Placement Capacity, it will give to ASX:

- a list of the allottees of the equity securities and the number of equity securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- the information required by Listing Rule 3.10.5A for release to the market.

## 5. RESOLUTIONS 4 TO 9 – APPROVAL FOR THE ISSUE OF SHARES TO DIRECTORS – MESSRS. KERRY PLOWRIGHT, BEN LOITERTON AND BRYCE REYNOLDS

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The Company has agreed, subject to obtaining Shareholder approval, to issue a maximum of 1,756,288 fully paid ordinary shares to related parties of the Company as follows:

- 377,358 Shares at \$0.053 per share and up to 250,000 Shares at not less than \$0.06 per share to Kerry Plowright (or his nominee); and
- 251,572 Shares at \$0.053 per share and up to 250,000 Shares at not less than \$0.06 per share to Ben Loiterton (or his nominee); and
- 377,358 Shares at \$0.053 per share and up to 250,000 Shares at not less than \$0.06 per share to Bryce Reynolds (or his nominee).

The Shares at \$0.053 per share are in consideration of unpaid directors' fees for the period 1 January 2017 to 30 June 2017 at \$3,333.33 per month (Mr. Loiterton was paid in cash for March and April 2017). The issue price is the volume weighted average price (VWAP) of Aeeris Ltd shares for the period the fees were incurred, being 1 January 2017 to 30 June 2017.

The Shares to be issued at not less than \$0.06 per share are in consideration of unpaid directors' fees for the period 1 July 2017 to 31 December 2017 at \$2,500 per month. The Shares will be issued at \$0.06 per share or the VWAP for the period 1 July 2017 to the issue date, whichever is the higher, to a total of \$15,000 worth of shares.

The Company elected to put resolutions to Shareholders to issue shares to directors in consideration of directors' fees to reduce the cash payments made by the Company and to retain working capital to spend on its operations. It also elected to reduce directors' fees payable from \$40,000 per annum to \$30,000 per annum to conserve cash and capital.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Related Party Shares constitutes the giving of a financial benefit and Messrs Kerry Plowright, Ben Loiterton and Bryce Reynolds (together, the **Related Parties**) are related parties of the Company by virtue of being Directors of the Company.

In addition, ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act may not apply and ASX Listing Rule 10.12 does not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of shares to the Related Parties.

### Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of the shares to Related Parties:

- (a) Messrs Kerry Plowright, Ben Loiterton and Bryce Reynolds are related parties of the Company by virtue of being Directors of the Company;
- (b) the maximum number of shares (being the nature of the financial benefit being provided) to be issued to the Related Parties is:
- i. 627,358 shares to Kerry Plowright;
  - ii. 501,572 shares to Ben Loiterton; and
  - iii. 627,358 shares to Bryce Reynolds;
- (c) The Shares will be issued to the Related Parties as soon as practical following shareholder approval and no later than one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (d) 1,006,288 shares will be issued at \$0.053 per share being VWAP for the period 1 January to 30 June 2017. 750,000 shares will be issued at \$0.06 per share or the VWAP for the period 1 July 2017 to the time of issue, whichever is the greater.
- (e) no funds will be raised from the issue of shares however they will extinguish a liability of \$98,333.28 owed by the Company to the directors (\$53,333.28 to June 2017 and \$45,000 to 31 December 2017);
- (f) the shares will be issued on the same terms and conditions and rank equally in all respects with the ordinary capital in the Company;
- (g) voting exclusion statements are included in the Notice of Meeting;
- (h) Mr. Plowright declines to make a recommendation to Shareholders in relation to Resolutions 4 and 5 due to a material personal interest in the outcome of the Resolution on the basis that he is to be issued shares in the Company should Resolutions 4 and/or 5 be passed. However, in respect of Resolutions 6 to 9, Mr. Plowright recommends that Shareholders vote in favour of the Resolutions for the following reasons:
- i. the issue of shares in consideration of directors fees is a reasonable and appropriate method to provide cost effective remuneration as this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if the directors' remuneration was paid in cash to the Related Parties; and
  - ii. it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the shares upon the terms proposed;
  - iii. the issue of the shares to the Related Parties will align the interests of the Related Parties with those of Shareholders;
- (i) Mr. Loiterton declines to make a recommendation to Shareholders in relation to Resolution 6 and 7 due to a material personal interest in the outcome of the Resolution on the basis that he is to be issued shares in the Company should Resolutions 6 and/or 7 be passed. However, in respect of Resolutions 4, 5, 8 and 9, Mr. Loiterton recommends that Shareholders vote in favour of the Resolution for the reasons set out in paragraph (h) above;
- (j) Mr. Reynolds declines to make a recommendation to Shareholders in relation to Resolutions 8 and 9 due to a material personal interest in the outcome of the Resolution on the basis that he is to be issued shares in the Company should Resolutions 8 and/or 9 be passed. However, in respect of Resolutions 4 to 7, Mr. Reynolds recommends that Shareholders vote in favour of the Resolution for the reasons set out in paragraph (h) above;
- (k) in forming their recommendations, each Director considered, from an economic and commercial point of view, the true potential costs and detriments of, or resulting from, giving financial benefits as permitted by the proposed resolution, including the opportunity costs;

(l) Other Information:

(i) The total current valuation of the shares to be issued for:

- a) Mr. Kerry Plowright is \$35,000
- b) Mr. Ben Loiterton is \$28,333; and
- c) Mr. Bryce Reynolds is \$35,000

for a total of \$98,333.00 (Mr. Loiterton was paid his directors' fees for March and April in cash).

(ii) Directors' were paid \$40,000 per annum in directors' fees in 2016 and 2015. Directors' fees have been reduced to \$30,000 per annum for 2017. Executive directors are paid additional fees in accordance with their Executive Consulting Contracts. Currently, Mr. Plowright is the only executive director (Mr. Loiterton ceased as an executive director on 31 May 2017). Total remuneration packages paid to directors in 2016 and 2017 were as follows:

- a) Mr. Kerry Plowright: \$153,800 (2016) and \$151,900 (2017)
- b) Mr. Ben Loiterton: \$123,800 (2016) and \$150,535 (2017); and
- c) Mr. Bryce Reynolds: \$43,800 (2016) and \$41,900 (2017).

(iii) Directors' existing interest in shares and options is as follows:

Director	Shares	Options
Mr. Kerry Plowright	21,749,264	2,250,000
Mr. Ben Loiterton	4,507,000	1,500,000
Mr. Bryce Reynolds	3,216,350	3,490,000

Options expire on 31/12/2019 with an exercise price of \$0.40 and \$0.60.

- (iv) The maximum dilution effect should resolutions 4 to 9 be passed and the shares issued is 3.20%.
- (v) The Company's traded at a high of 8 cents and a low of 3 cents over the last year. The most recent trade price, as at the date of this Notice, was 3.6 cents

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Performance Rights to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of shares to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

## GLOSSARY

**Annual General Meeting or AGM or Meeting** means the meeting convened by the Notice.

**Annual Report** means the Annual Report of Aeeris Ltd for the period ended 30 June 2107.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

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

**Board** means the current board of directors of the Company.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) 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;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company or Aeeris** means Aeeris Ltd (ABN 18 166 705 595).

**Constitution** means the Company's constitution.

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

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

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel or KMP** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice or Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report for the year ended 30 June 2017 as set out in the Annual Report.

**Resolution** means a resolution set out in the Notice or meeting.

**Share** means one fully paid ordinary share in the Company

**Shareholder** means a registered holder of at least one Share.



#### All Correspondence to:

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

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

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 12 noon (Sydney time) on Tuesday 14<sup>th</sup> November 2017.**

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **12 noon (Sydney time) on Tuesday 14<sup>th</sup> November 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.



☐ **Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.  
**Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of **Aeeris Ltd** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **120 Chinderah Bay Drive, Chinderah, NSW 2487 on Thursday, 16th November 2017 at 12 noon (Sydney time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

☐

If the Chair of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Resolution 1, please place a mark in the box.

By marking this box, you acknowledge that the Chair of the Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 1 and that votes cast by the Chair of the Meeting for this resolution other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

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

### STEP 2 VOTING DIRECTIONS

\* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To Re-elect Mr Bryce Reynolds as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To Approve Additional Share Placement Capacity ( <b>Special Resolution</b> )	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	To Approve the Issue of 377,358 FPO Shares to Mr Kerry Plowright (or his Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	To Approve the Issue of \$15,000 worth of FPO Shares to Mr Kerry Plowright (or his Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	To Approve the Issue of 251,572 FPO Shares to Mr Ben Loiterton (or his Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	To Approve the Issue of \$15,000 worth of FPO Shares to Mr Ben Loiterton (or his Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	To Approve the Issue of 377,358 FPO Shares to Mr Bryce Reynolds (or his Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	To Approve the Issue of \$15,000 worth of FPO Shares to Mr Bryce Reynolds (or his Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017