



Deep Yellow Limited

NOTICE OF ANNUAL GENERAL MEETING

(Includes Explanatory Memorandum)

DATE OF MEETING: 19 November 2018

TIME OF MEETING: 9:30 am WST

PLACE OF MEETING: BDO (WA) PTY LTD
Rokeby Room,
38 Station Street
Subiaco WA 6008

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Deep Yellow Limited ('Company') will be held at the Rokeby Room, BDO (WA) Pty Ltd, 38 Station Street, Subiaco, Western Australia on 19 November 2018 at 9:30 am.

The Explanatory Memorandum to this Notice of Meeting is incorporated in, comprises part of and should be read in conjunction with this Notice of Meeting. Please note terms used in this Notice of Meeting have the same meaning as set out in the glossary of the Explanatory Memorandum accompanying this Notice.

AGENDA

FINANCIAL REPORT

To receive and consider the financial report for the year ended 30 June 2018, and the Directors' and Auditors' Reports thereon as included in the 2018 Annual Report.

RESOLUTION 1 REMUNERATION REPORT

To consider and, if thought fit, to approve the following resolution as an **ordinary resolution**:

"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2018 be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are urged to read the Explanatory Memorandum for further information.

Voting Exclusion

1. The Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote on Resolution 1 if
 - (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
 - (b) it is not cast on behalf of a Restricted Voter.
2. Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:
 - (a) the vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; or
 - (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

RESOLUTION 2 RE-ELECTION OF MR MERVYN GREENE

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

"That M Greene who retires in accordance with clause 6.1(f) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

There are no voting exclusions in relation to Resolution 2.

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RESOLUTION 3 RE-ELECTION OF MR CHRISTOPHE URTEL

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

“That C Urtel who retires in accordance with clause 6.1(f) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”

There are no voting exclusions in relation to Resolution 3.

RESOLUTION 4 APPROVAL OF ISSUE OF SHARES AND LOAN TO MR J BORSHOFF

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for:

- (a) the issue and allotment to Mr J Borshoff of ordinary shares under the Deep Yellow Limited Loan Share Plan (Share Plan) as described in the Explanatory Memorandum; and*
- (b) the provision of a Loan to Mr J Borshoff to assist him to acquire the shares under the Share Plan as described in the Explanatory Memorandum.”*

RESOLUTION 5 APPROVAL OF ISSUE OF SHARES AND LOAN TO MS G SWABY

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for:

- (c) the issue and allotment to Ms G Swaby of ordinary shares under the Deep Yellow Limited Loan Share Plan (Share Plan) as described in the Explanatory Memorandum; and*
- (d) the provision of a Loan to Ms G Swaby to assist her to acquire the shares under the Share Plan as described in the Explanatory Memorandum.”*

Voting exclusion statement for Resolutions 4 and 5

The Company will disregard any votes cast in favour of Resolutions 4 and 5 by or on behalf of:

- any director of the entity who is eligible to participate in the Deep Yellow Limited Loan Share Plan; and
- a closely related party of those persons (such as close family member members and any companies the person controls);

unless the vote is cast as a proxy for a person who is entitled to vote, and:

- the vote is cast in accordance with the direction on the Voting/Proxy Form; or
- in the absence of a direction on the Voting/Proxy Form, the vote is cast by the Chairman of the Meeting.

The Company will disregard any votes cast as a proxy on Resolutions 4 and 5 by:

- a member of the key management personnel of the Company (KMP) as at the date of the Meeting; and
- a closely related party of those persons (such as close family members and any companies the person controls);

where the proxy appointment does specify how the proxy is to vote, unless the vote is cast by the Chairman of the Meeting.

In addition, in accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolutions 4 and 5 by J Borshoff and G Swaby (being an eligible participant to participate in the Deep Yellow Limited Loan Share Plan) and any associated person of J Borshoff and G Swaby. However, Deep Yellow Limited will not disregard a vote cast by:

- a person as proxy for a person who is entitled to vote, in accordance with the directions on the Voting/Proxy Form; or
- the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the Voting/Proxy Form;

NOTICE OF ANNUAL GENERAL MEETING

authorizing the Chairman of the Meeting to exercise the proxy in respect of the relevant item even though the item is connected with the remuneration of the KMP.

If you are a shareholder entitled to cast two or more votes, you may appoint up to two proxies and specify the proportion of voting rights or the number of votes each proxy is appointed to exercise.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolutions 4 and 5. Shareholders may also choose to direct the Chair to vote against Resolutions 4 and 5 or to abstain from voting.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Company's Constitution and the Corporations Act.

By order of the Board



Mark Pitts
Company Secretary
Dated: 12 October 2018

GENERAL NOTES

The Directors have determined in accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 9.30am (WST) on 17 November 2018.

HOW TO VOTE

Shareholders can vote by either:

- * attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- * appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

VOTING IN PERSON (OR BY ATTORNEY)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

VOTING BY A CORPORATION

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed.

PROXIES

A Shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- * appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
- * provides satisfactory evidence of the appointment of its corporate representative.

If such evidence is not received, then the body corporate (through its representative) will not be permitted to act as a proxy.

A Shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If two proxies are appointed and the appointment does not specify the proportion or number of votes that the proxy may exercise, section 249X of the Corporations Act takes effect so that each proxy may exercise half of the Shareholder's votes.

If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit. Should any Resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that Resolution as they think fit. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. A Restricted Voter who is appointed as a proxy will only vote on Resolution 1 and Resolutions 3 to 5 (inclusive) in the circumstances set out in the Notice of Meeting in relation to each of these Resolutions respectively. Shareholders should note that the Chair intends to vote any undirected proxies in favour of all of these Resolutions.

A Proxy Form accompanies this Notice of Meeting and to be effective must be received **by no later than 9.30 am on 17 November 2018**:

- * Computershare Investor Services, GPO Box 242, Melbourne Victoria 3001 **OR** By facsimile: 1800 783 447 or +61 3 9473 2555
- * Deep Yellow Limited, Unit 17, Spectrum Building, 100 – 104 Railway Road, Subiaco Western Australia 6008
- * Electronically:
Submit proxy voting instructions online at www.investorvote.com.au (refer to the enclosed Voting Form)
For intermediary online subscribers only (custodians) www.intermediaryonline.com

For all enquiries call: (within Australia) 1300 850 505 / (outside Australia) +61 (03) 9415 4000

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Meeting.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions. Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the meaning given to them in the Glossary in Annexure A to this Explanatory Memorandum.

The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting.

ANNUAL ACCOUNTS AND REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2018 together with the Directors' Declaration and Report in relation to that financial year and the auditor's report on those financial statements. Appropriate time will be devoted to the consideration of these financial statements and reports of the Company for the year ended 30 June 2018. No Resolution is required to be moved in respect of this item.

The Company's auditor will be in attendance to take questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

RESOLUTION 1 ADOPTION OF THE REMUNERATION REPORT

The Board is submitting its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Resolution.

The Remuneration Report forms part of the Directors' Report, included in the 2018 Annual Report. The Remuneration Report:

- * explains the Board's policy for determining the nature and amount of remuneration of Executive Directors and senior executives of the Company;
- * explains the relationship between the Board's remuneration policy and the Company's performance;
- * sets out remuneration details for each Director and the senior executives of the Company (who are defined as being key management personnel); and
- * details and explains any performance conditions applicable to the remuneration of Executive Directors and senior executives of the Company.

The vote on this Resolution is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution ('spill resolution') that another meeting be held within 90 days at which all of the Company's Directors (excluding the Managing Director) must offer themselves for re-election. If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting ('spill meeting') within 90 days of the second AGM. All of the Directors who were in office when the relevant Directors' Report was approved, other than the Managing Director, will (if required) need to stand for re-election at the spill meeting.

The Company will disregard any votes cast on Resolution 1 by any person, defined as Key Management Personnel (**KMP**) and their Closely Related Parties. KMP of the Company includes each of the Directors and members of management as described in the Company's Annual Report.

At the Company's 2017 annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

The Board considers that its current practices of setting executive and non-executive remuneration are well within normal industry expectations and allows the Company to attract and retain the services of the highly skilled key management personnel that it requires. As such the Directors recommend that shareholders vote in favour of the Company's Remuneration Report at Resolution 1.

If you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Resolution 1 **by either marking For, Against or Abstain** on the voting form.

Please note if you appoint the Chair of the Meeting as your proxy, the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a

EXPLANATORY MEMORANDUM

member of the Key Management Personnel. The Chairman of the meeting intends to vote undirected proxies that are able to be voted, in favour of the adoption of the Remuneration Report.

The Remuneration Report is set out in the Deep Yellow Limited Annual Report 2018 and is also available on the Company's website (www.deeptyellow.com.au).

RESOLUTION 2 RE-ELECTION OF MERVYN GREENE

Pursuant to clause 6.1(f) of the Company's Constitution, Directors are required to retire on a rotational basis. Being eligible, they can offer themselves for re-election to the Board by Shareholders.

Mr Mervyn Greene retires from office in accordance with the Company's Constitution and, being eligible, he now offers himself for re-election to the Board.

Mr Greene is an investment banker and entrepreneur based in Ireland who has worked in the US, Europe and Africa for more than 30 years. In the early stages of his career Mr Greene worked for Morgan Stanley in New York and London, before doing an MBA at the London Business School in 1993. Between 1997 and 2005 Mr Greene was the London based partner of Irwin Jacobs Greene (IJG), one of Namibia's premier stockbroking, private equity and corporate finance advisory firms. Mr Greene now manages a private equity and property development firm.

The remainder of the Board recommend that Shareholders vote in favour of Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2.

RESOLUTION 3 RE-ELECTION OF MR CHRISTOPHE URTEL

Pursuant to clause 6.1(f) of the Company's Constitution, Directors are required to retire on a rotational basis. Being eligible, they can offer themselves for re-election to the Board by Shareholders.

Mr Christophe Urtel retires from office in accordance with the Company's Constitution and, being eligible, he now offers himself for re-election to the Board.

Mr Urtel has close to 20 years of experience in the natural resources sector and is currently Group Head of Corporate Development for Anglo American plc. Prior to joining Anglo American he was Head of Strategy and Capital (EMEA) for commodity trader Noble Group Limited, a Fund Manager at Laurium LP and an Executive Director in J.P. Morgan's Principal Investment franchise in London, responsible for natural resources investments. Previously Mr Urtel worked in J.P. Morgan and its predecessor organisations from 1999 – 2008, specialising in providing M&A, equity capital market and debt market advice to companies in the metals and mining sector.

Mr Urtel graduated with a MSc (Mining and Finance) and BSc (First Class Honours – Geology with Engineering Geology) from the Royal School of Mines, Imperial College, London.

The remainder of the Board recommend that Shareholders vote in favour of Resolution 3. The Chair intends to vote undirected proxies in favour of Resolution 3.

RESOLUTIONS 4 and 5 APPROVAL OF ISSUE OF SHARES AND LOAN TO MR J BORSHOFF AND MS G SWABY

Pursuant to Resolution 4 and 5 the Company is seeking approval under ASX Listing Rule 10.14 for the proposed issue of ordinary shares to Mr J Borshoff and Ms G Swaby under the Deep Yellow Limited Loan Share Plan (Share Plan) and for the proposed loan to Mr J Borshoff and Ms G Swaby to assist them to acquire such shares under the Share Plan, on the terms set out below.

The Board considers it highly desirable for shareholders if J Borshoff and G Swaby are directly aligned to shareholders through the award of shares under the Share Plan. The Board further believes that the Share Plan is the most appropriate mechanism to deliver this equity component. The Share Plan provides for immediate share ownership, linking a significant proportion of rewards for both executives to ongoing share price performance and returns to shareholders over the period of the vesting period.

Overview of remuneration

J Borshoff is employed as a consultant by Scomac Management Services Pty Ltd (SMS). SMS has been engaged by Deep Yellow to provide consulting services.

Under the consulting agreement the following consideration is payable to SMS as a base annual fee of \$410,000 and a short term incentive fee (STI) of up to 25% of the base fee (\$102,500). The STI will be payable subject to the achievement of annual key performance measures, which will be set by the Board each year.

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G Swaby is employed as a consultant by Strategic Consultants Pty Ltd (Strategic). Strategic has been engaged by Deep Yellow to provide consulting services.

Under the consulting agreement the following consideration is payable to Strategic on a fee for services basis of \$1850 per day. In the year to 30 June 2018 an amount of \$273,409 was paid (inclusive of share-based payments).

The Board has proposed to issue an additional award of Loan Shares to Mr Borshoff and Ms Swaby which will be subject to an assessment of performance as against KPIs on 1 July 2019. Loan Shares to be issued to Mr Borshoff will vest in three equal tranches over three years and have a 5 year life for the STI portion and a 7 year life for the LTI portion. Loan Shares to be issued to Ms Swaby will vest equally over two years for the STI portion and have a 5 year life. Loan Shares to be issued to Ms Swaby will vest equally over three years for the LTI portion and have a 5 year life. *(Details of the proposed Loan Share Grant are set out in the table under Equity Incentive Award)*

Current Equity Interests

	Shares held	Vested	Unvested
J Borshoff	6,500,000	2,750,000¹	3,750,000¹
G Swaby	3,673,600	-	750,000¹

1. Issued pursuant to the DYL Share Loan Plan and subject to a limited recourse loan

Equity Incentive award

Shareholder approval is being sought to award 3.033 million shares under the Share Plan. The Board has determined that the appropriate performance measures are aligned to share price performance.

The shares will vest as set out in the following table and in respect of Shares to be issued to J Borshoff, subject to the consulting agreement with SMS still being in force as at the vesting date and in respect of Shares to be issued to G Swaby, subject to the consulting agreement with Strategic still being in force as at the vesting date.

G Swaby	J Borshoff	Number	Vesting Date	Hurdle price per Share
175,676	184,685	360,361	30 Nov 2019	N/A
175,676	184,685	360,361	30 Nov 2020	N/A
54,054	466,278	520,332	30 Nov 2021	N/A
750,000	1,042,373	1,792,373	30 Nov 2021	Share Price hurdle at 1.5 times the share price at close on the AGM date

Overview of the proposed share issue and loan

Number of Shares	The number of shares that J Borshoff receives will be 1.878 million The number of shares that G Swaby receives will be 1.155 million: The market value of the shares can only be determined post their issuance after the AGM. This is because the shares are required to be issued at the market share price post the AGM. The value of the shares will be determined using a Black & Scholes Option Pricing Model. This model accords with the AASB2 Share Based Payment standard treatment, whereby loan shares are treated as an in-substance option. The key inputs to the valuation model are the share price at the issue date of the shares, the expected volatility in the share price, the dividend yield expected on the shares, the risk-free interest rate and the life of the loan.
Issue Price	The Shares will be issued at a price equal to the 5-day VWAP for the period including the day of issue. A Loan will be provided equal the 5 VWAP issue price times the total number of shares to be issued.
Rights attaching to the Shares	Subject to the terms of the Share Plan, the Shares will carry the same rights as other ordinary shares in the Company.
Date of issue	If shareholder approval is obtained, the shares are expected to be allotted on or about 21 November 2018 and, in any event no later than 1 month after the AGM.

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Vesting Conditions	The shares will be split into 6 tranches and will vest as per the following table.				
	Share Award	Tranche	Performance condition		Vesting Date
	360,361	1	N/A		30 November 2019
	360,361	2	N/A		30 November 2020
	520,332	3	N/A		30 November 2021
	1,792,373	4	Share Price hurdle at 1.5 times the share price at close on the AGM date		30 November 2021
Performance testing	An assessment of performance will be made on or before 1 July 2019, testing of the vesting conditions for each tranche will occur once on the relevant vesting date. There is no re-testing of the vesting conditions.				
Loan terms	The Company or a subsidiary of the Company will provide an interest free limited recourse loan to both J Borshoff and G Swaby equal to the full value of the shares to be acquired in accordance with the terms of the Share Plan. The Loan Shares are being provided for both an STI and an LTI award and the resulting loan term is different for each. The Loan must be repaid by Mr Borshoff on the earlier of 5 years (STI portion) and 7 years (LTI portion) after the issuance of the shares; and 5 years after the issuance of the shares for G Swaby and the occurrence of: (a) in the case of vested shares, the date being 12 months after: - the SMS consulting agreement ceases for any reason in respect to J Borshoff or - the Strategic consulting agreement ceases for any reason in respect termination of G Swaby's engagement with the Company; or (b) one of the circumstances set out in the summary of the Share Plan in Annexure A. J Borshoff and G Swaby may repay the loan at any time after the shares are vested but in no case, more than the respective terms after the issue date of the shares. Neither party are required to provide a mortgage, charge or other security interest over the shares to secure the loan. Further details of the terms of the Loan to be provided to J Borshoff and G Swaby under the Share Plan are set out in summary of the Share Plan in Annexure C.				
Dividends	While a Loan remains outstanding any dividends received on the shares will be automatically applied, on an after-tax basis, towards the repayment of the Loan.				
Trading restrictions	Neither J Borshoff nor G Swaby will transfer, encumber, hedge or otherwise deal with shares acquired under the Share Plan until the Loan in respect of those shares has been paid in full or arrangements satisfactory to the Board are made for repayment of the Loan in full from the proceeds of sale of the shares.				

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Cessation of SMS consulting agreement	In accordance with the terms of the Share Plan, if the SMS agreement ends and/or J Borshoff ceases to be key personnel of SMS, his unvested shares are forfeited, unless otherwise determined by the Board.
Cessation of Strategic Consulting agreement	In accordance with the terms of the Share Plan, if the Strategic agreement ends or G Swaby ceases to be a key personal of Strategic, her unvested shares are forfeited, unless otherwise determined by the Board.
Control Event	Where a Change of Control event occurs (as defined in the Share Plan rules as summarized in Annexure C), all unvested shares will automatically vest.
Forfeiture Conditions	The circumstances in which the Shares issued may be forfeited under the Share Plan are set out in summary of the Share Plan in Annexure C. Specifically, if the performance based vesting conditions are not met then the shares will be forfeited, with the forfeited shares treated as full consideration for the repayment of the Loan. In this case, J Borshoff and G Swaby would forfeit any value attached to the shares.
Additional information for ASX Listing Rules	J Borshoff and G Swaby are the only directors currently entitled to participate in the Share Plan. The Share Plan was approved by shareholders at the November 2016 AGM for the first time. J Borshoff received 5 million shares, subject to various vesting conditions, under the Deep Yellow Limited Loan Share Plan in 2016 and 1.5 million shares in 2017; G Swaby received 0.75 million shares in 2017. Other than this issue, no person referred to in ASX Listing Rule 10.14 has received securities under the Share Plan. ASX Listing Rule 7.1 provides that shareholder approval is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12-month period. However, if approval is given under ASX Listing Rule 10.14 pursuant to Item 6, approval will not be required under ASX Listing Rule 7.1. This means that shares issued pursuant to this approval will not use up any part of the 15% capacity available under ASX Listing Rule 7.1.

Regulatory Requirements - ASX Listing Rules

ASX Listing Rule 10.14 requires a listed entity to obtain shareholder approval for the acquisition of securities under an employee incentive scheme by specified persons, which includes a Director of the Company.

ASX Listing Rule 10.15B states that ASX Listing Rule 10.14 does not apply to securities purchased on-market by or on behalf of directors under an employee incentive scheme where the terms of the scheme permit such purchases.

The Share Plan provides that Shares acquired under the plan may be satisfied by the issue of new shares or the acquisition of shares (whether on-market or off-market). Resolutions 4 and 5 are being put to shareholders to preserve the flexibility for the Company to satisfy the acquisition of Shares by J Borshoff and G Swaby by the issue of new shares.

Regulatory Requirements - Corporations Act

The issue of new shares or the acquisition of shares (whether on-market or off-market) under the Share Plan, may constitute the giving of a financial benefit to a related party of the Company, for which member approval is usually required pursuant to section 208 of the Corporations Act.

There are various exceptions to the requirement for member approval. This includes, in accordance with section 211 of the Corporations Act, where the benefit is remuneration to a related party as an officer or employee of the Company, and to give the remuneration would be reasonable given:

- * the circumstances of the Company in giving the remuneration; and
- * the related party's circumstances (including the responsibilities involved in the office or employment).

The Board is of the view that, given the Shares will be issued or acquired under the Share Plan, and in their determination will be reasonable and in line with commercial fees ordinarily accruing and forming part of a remuneration package, the exception in section 211 of the Corporations Act will apply to the issue of the Shares

Accordingly, the Company is not seeking the approval of Shareholders under section 208 of the Corporations Act.

EXPLANATORY MEMORANDUM

Directors' recommendation

The Board (other than J Borshoff and G Swaby) considers that the proposed issue of shares under the Share Plan is appropriate and is in the best interests of the Company and its shareholders, as the issue of shares strengthens the alignment of both J Borshoff and G Swaby's interests with shareholders, and the shares provide a strong link between the reward for executive performance and Company performance over the long term.

The Board also considers that obtaining shareholder approval to allow the Company to deal with shares under the Share Plan upon either of J Borshoff and G Swaby ceasing employment in accordance with the Share Plan is appropriate and in the best interests of the Company and its shareholders. It will provide the Company with the ability to ensure its ongoing compliance with section 200B of the Corporations Act and with the terms of the issue of those shares.

No recommendation on how to vote on Resolution 4 is made by J Borshoff in light of his direct interest. No recommendation on how to vote on Resolution 5 is made by G Swaby in light of her direct interest.

A voting exclusion applies to this resolution.

The Board (other than J Borshoff and G Swaby) recommends that shareholders vote in favour of resolutions 4 and 5. The Chairman of the AGM intends to vote all available proxies in favour of resolutions 4 and 5.

EXPLANATORY MEMORANDUM

ANNEXURE A GLOSSARY OF TERMS

In this Explanatory Memorandum the following expressions have the following meanings:

\$ means Australian dollars, the legal currency of Australia;

AGM means Annual General Meeting

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Associates has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

Board means the board of Directors.

Business Day means a business day as defined in the Listing Rules.

Child Entity has the meaning given to that term in the Listing Rules.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company or **DYL** or **Deep Yellow** means Deep Yellow Limited ACN 006 391 948.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of DYL from time to time.

Key Management Personnel or **KMP** has the meaning given to the term key management personnel in the Accounting Standards.

Listing Rules means the Listing Rules of ASX, as amended from time to time.

Loan means an amount provided by the Company or one of its subsidiaries equal to the 5 VWAP of trading in the Company's shares up to and including the issue date, times the total number of shares to be issued.

Meeting or **Annual General Meeting** means the annual general meeting of Shareholders convened by this Notice.

Notice or **Notice of Meeting** means the notice of annual general meeting that accompanies this Explanatory Memorandum.

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

Restricted Voter means Key Management Personnel and their Closely Related Parties.

Share means a fully paid ordinary share in the capital of DYL.

Share Plan means the Deep Yellow Limited Loan Share Plan

Shareholder or **DYL Shareholder** means a holder of one or more Shares.

VWAP has the meaning ascribed to the term “volume weighted average price” in the Listing Rules.

WST means Australian Western Standard Time.

EXPLANATORY MEMORANDUM

Annexure B

SHARE PLAN

SUMMARY OF TERMS AND CONDITIONS OF THE SHARE PLAN

1. The Deep Yellow Limited Loan Share Plan (**Share Plan**) is extended to employees of Deep Yellow Limited (the **Company**) and its subsidiaries (including a director employed in an executive capacity) and any contractors, or any other person as the Board may in its discretion determine (each a **Participant**).
2. The Board will determine from time to time at its discretion:
 - (a) the purchase price to acquire the ordinary shares, which must not be less than the market value determined under Australian tax legislation (**Purchase Price**);
 - (b) whether the shares will be subject to conditions and the terms thereof, including vesting conditions (paragraph 6 below), dealing restrictions (paragraph 7 below) and circumstances in which the Shares can be forfeited (paragraph 8 below); and
 - (c) any other terms or conditions to be attaching to the shares or the invitation to participate in the Plan as the Board considers appropriate.
3. At the discretion of the Board, the Company may, when making an invitation, offer the Participant a limited recourse loan for the purpose of acquiring shares (**Loan**) on terms and conditions in accordance with the Plan.

Unless otherwise determined by the Board, the Loan will not bear interest.

Unless otherwise specified in an Invitation, the Loan is to be repaid on the first to occur of the following:

- (a) the date specified in the invitation;
- (b) if determined by the Board, any date after the date on which the Participant has been notified by the Company that some or all of the shares have vested under the Plan;
- (c) if the Participant sells some or all vested Shares to which the Loan relates, the date on which the Participant is entitled to receive the proceeds of the sale of those Shares;
- (d) if determined by the Board to be repayable as a result of a Control Event occurring in respect of the Company or the Participant transferring to work for the Company or any of its subsidiaries outside Australia; or
- (e) any material breach by the Participant where the breach is not remedied within 30 days of the Company's notice to the Participant to do so.

Until the Loan is repaid in full, the Company has a lien over all the Shares held by the Participant to which the Loan relates, all dividends and other amounts paid or payable on those Shares, and all securities issued in respect of those Shares as part of a bonus or entitlement issue. The Board may also determine that a Participant give a mortgage over the Shares as security for the Loan.

4. A Participant may repay all of a Loan at any time in respect of Shares for which all applicable Vesting Conditions have been satisfied.
5. The Company will apply the after-tax amount of dividends (and other distributions) paid in cash in respect of the Shares towards repayment of the Loan.
6. At the discretion of the Board, the Company may, when making an invitation, determine that the shares offered will be subject to vesting conditions.

The nature and terms of the Vesting Conditions shall be at the discretion of the Board and may include conditions relating to continuing employment, performance of the Participant or the Company or the occurrence of specific events.

Where the Company or its subsidiaries acquires or divests a material business, the Board may make special rules that apply to Participants in relation to Shares held pursuant to the Plan, including varying Vesting Conditions or deeming a Participant to remain an employee of a Group Company for a specific period.

7. At the discretion of the Board, the Company may, when making an invitation, determine that the Shares offered will be subject to restrictions on transfer, encumbrances or other dealings (**Dealing**). A Participant must not Deal with Shares acquired under the Plan until the Loan in respect of those Shares has been paid in full (or in the case of a sale, arrangements satisfactory to the Board have been made for the proceeds of sale

EXPLANATORY MEMORANDUM

to be applied towards repayment of the Loan in full) and any further period of Dealing restriction imposed by the Board under the terms of an Invitation has ended.

8. At the discretion of the Board, the Company may, when making an invitation, determine that Shares offered may be forfeited in specified circumstances.

Under the Plan, Shares may be forfeited if the vesting conditions are not satisfied. Subject to law, the Board is also able to take action to prevent a Participant obtaining unfair benefits where shares vest as a result of fraud, dishonesty or breach of obligations of any person, a material misstatement of the financial statements of the Company or its subsidiaries, or any other act or omission.

9. If a Participant ceases employment or a contract for services comes to an end with Deep Yellow Limited, the Participant's unvested shares will be forfeited, unless otherwise determined by the Board. On forfeiture the shares will be either bought back and cancelled or sold on market, any consideration received will be automatically applied to the loan repayment. Any excess disposal proceeds will be retained by the Company (ie the Participant will not benefit from the excess. If there is a shortfall (i.e. proceeds less than the loan balance), the proceeds received will be treated as full and complete payment of the loan. The Board may provide for a different treatment of shares on cessation of employment in an invitation.
10. Loans granted under the Plan will be on a limited recourse basis. If the Participant does not repay the outstanding balance of the Loan when due, the Company may sell the shares on behalf of the Participant. If the amount received on the sale of the shares is less than the outstanding balance of the Loan, the net proceeds of sale will be accepted in full satisfaction of the Loan, and the Participant will have no further liability under the Loan. If a Participant forfeits his or her interest in shares to the Company, the Participant's liability to repay the Loan will be satisfied.
11. If a takeover of scheme arrangement for the Company occurs, all the shares will automatically vest, unless otherwise specified in the terms of the invitation.
12. Subject to the requirements of the Corporations Act and the Company's constitution, the Company in its discretion may buy back shares held by a Participant if the shares are forfeited in accordance with the Plan, the Participant fails to repay the Loan when due, the Participant ceases to be employed by Deep Yellow Limited (where the shares have not been forfeited) or the Participant requests that the Company buy-back those shares. Any forfeited shares or shares the subject of a Loan non-repayment which are bought back will be bought back for the prevailing market price.

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

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

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

DYL

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

Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999

PIN: 99999

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



 **For your vote to be effective it must be received by 9:30am (WST) Saturday, 17 November 2018**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

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



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Deep Yellow Limited hereby appoint

☐ the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Deep Yellow Limited to be held at BDO (WA) PTY LTD, Rokeby Room, 38 Station Street, Subiaco, Western Australia on Monday, 19 November 2018 at 9:30am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 4 and 5 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Mr Mervyn Greene	☐	☐	☐
Resolution 3	Re-election of Mr Christophe Urtel	☐	☐	☐
Resolution 4	Approval of Issue of Shares and Loan to Mr J Borshoff	☐	☐	☐
Resolution 5	Approval of Issue of Shares and Loan to Ms G Swaby	☐	☐	☐

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

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

/ /

Date



DYL

999999A

Computershare