



Notice of annual general meeting and explanatory memorandum

Gale Pacific Limited

ACN 082 263 778

Date: Wednesday 23 December 2020

Time: 10.00 am (AEDT)

Place: Virtual Meeting

NOTICE OF 2020 ANNUAL GENERAL MEETING

NOTICE is given that the 2020 Annual General Meeting of Gale Pacific Limited ACN 082 263 778 (the Company) will be held virtually on Wednesday 23 December 2020 at 10.00 am (AEDT).

Due to the unprecedented impact of the COVID-19 pandemic, the Company is adhering to current government direction and restrictions on physical gatherings by electing to hold the AGM as a completely virtual meeting this year. The health and safety of our shareholders, employees, all of their families and the broader community is paramount.

The Company encourages all shareholders to participate in the AGM virtually via live webcast through Lumi online at www.web.lumiagm.com/306541623. All shareholders will have an equal opportunity to participate in the online AGM regardless of their physical location.

BUSINESS

Shareholders are invited to consider the following items of business at the Annual General Meeting:

Ordinary Business

1. FINANCIAL AND RELATED REPORTS

Agenda Item	Financial and Related Reports
Description	To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2020.

2. ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

Resolution 1	Adoption of Remuneration Report (Non-binding resolution)
Description	Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2020 Annual Report and is available from the Company's website (www.galepacific.com). In accordance with section 250R of the Corporations Act, the vote on this resolution will be advisory only and will not bind the directors or the Company.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT the Remuneration Report for the financial year ended 30 June 2020 included in the Directors' Report of the Annual Report as required under section 300A of the Corporations Act, be adopted by the Company."</i>
Voting Exclusion	The Company will disregard any votes cast on this Resolution: (a) by or on behalf of a member of the KMP named in the remuneration report for the year ended 30 June 2020, or that KMP's Closely Related Party, regardless of the capacity in which the vote is cast;

	(b) as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party, unless the vote is cast as a proxy for a person who is entitled to vote on this resolution: ○ in accordance with their directions of how to vote as set out in the proxy appointment; or ○ by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.
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3. RE-ELECTION OF DIRECTORS

Resolution 2	Re-Election of Tom Stianos as Director
Description	Tom Stianos was appointed as a Director of the Company on 17 October 2017 and retires as a Director in accordance with clause 7.1 (f) of the Constitution of the Company, and being eligible under clause 7.1 (h), offers himself for re-election.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT Tom Stianos, retiring from office in accordance with ASX Listing Rule 14.4 and clause 7.1 (f) of the Company's constitution and, being eligible, is re-elected as a director of the Company."</i>
Voting Exclusion	There is no voting exclusion for Resolution 2.

4. ISSUE OF PERFORMANCE RIGHTS TO CEO

Resolution 3	Approval of issue of performance rights to Chief Executive Officer and Managing Director, John Paul Marcantonio
Description	Shareholders are asked to approve an issue of performance rights to John Paul Marcantonio. The Board has decided to issue 14 million Performance Rights to John Paul Marcantonio under the terms of the Company's Performance Rights Share Plan, and the issue is subject to shareholder approval at this AGM.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to grant 14 million Performance Rights, each to acquire 1 ordinary fully paid share in the Company, to Mr John Paul Marcantonio (or his nominee(s)), and the issue of underlying shares in respect of those Performance Rights, pursuant to the Performance Rights Share Plan and on the terms set out in the Explanatory Memorandum accompanying this Notice."</i>

Voting Exclusion	The Company will disregard any votes cast: (a) in favour of this Resolution by or on behalf of the Directors who are eligible to participate in the Performance Rights Share Plan or an associate of those Directors; and (b) on the Resolution as a proxy by a member of the Key Management Personnel at the date of the meeting, or that Key Management Personnel's Closely Related Party. However, this does not apply to a vote cast by: (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or (d) the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the person chairing the Meeting to vote on the Resolution as the person chairing the Meeting decides; or (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.
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5. APPROVAL OF TERMINATION BENEFITS FOR CEO

Resolution 4	Approval of provision of termination benefits to Chief Executive Officer and Managing Director, John Paul Marcantonio
Description	Shareholders are asked to approve the giving of benefits to Mr John Paul Marcantonio in connection with his ceasing to hold an office, or position of employment, in Gale Pacific Limited or a related body corporate.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution: <i>"THAT, for the purposes of sections 200B and 200E of the Corporations Act 2001, approval be given for the giving of benefits to Mr John Paul Marcantonio, in connection with his ceasing to hold an office, or position of employment, in Gale Pacific Limited or a related body corporate."</i>

Voting Exclusion	The Company will disregard any votes on this Resolution cast as proxy by a person who is a member of Key Management Personnel (including any director) on the date of the meeting, or their Closely Related Parties. However, the Company need not disregard a vote if it is cast by: (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or (b) the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides, where the proxy appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.
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Dated: 24 November 2020

By order of the Board of Gale Pacific Limited

Sophie Karzis
Company Secretary

QUESTIONS FROM SHAREHOLDERS

In order to provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, Deloitte Touche Tohmatsu, in relation to the conduct of the external audit for the year ended 30 June 2020, or the content of its audit report. Please send your questions to:

The Company Secretary, Gale Pacific Limited
145 Woodlands Drive, Braeside, Victoria 3195, Australia
T. 03 9518 3312
E. sk@legalc.com.au

Written questions must be received by no later than **5.00 pm (AEDT) on Wednesday 16 December 2020**.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will also be provided to shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including Remuneration Report.

During the course of the Annual General Meeting, the Chairman will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give a representative of the Auditor the opportunity to answer written questions addressed to it. However, there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to shareholders.

ATTENDING THE MEETING

Due to the COVID-19 pandemic and the restrictions on social gatherings and social distancing measures implemented by the Australian and Victorian governments, the Company will not be holding a physical Annual General Meeting this year. Instead, the Company invites you to attend the Annual General Meeting online via the Lumi platform. If you choose to participate online or via the app, you will be able to view a live webcast of the Annual General Meeting, ask the directors of the Company Questions online and submit your votes in real time.

Shareholders and duly appointed proxies can attend the Meeting online by going to www.web.lumiagm.com/306541623.

Shareholders will need to enter their SRN/HIN and registered postcode or domicile. Proxyholders will need to contact Computershare Investor Services to receive their unique username and password on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the meeting.

Voting at the Annual General Meeting will only be available for registered Shareholders and duly appointed proxies. Non-registered Shareholders who have not been appointed as proxies may attend the Meeting by clicking "I am a guest" and their name and email address.

Shareholders who wish to appoint a third party proxy to represent them at the Annual General Meeting must submit their proxy form prior to 10.00 am (AEDT) on Monday 21 December 2020.

To register a proxy, Shareholder must submit their proxy forms to one of the methods set out below in paragraph (e).

It is important that you are connected to the internet at all times during the Annual General Meeting in order to vote when balloting commences.

Further details are available below under the section titled "Participating in the Virtual Meeting" and in the "Online Annual General Meeting Guide 2020" attached to this Notice.

All persons attending the Meeting are asked to login via Lumi at least 30 minutes prior to the time the Annual General Meeting is scheduled to begin, so that their shareholding may be checked against the register of members of the Company maintained by the applicable registry, their proxy, power of attorney or appointment as corporate representative verified (as applicable) and their attendance noted.

VOTING INFORMATION

Voting by proxy

- a) A shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the shareholder is entitled to cast two or more votes at the meeting, two proxies, to attend and vote instead of the shareholder.
- b) Where two proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the meeting.
- c) A proxy need not be a shareholder of the Company.
- d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.
- e) A proxy form accompanies this notice. If a shareholder wishes to appoint more than one proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of authority **by 10.00 am (AEDT) on Monday 21 December 2020**:
 - online by going to www.investorvote.com.au or by scanning the QR code, found on the enclosed proxy form with your mobile device; or
 - by post at GPO Box 242, Melbourne, Victoria 3001; or
 - by personal delivery at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067; or

- by facsimile: Australia – 1800 783 447, overseas - +61 3 9473 2555; or
- Custodian voting - For Intermediary Online subscribers only (custodians) please visit **www.intermediaryonline.com** to submit your voting intentions.

Voting and other entitlements at the Annual General Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations* 2001 that shares in the Company which are on issue at **7.00 pm (AEDT) on Monday 21 December 2020** will be taken to be held by the persons who held them at that time for the purposes of the Annual General Meeting (including determining voting entitlements at the meeting).

Proxy voting by the Chair

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act* 2011 (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 1, 3 and 4. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1, 3 and 4. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

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

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolutions 1, 3 and 4, he or she will not vote your proxy on that item of business.

EXPLANATORY MEMORANDUM TO NOTICE OF 2020 ANNUAL GENERAL MEETING

1. FINANCIAL AND RELATED REPORTS

Item	Financial and Related Reports
Explanation	Section 317 of the Corporations Act requires the Company's financial report, directors' report and auditor's report for the financial year ended 30 June 2020 to be laid before the Company's 2020 Annual General Meeting. There is no requirement for a formal resolution on this item. The financial report contains the financial statements of the consolidated entity consisting of Gale Pacific and its controlled entities. As permitted by the Corporations Act, a printed copy of the Company's 2020 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2020 Annual Report is available from the Company's website (www.galepacific.com). The Chair of the meeting will allow a reasonable opportunity at the meeting for shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor Deloitte Touche Tohmatsu questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2020, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Deloitte Touche Tohmatsu in relation to the conduct of the audit.

2. ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

Resolution 1	Adoption of Remuneration Report (Non-binding resolution)
Explanation	Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2020 Annual Report and is available from the Company's website (www.galepacific.com). The Remuneration Report: - describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance; - sets out the remuneration arrangements in place for each director and for certain members of the senior management team; and - explains the differences between the basis for remunerating non-executive directors and senior executives, including the Chief Executive Officer (or equivalent). The vote on this Resolution is advisory only and does not bind the Directors. However, the Board will consider any discussion on this Resolution and the outcome of the vote when considering the future remuneration policies and practices of the Company.

Voting Exclusion	A voting exclusion statement applies to this Resolution, as set out in the Notice.
Board Recommendation	The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.
Chair's available proxies	The Chair of the Meeting intends to vote all available proxies in favour of this Resolution 1.

3. RE-ELECTION OF DIRECTORS

Resolution 2	Re-Election of Mr Tom Stianos as Director
Explanation	Clause 7.1 (f) of the Company's Constitution requires one third of the Directors (rounded to the nearest number), other than the Managing Director and any Directors appointed to fill a casual vacancy (Clause 7.1 (g)), to retire at each annual general meeting of the Company. Clause 7.1 (f) provides that the Director(s) to retire are those who have held office as Director for the longest period of time since their last election to office, or in the event that two or more Directors have held office for the same period of time, those Directors determined by lot or by agreement amongst the Directors. Mr Tom Stianos retires at the 2020 Annual General Meeting and being eligible under Clause 7.1 (h) of the Constitution, offers himself for re-election as Director.
About Mr Tom Stianos	Tom Stianos (B.App.Sc., FAICD) has extensive experience as a non-executive director of listed companies including many years as Managing Director. Tom is currently Chairman of Empired (ASX:EPD) and Chairman of Escient. Tom was previously a non-executive director of Inabox Group (ASX:IAB), CEO of SMS Management & Technology (ASX:SMX), and Director of the Australian Information Industry Association. Tom is the Chairman of the Remuneration Committee and is a member of the Company's Nomination and Audit and Risk Committees. Tom holds 600,000 shares in the Company.
Board Recommendation	The Board, with Mr Tom Stianos abstaining, recommends that shareholders vote in favour of Resolution 2.
Chair's available proxies	The Chair of the Meeting intends to vote all available proxies in favour of this Resolution 2.

4. ISSUE OF PERFORMANCE RIGHTS TO CEO

Resolution 3	Issue of Performance Rights to CEO
Explanation	Resolution 3 seeks shareholder approval for the issue of Performance Rights to Mr John Paul Marcantonio, the Company's CEO and Managing Director under the Company's existing Performance Rights Share Plan (the Plan). As a Director of the Company, the issue of Performance Rights to Mr John Paul Marcantonio requires approval under ASX Listing Rule 10.14.1. In keeping with contemporary practice for companies of a comparable size and growth profile, the Board intends to issue a total number of 14 million Performance Rights to Mr Marcantonio as part of a combined short-term incentive (STI) and long-term incentive (LTI) to be assessed over a three (3) year performance period. Vesting of the Performance Rights is conditional on a sustained increase in the Company's Total Shareholder Return (TSR) over part or all of the performance period, as discussed in further detail below. The issuing of performance rights is a recognised practice in Australia as part of the remuneration of senior executives. The Company settled on a performance rights mechanism as it is consistent with past practice. If no Performance Rights were issued, Mr Marcantonio's cash remuneration may have to be increased. Issuing Performance Rights is accordingly considered by the Board to be a preferable alternative as the recipient benefits if the Company's TSR increases (in which case all shareholders benefit). If, however, the Company's TSR does not exceed predetermined growth targets during the performance period, the Performance Rights are of no benefit and will lapse. This part of the CEO and Managing Director's remuneration is therefore directly related to the longer-term improved performance of the Company. Mr Marcantonio's remuneration package comprises a base remuneration plus variable performance related incentive payments; usually his annual remuneration would include his base remuneration plus: • an annual STI with a value equal to a maximum cash bonus of 50% of his base remuneration package, providing the Company achieves or exceeds pre-determined financial targets; and • participating every year in the Plan to a value equal to 88% of his base remuneration package. The Board has however, after undertaking a thorough assessment of the current remuneration framework, identified that an initial single 3-year incentive arrangement for the CEO is a preferable model to appropriately recognise, reward and challenge the CEO for acting in the best interests of the Company and delivering the best results he can. If the Resolution is passed, the CEO will not receive any other incentive (including that no STI or LTI will be received) for a period of three (3) years. If the Resolution is not passed, the Performance Rights will not be issued, and the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Marcantonio.

Information to Shareholders

For the purposes of the approval sought under ASX Listing Rule 10.14 and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided to shareholders in respect of the proposed grant of Performance Rights.

Number of Performance Rights

Approval is being sought for the grant of fourteen (14) million Performance Rights to Mr Marcantonio, the CEO and Managing Director of the Company.

The Performance Rights will be issued for nil consideration and no price will be payable in respect of the vesting of the Performance Rights.

Total Current Remuneration

As at the date of this meeting, Mr Marcantonio's total remuneration comprises a base remuneration package of US\$458,400 per annum plus superannuation.

Details of prior grants

Mr Marcantonio has previously received 588,000 Performance Rights under the Plan for nil consideration, of which 270,000 have lapsed and 318,000 will vest if performance criteria are achieved as at the vesting date of 30 June 2021.

Terms of Performance Rights

Each Performance Right constitutes a right to acquire one ordinary fully paid share in the Company.

Vesting of the Performance Rights is subject to the Company achieving a TSR of at least 25% over the 3-year period ending 30 June 2023 (**Performance Period**), with any vesting of Performance Rights generally occurring after the end of the Performance Period.

TSR will be calculated as the amount (expressed as a percentage) by which the Company's share price as at the relevant performance date (generally determined on the basis of the volume weighted average of the Company's shares over the preceding 6 months) plus the amount of dividends per share declared between 1 January 2020 and that performance date has increased as against the Company's starting share price of \$0.20.

The percentage of the Performance Rights that will vest will be determined in accordance with the table below.

TSR	Percentage of Performance Rights that vest
Below Threshold: TSR of below 25%	Nil
At Threshold: TSR of 25%	25% (i.e. 3.5 million Performance Rights)
Above Threshold	Each additional whole 1% TSR above 25% will add 0.32% to proportion of Performance Rights vesting to a maximum of 100% of Performance Rights vesting at 260% TSR or above.

	Any early achievement of the TSR thresholds will be taken into account at the end of the Performance Period. In particular, if the required TSR increase of 25% or above is achieved in any financial half year prior to 1 January 2023 (Early Achievement), the TSR performance condition will be deemed to be satisfied as at the end of the Performance Period to the same extent as if the increase in the TSR had occurred over the full Performance Period (even if there is a subsequent decline in the TSR). For the purpose of testing the TSR performance condition at the end of the Performance Period, the highest TSR increase over the Performance Period or any single financial half year prior to 1 January 2023 will be used (i.e. TSR increases in respect of different periods, and any vesting of Performance Rights referable to such increases, will not be cumulative). If there is a Change of Control, the TSR performance condition will be immediately tested and calculated on the basis of an end price determined with reference to the Change of Control event (the Change of Control Price) and Performance Rights may vest accordingly. If any Performance Rights vest, the underlying shares will be issued to Mr Marcantonio immediately prior to completion of the Change of Control transaction. Vesting of Performance Rights is generally also conditional upon Mr Marcantonio remaining employed by the Company as at the date on which the TSR performance condition is tested (i.e. the end of the Performance Period or, in the case of an Early Achievement or a Change of Control transaction, as at the date of that Early Achievement or a Change of Control transaction). However, where Mr Marcantonio ceases employment less than 3 months before the end of a financial half year within the Performance Period, Performance Rights will still vest to the extent that Early Achievement occurs in relation to the relevant financial half year (unless Mr Marcantonio's employment has been terminated by the Company for cause). Where Mr Marcantonio ceases to be employed by the Company, any vesting of Performance Rights will generally occur at or about the date of cessation of employment or the end of the next financial half year, rather than at the end of the Performance Period. No Performance Rights will vest if Mr Marcantonio's employment has been terminated by the Company as a result of misconduct prior to the end of the Performance Period (and the Company may clawback any benefit received as a result of the vesting of Performance Rights if Marcantonio's employment has been terminated by the Company as a result of misconduct after Performance Rights have already vested). Other information No amount is payable by, and no loan will be provided to, Mr Marcantonio in connection with the issue of the Performance Rights. If Resolution 3 is passed, the Performance Rights will be issued to Mr Marcantonio within one month of the meeting. Value of Performance Rights The Company prepared an estimated valuation of the Performance Rights which was audited by Deloitte Touche Tohmatsu. The valuation was undertaken as at 20 October 2020 (at which time the Company's share price was \$0.27) and each Performance Right was valued at \$0.119 (i.e. an aggregate value of \$1,666,000).
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	Disclosure of issue of Performance Rights Details of any securities issued under the Plan will be published in the Company's annual report relating to the period in which securities have been issued, along with (where applicable) a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after (and in the event that) Resolution 3 is approved will not participate unless and until shareholder approval is obtained.
Voting Exclusion	A voting exclusion statement applies to Resolution 3 and is included in the Notice.
Recommendation	The Board, with Mr John Paul Marcantonio abstaining, recommends that shareholders vote in favour of Resolution 3.
Chair's available proxies	The Chair of the Meeting intends to vote all available proxies in favour of this Resolution 3.

5. APPROVAL OF TERMINATION BENEFITS FOR CEO

Resolution 4	Approval of provision of termination benefits to Chief Executive officer and Managing Director, John Paul Marcantonio
Explanation	Relevant law in Australia (sections 200B and 200E of the Corporations Act) restricts the benefits (Termination Benefits) that can be given to certain individuals in connection with the individual ceasing employment or ceasing to hold an office with the Company. The Corporations Act applies to individuals who hold a managerial or executive office, as defined in the Corporations Act, in the Company or a related body corporate or individuals who have held such an office during the last three years before they ceased to hold such an office or position of employment. This includes Mr Marcantonio. Under the Corporations Act, Mr Marcantonio may only be given a Termination Benefit exceeding a specified amount if it is approved by shareholders or an exemption applies. As the Termination Benefits to which Mr Marcantonio would be entitled under his employment and incentive arrangements may exceed the threshold in certain cases, shareholder approval for the provision of those benefits is being sought.
Nature of Termination Benefits	The Termination Benefits that may be provided to Mr Marcantonio vary depending upon the circumstances of his departure. (a) Discharge for cause or resignation Mr Marcantonio will be entitled to receive any unpaid base salary owed as well as all business expense reimbursements and accrued and unused vacation days (Base Termination Benefits). Mr Marcantonio's base salary at the date of this meeting is US\$458,400.00 per annum and is subject to annual review. In addition, Mr Marcantonio will also receive any other unpaid vested amounts or benefits under Company compensation, incentive, and benefit plans (other than in

the case of misconduct) and the Performance Rights the subject of Resolution 3 (the **TYI Performance Rights**) will vest (to the extent identified in the table in the explanatory notes for Resolution 3) in connection with any Early Achievement (other than in the case of resignation or misconduct).

(b) Disability

If Mr Marcantonio ceases employment due to disability, in addition to the Base Termination Benefits, he will also be entitled to receive:

- the benefit of any unvested short-term incentive award (**STI**), if and to the extent it would have vested by virtue of applicable performance criteria being achieved, if those performance criteria were assessed as at the date of cessation of employment;
- the benefit of any unvested long-term incentive award (**LTI**) (excluding the TYI Performance Rights) – if and to the extent it would have vested by virtue of the performance criteria being achieved at the end of the relevant performance period,

and the TYI Performance Rights will vest (to the extent identified in the table in the explanatory notes for Resolution 3) in connection with any Early Achievement or achievement of the TSR performance condition in respect of the first financial half year ending after the date of cessation of employment (if such financial half year ends less than 3 months after the date of cessation of employment).

(c) Death or termination by the Company other than for cause or disability

In addition to the Base Termination Benefits, Mr Marcantonio will be entitled to receive the following benefits.

(i) where Mr Marcantonio ceases employment on or before 30 June 2023

The TYI Performance Rights will vest (to the extent identified in the table in the explanatory notes for Resolution 3) in connection with any Early Achievement or achievement of the TSR performance condition in respect of the first financial half year ending after the date of cessation of employment (if such financial half year ends less than 3 months after the date of cessation of employment).

Mr Marcantonio will also be entitled to a lump sum payment equal to:

- 12 months' base salary – if his employment with the Company ceases on or before 30 November 2020;
- 18 months' base salary – if his employment with the Company ceases after 30 November 2020 but on or before 30 November 2021;
- 24 months' base salary – if his employment with the Company ceases after 30 November 2021 but on or before 30 June 2023,

in each case, less the value of the Shares received as a result of vesting of the TYI Performance Rights referred to immediately above or less the value of any Shares received previously as a result of a Change of Control transaction.

(ii) where Mr Marcantonio ceases employment after 30 June 2023

Mr Marcantonio will be entitled to:

- a lump sum payment equal to 12 months' base salary;

	- the benefit of any unvested STI, if and to the extent it would have vested by virtue of applicable performance criteria being achieved, if those performance criteria were assessed as at the date of cessation of employment; - a pro rata proportion of the benefit of any unvested LTI (relative to the proportion of the relevant performance period served) – if and to the extent it would have vested by virtue of the performance criteria being achieved at the end of the relevant performance period.
Matters, events or circumstances that will affect the value of the Termination Benefits	The value of Mr Marcantonio's Termination Benefits cannot be fully ascertained as it will depend, in part, upon: - in the case of benefits associated with the TYI Performance Rights – the extent to which the TSR performance condition is satisfied (which will in turn, depend on the market price of Shares over the relevant period, including any matters, events or circumstances that will, or will be likely to, affect the value of those Shares during that period); - in the case of STI and LTI benefits other than the TYI Performance Rights – the nature of those benefits and the time period served by Mr Marcantonio from the date of grant to the date of cessation of employment; - the date on which Mr Marcantonio ceases to be employed by the Company; - the circumstances of Mr Marcantonio's cessation of employment (for example, whether cessation of employment arises due to resignation, termination for cause, death, disability or for some other reason).
Board Recommendation	The Board, with Mr Marcantonio abstaining, recommends that shareholders vote in favour of Resolution 4.
Chair's available proxies	The Chair of the Meeting intends to vote all available proxies in favour of this Resolution 4.

DEFINITIONS

Board	means the Company's Board of Directors.
Company or Gale Pacific	means Gale Pacific Limited ACN 082 263 778.
Constitution	means the constitution of Gale Pacific Limited.
Corporations Act	means <i>Corporations Act 2001</i> (C'th).
Director	means a director of the board of Gale Pacific Limited.
Change of Control	"Change of Control" means an event where: (a) a takeover bid under Chapter 6 of the Corporations Act is announced for all of the Company's shares and the bidder has acquired voting power (as defined in the Corporations Act) in more than 50% of the Company's shares; (b) a person acquires voting power (as defined in the Corporations Act) in more than 50% of the Company's shares through any means other than under sub-paragraph (a) and (c) of this definition; (c) a court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies which results in a person acquiring voting power (as defined in the Corporations Act) in more than 50% of the Company's shares; (d) any Group Company or Group Companies enter into agreements to sell in aggregate substantially all in value of the businesses or assets (whether or not in the form of shares in a Group Company) of the Group to a person, or a number of persons, none of which are Group Companies; (e) the Company passes a resolution for voluntary winding up or if an order is made for the compulsory winding up of the Company; or (f) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are Group Companies.

Closely Related Party (of a member of KMP of an entity)	has the definition given to it by section 9 of the Corporations Act, and means: a) a spouse or child of the member; or b) a child of the member's spouse; or c) a dependant of the member or of the member's spouse; or 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 dealings with the entity; or e) a company the member controls; or f) a person prescribed by the regulations for the purposes of this definition (nothing at this stage).
Explanatory Memorandum	means this explanatory memorandum accompanying and forming part of this Notice.
Key Management Personnel or KMP	means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
Meeting	means the annual general meeting of the Company for 2020 to which the Notice relates.
Notice	means this notice of meeting of the Company, including the accompanying Explanatory Memorandum.
Performance Right	means a Right issued under the Company's Performance Rights Share Plan.
Plan	means the Company's Long-Term Incentive Plan.
Resolution	means a resolution set out in this Notice.
Share	means a fully paid ordinary share in the capital of the Company.

-ENDS-

Need assistance?



Phone:

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



Online:

www.investorcentre.com/contact

GAP

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



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10.00 am (AEDT) Monday, 21 December 2020.**

Gale Pacific Limited Annual General Meeting

This year, as part of the Australian Government's response to the Coronavirus crisis, temporary modifications have been made to the *Corporations Act 2001* under the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*.

These modifications allow notices of meeting, and other information regarding a meeting to be provided online where it can be viewed and downloaded. We are relying on technology to facilitate shareholder engagement and participation in the meeting. Details of where you can access the notice of meeting, lodge a proxy and participate in the meeting are contained in this letter.

Meeting date and location:

The Annual General Meeting of Gale Pacific Limited will be a virtual meeting, which will be conducted online on Wednesday, 23 December 2020 at 10.00 am (AEDT).

Attending the meeting online:

If you choose to participate online on the day of the meeting you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your vote in real time.

To participate online you will need to visit web.lumiagm.com/XXXXXXXXX on your smartphone, tablet or computer.

You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to participate online please view the online meeting user guide at www.computershare.com.au/virtualmeetingguide

Access the meeting documents and lodge your proxy online:

Online:

Access the meeting documents and lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com



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

GAP

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

Need assistance?



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



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10.00 am (AEDT) Monday, 21 December 2020.**

Proxy Form

How to Vote on Items of Business

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

APPOINTMENT OF PROXY

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

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

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

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

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

By Fax:

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



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

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



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



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Gale Pacific 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 Gale Pacific Limited to be held as a virtual meeting on Wednesday, 23 December 2020 at 10.00 am (AEDT) 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, 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though resolutions 1, 3 and 4 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, 3 and 4 by marking the appropriate box in step 2.

Step 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report (Non-binding resolution)	☐	☐	☐
Resolution 2	Re-Election of Tom Stianos as Director	☐	☐	☐
Resolution 3	Approval of issue of performance rights to Chief Executive officer and Managing Director, John Paul Marcantonio	☐	☐	☐
Resolution 4	Approval of provision of termination benefits to Chief Executive Officer and Managing Director, John Paul Marcantonio	☐	☐	☐

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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

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

GAP

2 6 8 4 5 4 A



Computershare



GAPRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Gale Pacific Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Gale Pacific Limited