



VOLT

RESOURCES

ASX ANNOUNCEMENT

By e-lodgement

11 October 2018

Payment of non-executive directors fees in excess of prescribed maximum aggregate fee cap

Volt Resources Limited (ASX: VRC), (“Volt” or the “Company”) advises that it has become aware that payments made to its non-executive directors during the financial year ended 30 June 2018 (**FY18**) were in excess of Volt’s current maximum aggregate cap (prescribed by rule 11.9 of Volt’s Constitution and set for the purposes of Listing Rule 10.17) on the payment of directors fees to its non-executive directors.

As Volt shareholders would be aware, the Company has sought to restructure the composition of its Board and management team over recent years to ensure that it has access to an appropriate mix of skills and expertise as it transitions towards development of its Bunyu Graphite Project in Tanzania.

As part of that Board transition process:

- Mr Asimwe Kabunga was appointed to the Board as a Non-Executive Director on 5 April 2017 and was subsequently appointed as the Company’s Chairman on 4 August 2017;
- Mr Stephen Hunt transitioned from Executive Chairman to Non-Executive Director on 4 August 2017 such that amounts payable to Mr Hunt by way of directors’ fees were, from that date, included within the non-executive director fee cap (whereas previously they were not);
- Mr Alwyn Vorster was appointed a Non-Executive Director on 23 March 2016; and
- Mr Matthew Bull resigned as a Non-Executive Director of the Company with effect from 9 July 2018.

The gradual restructure of the Company’s Board during 2016 to 2018 outlined above resulted in the Company paying an aggregate amount during FY18 of \$291,363 by way of directors’ fees (including superannuation contributions) to its Non-Executive Directors, being an amount of \$141,363 in excess of the aggregate fee cap of \$150,000 per annum previously approved by shareholders when the Company adopted its Constitution in 2008. As such, the payment of amounts during FY18 to the Company’s Non-Executive Directors that were in excess of the \$150,000 non-executive director fee cap resulted in the Company breaching ASX Listing Rule 10.17.

Details of the amounts that were paid by the Company to each of its Non-Executive Directors during FY18 can be found on page 13 of the Company’s 2018 Annual Report.

This inadvertent breach of the maximum amount prescribed for the purpose of paying directors fees to the Company's non-executive directors was uncovered subsequent to the finalisation of Volt's 2018 Annual Report during the course of preparing for Volt's 2018 Annual General Meeting.

The amount which Volt is permitted to pay its non-executive directors by way of directors fees has not been increased since the limit was last approved by shareholders in 2008 (some ten years ago).

Accordingly, Volt proposes to seek the approval of shareholders at its upcoming 2018 Annual General Meeting to increase the maximum aggregate amount the Company can pay to its non-executive directors to \$360,000 per annum (inclusive of any superannuation contributions), and increase of \$210,000, so as to ensure that Volt can continue to pay directors' fees to its Non-Executive Directors in accordance with existing contractual arrangements and that Volt has the ability to attract and retain suitably qualified Non-Executive Directors in future.

As the Company has existing contractual arrangements with each of its Non-Executive Directors, Volt does not consider it practicable to seek to recover amounts already paid in excess of the aggregate fee cap and may prejudice the Company's ability to retain these individuals as non-executive directors of the Company.

If shareholders decide not to increase the aggregate fee cap at the Company's 2018 Annual General Meeting, the Company will need to restructure the remuneration payable to its Non-Executive Directors. This may include a requirement that Non-Executive Directors receive a greater proportion of remuneration through equity incentives, rather than cash consideration. Any change to the remuneration of the Company's non-executive directors may impact the Company's ability to retain and attract suitably qualified directors, including the existing Non-Executive Directors of the Company.

For and on behalf of Volt Resources Limited

Trevor Matthews
Chief Executive Officer