

## Annual General Meeting – Notice and Proxy Form

29 October 2020

Dear Shareholder

American Pacific Borates Limited (ACN 141 804 104) (**Company**) is convening an Annual General Meeting (**Meeting**) to be held virtually on Monday, 30 November 2020 at 10:00 am (AEST).

The Company and the Board are acutely aware of the current circumstances resulting from COVID-19 and the impact it is having, and is likely to continue to have, on physical meetings. Accordingly, the Board has made the decision that it will not hold a physical Meeting.

In accordance with subsection 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020*, the Company will not be dispatching physical copies of the Notice of Meeting (**Notice**). Instead, a copy of the Notice will be available at

<https://americanpacificborates.com/>.

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience. **Shareholders are encouraged to complete and lodge their proxies online or otherwise in accordance with the instructions set out in the proxy form and the Notice.**

Your proxy voting instruction must be received by 10:00 am (AEST) on Saturday, 28 November 2020, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Computershare Investor Services Pty Ltd on, 1300 850 505.

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at

<https://americanpacificborates.com/>.

The Company appreciates the understanding of shareholders during this time.

Yours faithfully



Aaron Bertolatti  
**Company Secretary**  
**American Pacific Borates Limited**



AmericanPacific

BORATES LIMITED

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**AMERICAN PACIFIC BORATES LIMITED**  
**ACN 615 606 114**  
**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10:00am (AEDT)

**DATE:** 30 November 2020

**PLACE:** In light of the current global outbreak of the Coronavirus (COVID 19), the Australian Government's response in restricting gatherings and implementing social distancing requirements in addition to the State Government's border restrictions, the Company has decided that special arrangements will apply to the Meeting. In the interests of public health and safety, the Company has determined not to allow Shareholders to physically attend the Meeting.

The Company will publish a Virtual Meeting Guide on the ASX and the Company's website in the week prior to the Annual General Meeting, outlining how Shareholders will be able to participate in the Meeting via the internet.

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

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (AEDT) on 28 November 2020.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020.”*

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

#### **Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 2. RESOLUTION 2 – ELECTION OF DIRECTOR – DAVID SALISBURY

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

*“That, for the purpose of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, David Salisbury, a Director who was appointed casually on 1 August 2020, retires, and being eligible, is elected as a Director.”*

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#### 3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – STEPHEN HUNT

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

*“That, for the purpose of clause 14.2 of the Constitution, and for all other purposes, Stephen Hunt, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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**4. RESOLUTION 4 – ISSUE OF INCENTIVE OPTIONS EXERCISABLE AT \$0.90 TO DIRECTOR – MICHAEL SCHLUMPBERGER**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Options, exercisable at \$0.90, to Michael Schlumpberger (or their nominee) under the Incentive Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Michael Schlumpberger) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a 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
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) 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 directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**5. RESOLUTION 5 – ISSUE OF INCENTIVE OPTIONS EXERCISABLE AT \$0.90 TO DIRECTOR – ANTHONY HALL**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 2,400,000 Options, exercisable at \$0.90, to Anthony Hall (or their nominee) under the Incentive Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Anthony Hall) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a 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
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) 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 directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**6. RESOLUTION 6 – ISSUE OF INCENTIVE OPTIONS EXERCISABLE AT \$0.90 TO DIRECTOR – DAVID SALISBURY**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Options, exercisable at \$0.90, to David Salisbury (or their nominee) under the Incentive Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including David Salisbury) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a 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
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) 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 directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**7. RESOLUTION 7 – APPOINTMENT OF AUDITOR AT AGM TO FILL VACANCY**

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

*"That, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO Audit (WA) Pty Ltd (ACN 112 284 787) having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting."*

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**8. RESOLUTION 8 – APPROVAL OF 7.1A MANDATE**

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

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Dated: 29 October 2020**

**By order of the Board**



**Aaron Bertolatti**  
**Company Secretary**

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**Voting by proxy**

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

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

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

Shareholders and their proxies should be aware that:

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

### **Voting in person and online**

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The Company is pleased to provide Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Zoom.

The Company will publish a Virtual Meeting Guide on the ASX and the Company's website in the week prior to the Annual General Meeting, outlining how Shareholders will be able to participate in the Meeting via the internet. Any shareholders who wish to attend the AGM online should therefore monitor the Company's website and its ASX announcements for any updates about the AGM.

Shareholders attending the AGM virtually will be able to ask questions and the Company has made provisions for Shareholders who register their attendance before the start of the Meeting to also cast their votes on the proposed resolutions.

After registering, you will receive a confirmation email containing information about joining the Meeting. **The Directors strongly encourage all Shareholders to either lodge a directed proxy form prior to the Meeting even if they are planning to attend the Meeting online.**

### **Corporate representatives**

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Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry ([www.computershare.com.au](http://www.computershare.com.au)).

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6141 3145.

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## EXPLANATORY STATEMENT

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

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.americanpacificborates.com](http://www.americanpacificborates.com).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.



## **2.3 Previous voting results**

At the Company's previous 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 Annual General Meeting.

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## **3. RESOLUTION 2 – ELECTION OF DIRECTOR – DAVID SALISBURY**

### **3.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

David Salisbury, having been appointed by other Directors on 1 August 2020 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

### **3.2 Qualifications and other material directorships**

*BSc (Electrical Engineering), MBA*

David is a qualified electrical engineer with over 40 years' experience in the global mining industry. David resides in the USA and is a former Rio Tinto executive who was President and CEO of Resolution Copper Company, Kennecott Minerals Company and Rössing Uranium Limited. David has been directly responsible for the development, construction and production of four mines.

### **3.3 Independence**

David Salisbury has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers David Salisbury will be an independent Director.

### **3.4 Other material information**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of David Salisbury, which returned no material or adverse results.

The Company confirms that it is not aware of any other information that would be material to Shareholders in deciding whether to appoint Mr Salisbury to the Board.

### 3.5 Board recommendation

The Board has reviewed David Salisbury's performance since his appointment to the Board and considers that David Salisbury's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of David Salisbury and recommends that Shareholders vote in favour of Resolution 2.

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## 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – STEPHEN HUNT

### 4.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. Stephen Hunt, who has served as a Director since 2 May 2017, retires by rotation and seeks re-election.

### 4.2 Qualifications and other material directorships

*BBus, MAICD*

Stephen Hunt has 25 years' experience in the marketing mineral products worldwide. His career includes 15 years at BHP Billiton where he spent 5 years in the London office marketing minerals to a global customer base. Mr. Hunt has built his own minerals trading company, which has a strong Chinese focus. He brings 15 years of cumulative board experience with four ASX listed companies. Two of those companies were successful in transitioning from project development to production.

### 4.3 Independence

If re-elected the Board considers Stephen Hunt will be an independent Director.

### 4.4 Board recommendation

The Company confirms that it is not aware of any additional information that would be material to Shareholders in deciding whether to re-elect Mr Hunt to the Board.

The Board has reviewed Stephen Hunt's performance since his appointment to the Board and considers that Stephen Hunt's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Stephen Hunt and recommends that Shareholders vote in favour of Resolution 3.

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## 5. RESOLUTIONS 4 TO 6 – ISSUE OF INCENTIVE OPTIONS EXERCISABLE AT \$0.90 TO DIRECTORS

### 5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to:

- (a) 3,000,000 Options to Michael Schlumpberger (or his nominee/s);
- (b) 2,400,000 Options to Anthony Hall (or his nominee/s); and
- (c) 2,000,000 Options to David Salisbury (or his nominee/s),

pursuant to the Incentive Option Plan (**Option Plan**) and on the terms and conditions set out below (**Incentive Options**).

## 5.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of the Incentive Options to Michael Schlumpberger, Anthony Hall and David Salisbury (or their respective nominees) (**Related Parties**) constitutes giving a financial benefit and the Related Parties are each a related party of the Company by virtue of being Directors.

The Directors (other than the Related Parties) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Incentive Options, because the agreement to issue the Incentive Options, reached as part of the remuneration package for each of the Related Parties, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

The Company notes the long term incentives for Michael Schlumpberger and Anthony Hall (the subject of Resolutions 4 and 5, respectively) were approved by the Board in June 2020. Further, the Company notes the long term incentives for David Salisbury (the subject of Resolution 6) were approved by the Board in August 2020.

## 5.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Options to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 4 to 6 seek the required Shareholder approval for the issue of the Incentive Options under and for the purposes of Listing Rule 10.14.

## 5.4 Technical information required by Listing Rule 14.1A

If Resolutions 4 to 6 are passed, the Company will be able to proceed with the issue of the Incentive Options to the Related Parties under the Option Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval under Listing Rule

10.14 is an exception to ASX Listing Rule 7.1 and 7.1A, the issue of the Incentive Options will not use up any of the Company's combined 25% placement capacity under Listing Rules 7.1 or 7.1A. As the securities being issued are Options they won't increase the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue the Incentive Options unless the Incentive Options are exercised into Shares.

If Resolutions 4 to 6 are not passed, the Company will not be able to proceed with the issue of the Incentive Options to Related Parties under the Option Plan and may instead seek to provide any required remuneration by way of cash payment.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 8 being passed at this Meeting.

## **5.5 Technical information required by Listing Rule 10.15**

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolutions 4 to 6:

- (a) the Incentive Options will be issued to the Related Parties (or their respective nominees), who fall within the category set out in Listing Rule 10.14.1 by virtue of each being a Director of the Company;
- (b) the maximum number of Incentive Options to be issued is 7,400,000, comprising:
  - (i) 3,000,000 Incentive Options to Michael Schlumpberger (or his nominee/s);
  - (ii) 2,400,000 Incentive Options to Anthony Hall (or his nominee/s); and
  - (iii) 2,000,000 Incentive Options to David Salisbury (or his nominee/s);
- (c) the current total annual remuneration package for:
  - (i) Michael Schlumpberger is A\$394,366 (US\$280,000), comprising of salary and fees as a Managing Director (inclusive of all taxes and superannuation equivalent payments where applicable). If the Incentive Options are issued, the total remuneration package of Michael Schlumpberger will increase by A\$802,293 to A\$1,196,659, being the value of the Incentive Options (based on the Black Scholes methodology);
  - (ii) Anthony Hall is A\$335,983, comprising of director and consulting fees (inclusive of superannuation payments where applicable). If the Incentive Options are issued, the total remuneration package of Anthony Hall will increase by A\$641,834 to A\$977,817, being the value of the Incentive Options (based on the Black Scholes methodology);
  - (iii) David Salisbury is A\$101,409 (US\$72,000), comprising of directors' fees (inclusive of superannuation payments where applicable). If the Incentive Options are issued, the total remuneration package of David Salisbury will increase by A\$762,668 to A\$864,077, being the value of the Incentive Options (based on the Black Scholes methodology);

(d) the Company has previously issued 15,350,000 Options under the Option Plan since the Company was admitted to the Official List, including 6,000,000 Options which were issued to Directors or their nominees as follows:

- (i) 3,500,000 Options exercisable at \$0.50 each on or before 30 July 2024 were issued to Michael Schlumpberger; and
- (ii) 2,500,000 Options exercisable at \$0.50 each on or before 30 July 2024 were issued to Anthony Hall.

The Company confirms that all Options previously issued under the Option Plan were issued for a nil issue price;

(e) a summary of the material terms and conditions of the Incentive Options is set out in Schedule 1;

(f) the Incentive Options are unquoted Options. The Company has chosen to issue Incentive Options to the Related Parties for the following reasons:

- (i) the Incentive Options are Options, therefore, the issue of the Incentive Options has no immediate dilutionary impact on Shareholders;
- (ii) the issue of Incentive Options to the Related Parties will align the interests of Related Parties with those of Shareholders;
- (iii) the issue of the Incentive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (iv) because of the deferred taxation benefit which is available to the Related Parties in respect of an issue of Incentive Options. This is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Incentive Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
- (v) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options on the terms proposed;

(g) the Company values the Anthony Hall and Michael Schlumpberger Incentive Options at A\$1,444,127 (being A\$0.267 per Incentive Option) based on the Black-Scholes methodology;

(h) the Company values the David Salisbury Incentive Options at A\$762,668 (being A\$0.381 per Incentive Option) based on the Black-Scholes methodology;

(i) the Incentive Options will be issued to the Related Parties (or their nominee) no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing

Rules) and it is anticipated the Incentive Options will be issued on one date;

- (j) the issue price of the Incentive Options will be nil, as such no funds will be raised from the issue of the Incentive Options (other than in respect of funds received on exercise of the Incentive Options);
- (k) a summary of the material terms and conditions of the Option Plan is set out in Schedule 2;
- (l) no loan is being made to the Related Parties in connection with the acquisition of the Incentive Options;
- (m) details of any Options issued under the Option Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14; and
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Options under the Option Plan after Resolutions 4 to 6 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

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## **6. RESOLUTION 7 – APPOINTMENT OF AUDITOR AT AGM TO FILL VACANCY**

RSM Australia Partners, the Company's current auditor, has given notice of its intention to resign as auditor of the Company to ASIC in accordance with section 329(5) of the Corporations Act.

Upon receipt of ASIC's consent to their resignation, RSM Australia Partners has advised that it will submit a notice of resignation to the Company in accordance with section 329(5) of the Corporations Act, such resignation to take effect from the date of the Meeting.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for BDO Audit (WA) Pty Ltd (ACN 112 284 787) to be appointed as the Company's auditor. A copy of this nomination is attached to this Notice as Schedule 3.

BDO Audit (WA) Pty Ltd (ACN 112 284 787) has given its written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act, subject to Shareholder approval and the resignation of RSM Australia Partners.

If Resolution 7 is passed, the appointment of BDO Audit (WA) Pty Ltd (ACN 112 284 787) as the Company's auditors will take effect from the close of the Annual General Meeting.

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## **7. RESOLUTION 8 – APPROVAL OF 7.1A MANDATE**

### **7.1 General**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 8 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 8 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 8 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

## **7.2 Technical information required by Listing Rule 7.1A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 8:

### **(a) Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

### **(b) Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 7.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use any funds raised from issues of Equity Securities under the 7.1A Mandate to fund construction activities at the Fort Cady Borate Project including, but not limited to, site works, equipment costs, personnel, engineering expenses and establishing required infrastructure in order to construct facilities for the production of borates, continued exploration expenditure on the Company's current assets, being the Fort Cady Borate Project and the Salt Well Project, and/or general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 8 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 28 October 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.45	\$0.90	\$1.80
			Issue Price at half the current market price	Issue Price at current market price	Issue Price at double the current market price
		Funds Raised			
<b>Current</b>	319,417,519 Shares	31,941,752 Shares	\$14,373,788	\$28,747,577	\$57,495,153
<b>50% increase</b>	479,126,279 Shares	47,912,628 Shares	\$21,560,683	\$43,121,365	\$86,242,730
<b>100% increase</b>	638,835,038 Shares	63,883,504 Shares	\$28,747,577	\$57,495,153	\$114,990,307

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 319,417,519 Shares on issue:
2. The issue price set out above is the closing market price of the Shares on the ASX on 28 October 2020.



3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

During the 12-month period preceding the date of the Meeting, being on and from 30 November 2019, the Company issued 9,995,666 Shares pursuant to the Previous Approval (**Previous Issue**), which represents approximately 3.83% of the total diluted number of Equity Securities on issue in the Company on 30 November 2019, which was 260,978,372.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12-month period preceding the date of the Meeting are set out below.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

<b>Date of Issue and Appendix 2A and 3B</b>	<b>Date of Issue:</b> 26 February 2020 <b>Date of Appendix 3B:</b> 19 February 2020 <b>Date of Appendix 2A:</b> 26 February 2020
<b>Recipients</b>	Professional and sophisticated investors as part of a placement announced on 19 February 2020. The placement participants were identified through a bookbuild process, which involved Peloton Capital Pty Ltd (ACN 149 540 018) seeking expressions of interest to participate in the placement from non-related parties of the Company.
<b>Number and Class of Equity Securities Issued</b>	9,995,666 Shares <sup>2</sup>
<b>Issue Price and discount to Market Price<sup>1</sup> (if any)</b>	\$0.40 per Share (at a discount of 11.25% to Market Price).
<b>Total Cash Consideration and Use of Funds</b>	<b>Amount raised:</b> \$3,998,266.40 <b>Amount spent:</b> \$3,998,266.40 <b>Use of funds:</b> Progressing construction related activities at the Fort Cady Borate Project including initial site works, equipment costs, personnel, engineering and construction drawings and establishing water and energy infrastructure and ongoing working capital. <b>Amount remaining:</b> \$nil

**Notes:**

1. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: ABR (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

### **7.3 Voting Exclusion Statement**

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

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## GLOSSARY

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**\$ or A\$** means Australian dollars.

**7.1A Mandate** has the meaning given in Section 7.1.

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

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

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

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

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

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means American Pacific Borates Limited (ACN 615 606 114).

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

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

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

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

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

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or

indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

**Managing Director** means the managing director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office.

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

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

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2020.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

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

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

**US\$** means United States dollars.

**Vacating Directors** means the Directors who were directors of the Company when the resolution to make the directors' report considered at the last annual general meeting of the Company was passed, other than the Managing Director at that time.

**Variable A** means "A" as set out in the formula in Listing Rule 7.1A.2.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

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The Options entitle the holder to subscribe for ordinary fully paid shares in the capital of the Company on the following terms and conditions:

- (a) The Options will expire at 5.00pm WST on 6 July 2024 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) Each Option gives the Optionholder the right to subscribe for one fully paid ordinary share in the Company. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (c) The exercise price payable upon exercise of each Option will be AU\$0.90 (**Exercise Price**).
- (d) The Options are exercisable at any time prior to the Expiry Date.
- (e) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds (**Exercise Date**).
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the funds constituting the Exercise Price, the Company will allot and issue the number of ordinary shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) All fully paid ordinary shares allotted upon the exercise of Options will, upon allotment, rank pari passu in all respects with other shares of the Company.
- (i) In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company before the expiry of any Options, the number of Options to which an Option holder is entitled or the Exercise Price of the Options or both will be reconstructed (as appropriate) in accordance with standard practice so as to ensure that said reorganisation is neither advantageous nor disadvantageous to the Option holder.
- (j) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the term of the Options.
- (k) If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

$$A = \frac{O - E [P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying ordinary shares into which one option is exercisable;

P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the ASX during the five trading days immediately preceding the ex-rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);

S = the subscription price for a security under the pro rata issue;

D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

- (I) The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF INCENTIVE OPTION PLAN

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A summary of the key terms and conditions of the Company's employee incentive option plan (**Plan or Option Plan**) is set out below:

- (a) **Eligibility:** Participants in the Plan may be:
- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
  - (ii) a full or part time employee of any Group Company;
  - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
  - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (a), (b) or (c) above,

who is declared by the Board to be eligible to receive grants of Options under the Plan (**Participants**).

- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Participant (including a Participant who has previously received an offer) to apply for up to a specified number of Options, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Options due to
- (i) the Participant ceasing to be a Participant due to death or total and permanent disability; or
  - (ii) a Change of Control occurring; or
  - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.



- (g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in the Option;
  - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to vest the Option (e.g. due to death, total and permanent disability);
  - (iii) in respect of unvested Option only, a Participant ceases to be a Participant, unless the Board exercises its discretion to vest the Right (e.g. due to death, total and permanent disability) or allow the unvested Options to remain unvested after the relevant person ceases to be a Participant;
  - (iv) in respect of vested Options only, a relevant person ceases to be a Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be a Participant;
  - (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Participant;
  - (vi) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Option;
  - (vii) the expiry date of the Option; and
  - (viii) the 7 year anniversary of the date of grant of the Option.
- (h) **Not transferrable:** Options are only transferrable with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (i) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer below) from the date of issue, rank on equal terms with all other Shares on issue.
- (j) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.
- (k) **Share Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant (or their eligible nominee) on exercise of those Options up to a maximum of seven (7) years from the grant date of the Options.
- (l) **No Participation Rights:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (m) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (n) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Option granted under the Plan including giving any amendment retrospective effect.

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**SCHEDULE 3 – NOMINATION OF AUDITOR LETTER**

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21 October 2020

Level 12  
197 St Georges Terrace  
PERTH WA 6000

I, Aaron Bertolatti, being a member of American Pacific Borates Limited (ACN 615 606 114) (**Company**), nominate BDO Audit (WA) Pty Ltd (ACN 112 284 787 in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.



Aaron Bertolatti



AmericanPacific

BORATES LIMITED  
American Pacific Borates Limited  
ABN 68 615 606 114

ABR

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](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 AM (AEDT) on Saturday, 28 November 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](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://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](http://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 American Pacific Borates 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 American Pacific Borates Limited to be held virtually on Monday, 30 November 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 Items 1, 4, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 4, 5 and 6 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 Items 1, 4, 5 and 6 by marking the appropriate box in step 2.

## Step 2 Item 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
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director – David Salisbury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – Stephen Hunt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Incentive Options exercisable at \$0.90 to Director – Michael Schlumpberger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Incentive Options exercisable at \$0.90 to Director – Anthony Hall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Incentive Options exercisable at \$0.90 to Director – David Salisbury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Appointment of Auditor at AGM to fill vacancy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of 7.1A Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

ABR

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