



ABN 99 107 541 453

Notice of General Meeting

Explanatory Statement

and

Proxy Form

TIME

10.00am (WST)

DATE

Wednesday, 29 March 2017

PLACE

Westar Capital Limited
Level 4, London House
216 St Georges Terrace
Perth WA 6000

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NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of members of Vector Resources Limited (**Vector** or the **Company**) will be held on Wednesday, 29 March 2017, commencing at 10.00am (WST) at the office of Westar Capital Limited, Level 4, 216 St Georges Terrace, Perth, Western Australia.

The enclosed Explanatory Statement accompanies and forms part of this Notice of Meeting.

AGENDA

Resolution 1 – Approval of Share Consolidation

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 254H of the Corporations Act, and for all other purposes, Shareholders approve and authorise the Directors to consolidate the issued capital of the Company on the basis that every five (5) Shares be consolidated into one (1) Share on the terms and conditions set out in the Explanatory Statement that forms part of this Notice (**Consolidation**).”*

Resolution 2 – Vector Employee Incentive Plan (EIP)

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

“That approval be given for the establishment of the EIP, as described in the Explanatory Statement, and issues under the EIP for all purposes, including ASX Listing Rule 7.2 exception 9.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director of the Company (except one who ineligible to participate in any employee incentive scheme in relation to the Company) and any person associated with that Director. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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.

BY ORDER OF THE BOARD

Neville Bassett
Company Secretary
21 February 2017

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the General Meeting of the Shareholders to which this Notice relates will be held at 10.00am (WST) on Wednesday, 29 March 2017 at:

Westar Capital Limited
Level 4
216 St Georges Terrace
Perth WA 6000

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to *Regulation 7.11.37* of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 10.00am (WST) on 27 March 2017.

VOTING IN PERSON

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

VOTING BY PROXY

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

Sections 250BB and 250BC of the *Corporations Act* provide 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.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of members of Vector Resources Limited ("the company") in connection with the business to be conducted at the General Meeting of members to be held at the offices of Westar Capital Limited, Level 4, 216 St Georges Terrace, Perth, Western Australia on Wednesday, 29 March 2017 at 10.00am (WST).

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice.

2. RESOLUTION 1 – APPROVAL OF SHARE CONSOLIDATION

2.1 Background

Resolution 1 seeks Shareholder approval for the Company to undertake a consolidation of the number of Shares on issue on the basis that every five (5) Shares held be consolidated into one (1) Share.

If Resolution 1 is passed the number of securities on issue will be as set out in section 2.5.

2.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in general meeting, convert all or any of its shares into a larger or smaller number.

2.3 Fractional Entitlements

The result of the Consolidation is that each Share holding will be reduced one fifth of its current level. Each Shareholder's proportional interest in the Company's share capital will remain unchanged as a result of the Consolidation. Any fractional entitlements of Shareholders as a consequence of the Consolidation will be rounded up to the nearest whole number.

2.4 Taxation

It is not considered that any taxation implications will exist for Shareholders arising from the Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Consolidation and the Company, the Directors and their advisers do not accept any responsibility for the individual taxation implications arising from the Consolidation.

2.5 Effect on Capital Structure

The change in capital structure of the Company following the Consolidation, which is subject to adjustments for rounding, is as follows:

Class of Security	Number on Issue (Pre- Consolidation)	Approximate number on Issue (Post-Consolidation)
Shares	5,249,071,146	1,049,814,229

2.6 Holding statements

The Consolidation will take effect from the second Business Day after Shareholder approval is received pursuant to the Notice of Meeting (**Effective Date**).

As from the Business Day after the Effective Date, the Company may not register transfers on a pre-Consolidation basis. In the case of certificated holdings, this is the last day for the Company to accept transfers accompanied by certificates issued before the Consolidation.

The Company will send a notice to all Security holders not earlier than the second Business Day after the Effective Date and not later than the sixth Business Day after the Effective Date advising of the number of Securities held by each Shareholder both before and after the Consolidation.

Uncertificated security holding statements or certificates (as applicable) for the Shares will be sent to Shareholders not earlier than the second Business Day after (but not including) the Effective Date and not later than the sixth Business Day after (but not including) the Effective Date.

The Company will, from the second Business Day after the Effective Date, reject transfers accompanied by a certificate or holding statement that was issued before the Consolidation.

Where a Shareholder has sold his or her Shares in the Company prior to the Consolidation of ordinary Shares and the Company receives a valid transfer executed by the Shareholder together with a certificate (if applicable) for those Shares, the Company will send an uncertificated security holding statement or certificate (as applicable) for the new Shares to the transferee named in the transfer.

2.7 Indicative timetable

Based upon the above, an indicative timetable assuming Shareholder approval is obtained will be as follows:

Date	Event
29 March 2017	Company tells ASX that Shareholders have approved the Consolidation.
30 March 2017	Last day for trading pre-Consolidation securities.
31 March 2017	Effective Date Trading in post-Consolidation securities commences on a deferred settlement basis.
3 April 2017	Last day to register transfers on a pre- Consolidation basis.
4 April 2017	First day for the company to send notice to each holder detail of the change in their holdings. First day to register transfers on a post- Consolidation basis and first day for issue of holding statements.
10 April 2017	Last day for Shares to be entered into holders security holdings. Last day for Company to send notice to each Shareholder of pre and post-Consolidation holdings.

3. RESOLUTION 2 – VECTOR EMPLOYEE INCENTIVE PLAN (EIP)

3.1 Introduction - resolution regarding new employee incentive scheme

The Company has introduced a new employee share scheme which is presented to Shareholders for approval at this General Meeting.

Resolution 2 relates to the Vector Employee Incentive Plan (EIP), described in more detail below.

The EIP incorporates both broad based equity participation for eligible employees as well as key executive incentive schemes.

3.2 Background

A summary of the key terms of the EIP is set out in Annexure A, and a copy of the rules of the EIP is available upon request from the Company.

The purpose of the EIP is to:

- (a) reward employees and consultants of the Company;
- (b) assist in the retention and motivation of employees and consultants of the Company; and
- (c) provide an incentive to employees and consultants of the Company to grow shareholder value by providing them with an opportunity to receive an ownership interest in the Company.

Shareholder approval of the EIP is being sought for all purposes under the Corporations Act and the ASX Listing Rules, including ASX Listing Rule 7.2 (exception 9), so that securities issued in accordance with the EIP will be excluded from the calculation of the maximum number of new securities that can be issued by the Company in any 12 month period (currently 15% of shares previously on issue) for a period of three years from the date of approval.

If this Resolution 2 is approved by Shareholders, it will have the effect of enabling the securities issued by the Company under the EIP to be automatically excluded from the formula to calculate the number of securities which the Company may issue within the 15% in 12 months limit under Listing Rule 7.1 during the next three years period.

This is the first approval sought under Listing Rule 7.2 (exception 9) with respect to the EIP. Accordingly, no securities have previously been issued under the EIP.

3.3 EIP terms generally

The EIP is a new employee equity plan developed to meet contemporary equity design standards and to provide the greatest possible flexibility in the design and offer choices available in the various new equity schemes.

The EIP enables the Company to offer employees a range of different employee share scheme (“ESS”) interests. These ESS interests or awards include options, performance rights, service rights, deferred shares, exempt shares, cash rights and stock appreciation rights.

The type of ESS interest that may be offered to employees will be determined by a number of factors, including:

- the remuneration or incentive purpose;

- the tax jurisdiction that the employee lives and/or works in;
- the laws governing equity incentives where the employee lives and/or works; and
- the logistics and compliance costs associated with offering equity incentives where the employee lives and/or works.

Whenever Shares are acquired under the EIP, they may be acquired and held by an Employee Share Trust ("EST"). The EST will be governed by a trust deed ("EST Trust Deed") outlining the rules of the EST and the responsibilities of the Trustee, the Company and participants and a copy of any EST Trust Deed will be available upon request from the Company. It is not the intention of the company to establish an EST.

3.4 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 2. As stated in the Notice, any vote cast in respect of this resolution by a Director and their respective associates will be disregarded, except as stated in the Notice.

4. DEFINITIONS

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691.

ASX Listing Rules means the official listing rules of ASX.

Board means the current board of directors of the company.

Consolidation has the meaning in Resolution 1.

Constitution means the Company's Constitution.

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

Directors means the current directors of the company.

Explanatory Statement means this Explanatory Statement.

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

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

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

Shareholder means the holder of a fully paid ordinary share in the capital of the company.

Vector or **the Company** means Vector Resources Limited ABN 99 107 541 453.

WST means Western Standard Time, being the time in Perth, Western Australia.

ANNEXURE "A"

SUMMARY OF EIP KEY TERMS AND KEY POLICY SETTINGS

Eligibility

The Board has the discretion to determine which employees are eligible to participate in the EIP. The definition of employee under the rules of the EIP includes any full time or permanent part time employee or officer or director of the Company or consultant of the Company or any related body corporate of the Company.

Vesting conditions

The vesting of any securities issued under the EIP, excluding Exempt Shares and Stock Appreciation Rights, may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to the employee in the individual's offer documents.

Exercise of securities

Vested securities issued under the EIP will not automatically trigger the exercise of the securities, but a participant will be entitled to exercise in accordance with the terms contained in the invitation to the individual.

Price

Securities issued under the EIP may be issued at no cost to the participants. Options may be subject to payment of an exercise price by the participant which is determined by the Board and advised to the participant in the individual's offer documents.

Lapse/forfeiture

Securities issued under the EIP will lapse or be forfeited on the earliest of:

- any expiry date applicable to the securities;
- any date which the Board determines that vesting conditions applicable to the securities are not met or cannot be met;
- the participant dealing in respect of the securities in contravention of the EIP; and
- the Board determining that a participant has committed an act of fraud, is ineligible to hold the office for the purposes of Part 2D.6 of the Corporations Act, or is found to have acted in a manner that the Board considers to constitute gross misconduct.

Board may elect to settle in cash

If the Board determines that it is not appropriate for tax, legal, regulatory or compliance reason to issue or transfer Shares upon satisfaction of its obligations under the plan, the Company may make a cash payment to the participant in accordance with the terms of the plan.

Waiving the restricted period

The Board may waive or shorten the restriction period applicable to securities issued under the EIP, as contained in the offer to the participant.

Change of Control

On the occurrence of a Change of Control (as defined in the rules of the EIP), the Board will determine, in its sole and absolute discretion, the manner in which vested and unvested securities issued under the EIP shall be dealt with.

Cessation of employment

All unvested securities issued under the EIP lapse immediately on termination of employment unless any Leaver's Policy applies or the Board determines otherwise depending on the circumstances.

No dealing or hedging

Dealing restrictions apply to securities issued under the EIP in accordance with the rules of the EIP and the Company's share trading policy. Participants are prohibited from hedging or otherwise protecting the value of unvested securities issued under the EIP.

Rights attaching to Shares

Shares issued under the plan will rank equally for dividends and other entitlements, be subject to any restrictions imposed under these rules and otherwise rank equally with the existing Shares on issue at the time of allotment.

Company may issue or acquire shares

Company may, in its discretion, either issue new shares or acquire shares already on issue, or a combination of both, to satisfy the Company's obligations under the EIP.

Adjustments

Prior to the allocation of shares to a participant upon vesting or exercise of securities issued under the EIP, the Board may make any adjustment it considers appropriate to the terms of securities in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action such as a capital raising or capital reconstruction.

Limits on securities issued

The number of shares that may be issued under the EIP is set with regard to the limits prescribed under ASIC Class Order 14/1000 with respect to employee share scheme offers made without a prospectus and made in accordance with a Notice of Reliance (CF 08). These limits provide that the number of shares that may be issued, when aggregated with a number of shares issued during the previous three years from share issues under all employee share schemes established by the Company (including as a result of exercise of options to acquire shares granted to the previous three years under any such employee share scheme), must not exceed 5% of the total number of shares on issue. Certain unregulated offers, including offers to senior managers and overseas residents are excluded.

An overall limit of 15% for employee share scheme (ESS) offers is imposed.

Continued operation of the plan

The plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the listing rules.

PROXY FORM

The Secretary
Vector Resources Limited
PO Box 7315
Perth WA 6850

I/We (full name) _____
of _____
being a member(s) of Vector Resources Limited, hereby appoint as my/our proxy

_____ of _____
or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the General Meeting of the company to be held at 10.00am (WST) on Wednesday, 29 March 2017 and at an adjournment thereof in respect of _____% of my/our shares or, failing any number being specified, ALL of my/our shares in the company.

RESOLUTION

		FOR	AGAINST	ABSTAIN
1	Approval of Share Consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Vector Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Where permitted, the Chairperson intends to vote all undirected proxies in favour of all resolutions.

If the member is an individual or joint holder:

Usual Signature

Usual Signature

If the member is a company:

Signed in accordance with the Constitution of the company in the presence of:

Director/Sole Director

Director/Secretary

Sole Director and Sole Secretary

Dated this _____ day of _____ 2017.

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INSTRUCTIONS FOR COMPLETING PROXY FORM

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (refer below) or sent by facsimile to fax 08 6268 2699 to be received not less than 48 hours prior to the time of the Meeting.
5. Signing Instructions

Individual: where the holding is one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the company before the meeting or at the registration desk on the day of the meeting.

LODGING YOUR PROXY FORM

To be valid, your proxy form (and any Power of Attorney under which it is signed) must be received at the address given below no later than 10.00am (WST) on Monday, 27 March 2017. Any proxy form received after that time will not be valid for the scheduled meeting.

In person: Vector Resources Limited
C/- Westar Capital Limited
Level 4
216 St Georges Terrace
Perth WA 6000

By mail: Vector Resources Limited
PO Box 7315
Perth WA 6850

By fax: (08) 6268 2699

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