



Wellard

ASX Announcement

28 October 2016

Despatch of Notice of 2016 Annual General Meeting

Wellard Limited (Wellard, ASX:WLD) advises that it has despatched to shareholders the Notice of Annual General Meeting (including the Explanatory Memorandum) and Proxy Form attached to this announcement.

For those holders who have elected to receive a paper copy of Wellard's 2016 Annual Report, this has also been despatched. A copy of the Annual Report is available on Wellard's website (www.wellard.com.au).

The Annual General Meeting will be held at 10.00 am (WST) on Tuesday, 29 November 2016 at Botanicals 2, Lower Level, Crown Convention Centre, Great Eastern Highway, Burswood, Western Australia.

For further information:

Investors

Managing Director, Mauro Balzarini
Phone: + 61 8 9432 2800

Media

FTI Consulting, Cameron Morse
Phone: + 61 8 9485 8888
Mobile: +61 (0) 433 886 871

Visit www.wellard.com.au



WELLARD LIMITED
ACN 607 708 190

NOTICE OF ANNUAL GENERAL MEETING

The first annual general meeting of the Company will be held at Botanicals 2, Lower Level, Crown Convention Centre, Great Eastern Highway, Burswood, Western Australia on Tuesday, 29 November 2016 at 10.00am (WST).

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9432 2800

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the first annual general meeting of shareholders of Wellard Limited (**Company**) will be held at Botanicals 2, Lower Level, Crown Convention Centre, Great Eastern Highway, Western Australia on Tuesday, 29 November 2016 at 10.00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

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 as Shareholders on 27 November 2016 at 10.00am (WST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

AGENDA

1. ANNUAL REPORT

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2016, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. RESOLUTION 1 - REMUNERATION REPORT

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

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly

authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 - CONFIRMATION OF APPOINTMENT OF MR DAVID GRIFFITHS AS DIRECTOR

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

"That, pursuant to and in accordance with rule 11.3(a) of the Constitution and for all other purposes, Shareholders approve and confirm the appointment of Mr David Griffiths as a Director on the terms and conditions in the Explanatory Memorandum."

4. RESOLUTION 3 - CONFIRMATION OF APPOINTMENT OF MR GREG WHEELER AS DIRECTOR

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

"That, pursuant to and in accordance with rule 11.3(a) of the Constitution and for all other purposes, Shareholders approve and confirm the appointment of Mr Greg Wheeler as a Director on the terms and conditions in the Explanatory Memorandum."

5. RESOLUTION 4 - CONFIRMATION OF APPOINTMENT OF MR PHILIP CLAUSIUS AS DIRECTOR

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

"That, pursuant to and in accordance with rule 11.3(a) of the Constitution and for all other purposes, Shareholders approve and confirm the appointment of Mr Philip Clausius as a Director on the terms and conditions in the Explanatory Memorandum."

6. RESOLUTION 5 - APPOINTMENT OF AUDITOR

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

"That, pursuant to and in accordance with section 327B of the Corporations Act and for all other purposes, PricewaterhouseCoopers, having consented to act as the Company's auditor, is appointed as the Company's auditor on the terms and conditions in the Explanatory Memorandum."

7. RESOLUTION 6 - APPROVAL OF WELLARD EXECUTIVE SHARE OPTION PLAN

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

"That, pursuant to and in accordance with Listing Rule 7.2, exception 9 and for all other purposes, Shareholders approve the Wellard Executive Share Option Plan and the grant of Executive Share Options and the issue of the underlying Shares of such Executive Share Options on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of his associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (a) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

8. RESOLUTION 7 - ISSUE OF EXECUTIVE SHARE OPTIONS TO MR MAURO BALZARINI UNDER THE WELLARD EXECUTIVE SHARE OPTION PLAN

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

"That, pursuant to and in accordance with Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 500,000 Executive Share Options to Mr Mauro Balzarini (or his nominee), under the Wellard Executive Share Option Plan on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors and any of their associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

9. RESOLUTION 8 - APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

10. RESOLUTION 9 - APPOINTMENT OF MR TYRON DENNISON AS DIRECTOR

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

"That, pursuant to and in accordance with rule 11.2(a) of the Constitution and for all other purposes, Shareholders appoint Mr Tyron Dennison, nominated by Butt Nominees Pty Ltd, as a Director on the terms and conditions in the Explanatory Memorandum."

Dated: 11 October 2016

By order of the Board

Ms Yasmin Broughton
Company Secretary

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Botanicals 2, Lower Level, Crown Convention Centre, Great Eastern Highway, Western Australia on Tuesday, 29 November 2016 at 10.00am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

A Proxy Form is located at the end of this Explanatory Memorandum.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10.00 am (WST) on 27 November 2016, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely

Related Party of such member, regardless of the capacity in which the vote is cast; or

- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

2.3 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)

A vote on Resolution 6 must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. ANNUAL REPORT

In accordance with section 317(1) of the Corporations Act the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.wellard.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;

- (c) accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. RESOLUTION 1 – REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Meeting is the Company's first annual general meeting and so no Strikes have been received to date. Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2017 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

5. RESOLUTION 2 – CONFIRMATION OF APPOINTMENT OF MR DAVID GRIFFITHS AS DIRECTOR

Rule 11.3(a) of the Constitution provides that if a person was appointed as a Director by the Board, the Company must confirm that appointment at the next annual general meeting.

Mr David Griffiths was appointed as a Director by the Board on 19 November 2015. Resolution 3 provides that the Shareholders approve and confirm his appointment as Director.

Mr Griffiths (*B.Ec (Hons)(UWA), M.Ec (ANU), D. Ec.(Hon), FAICD*) is also a Non-Executive Director and Chairman of Automotive Holdings Group Limited. He also holds the position as Deputy Chairman of the Perth contemporary dance company Co3. Mr Griffiths was Deputy Chairman of Think Smart Limited until August 2016.

Mr Griffiths has held a range of senior financial executive positions and has extensive experience in equity capital markets, mergers and acquisitions, and the corporate advisory sector. He is a former Divisional Director of Macquarie Bank Limited and Executive Chairman of Porter Western Limited.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

The Board (excluding Mr David Griffiths) supports the appointment of Mr David Griffiths to the Board and recommends that shareholders vote in favour of Resolution 2.

6. RESOLUTION 3 – CONFIRMATION OF APPOINTMENT OF MR GREG WHEELER AS DIRECTOR

Rule 11.3(a) of the Constitution provides that if a person was appointed as a Director by the Board, the Company must confirm that appointment at the next annual general meeting. Rule 11.3(a) does not apply to the Managing Director.

Mr Greg Wheeler was appointed as a Director by the Board on 10 September 2015. Resolution 3 provides that the Shareholders approve and confirm his appointment as Director.

Mr Wheeler (*BBus, ACA*) resigned as Company Secretary on 9 February 2016 and on 11 July 2016 he changed role to that of Non-Executive Director and stood down as Chief Financial Officer.

Prior to joining the Wellard business in 2011, Mr Wheeler served as the Group Financial Controller for Austal Limited and has previously worked for PricewaterhouseCoopers and Westpac Bank.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

The Board (excluding Mr Greg Wheeler) supports the appointment of Mr Greg Wheeler to the Board and recommends that shareholders vote in favour of Resolution 3.

7. RESOLUTION 4 – CONFIRMATION OF APPOINTMENT OF MR PHILIP CLAUSIUS AS DIRECTOR

Rule 11.3(a) of the Constitution provides that if a person was appointed as a Director by the Board, the Company must confirm that appointment at the next annual general meeting.

Mr Philip Clausius was appointed as a Director by the Board on 19 November 2015. Resolution 4 provides that the Shareholders approve and confirm his appointment as Director.

Mr Clausius (*BA (Hons) Business Administration*) is the founder and Managing Partner of Transport Capital Pte Ltd. He currently serves as director and CEO of Nordic Shipholding

A/S, a company listed on the Nasdaq OMX. He is also a Non-Executive director of BW Pacific and a member of the Advisory Panel of the Singapore Maritime Foundation.

Mr Clausius was previously the co-founder and CEO of the FSL Group, a Singapore-based provider of leasing services to the international shipping industry.

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

The Board (excluding Mr Philip Clausius) supports the appointment of Mr Philip Clausius to the Board and recommends that shareholders vote in favour of Resolution 4.

8. RESOLUTION 5 – APPOINTMENT OF AUDITOR

In accordance with section 327A(1) of the Corporations Act, a public company must appoint an auditor within one month after the day on which the company is registered, unless the company at a general meeting has appointed an auditor.

Section 327A(3) of the Corporations Act provides that an auditor appointed under section 327A(1) holds office until the Company's first annual general meeting. Further, in accordance with section 327B(1)(a) of the Corporations Act, a public company must appoint an auditor of the company at its first annual general meeting.

The Company was registered on 10 September 2015 was listed on the ASX on 10 December 2015. The Meeting is the Company's first annual general meeting.

In accordance with section 328B(1) of the Corporations Act, a Shareholder has nominated PricewaterhouseCoopers for appointment as auditor of the Company. For the purposes of section 328B(3) of the Corporations Act, a copy of the written notice of nomination is attached as Schedule 3.

In satisfaction of section 328A of the Corporations Act, the Directors have received written notice of consent from PricewaterhouseCoopers to act as auditor of the Company.

Resolution 5 provides that PricewaterhouseCoopers is appointed as auditor of the Company.

Resolution 5 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 5.

9. RESOLUTION 6 - APPROVAL OF WELLARD EXECUTIVE SHARE OPTION PLAN

9.1 General

The Company proposes to implement an executive share option plan (**Wellard Executive Share Option Plan**) to attract, reward and retain valuable executives and support the growth of the Company.

The material terms of the Wellard Executive Share Option Plan are summarised in Schedule 2.

Resolution 6 is an ordinary resolution.

9.2 Specific information required by Listing Rule 7.2

In accordance with Listing Rule 7.2, exception 9, information is provided as follows:

- (a) The material terms of the Wellard Executive Share Option Plan are summarised in Schedule 2.
- (a) This is the first approval sought under Listing Rule 7.2, exception 9 with respect to the Wellard Executive Share Option Plan.
- (b) No securities have been issued under the Wellard Executive Share Option Plan.
- (c) A voting exclusion statement is included in the Notice for Resolution 6.

9.3 Directors' Recommendation

Subject to Shareholder approval of Resolution 7, Mr Mauro Balzarini will participate in the Wellard Executive Share Option Plan and accordingly refrains from making any recommendation as to how Shareholders should vote on Resolution 6.

The Board (other than Mr Mauro Balzarini) recommends that Shareholders vote in favour of Resolution 6.

10. RESOLUTION 7 – ISSUE OF EXECUTIVE SHARE OPTIONS TO MR MAURO BALZARINI UNDER THE WELLARD EXECUTIVE SHARE OPTION PLAN

10.1 General

Resolution 7 seeks Shareholder approval in accordance with Listing Rule 10.14 and section 208 of the Corporations Act for the grant of up to 500,000 Executive Share Options to Mr Mauro Balzarini, Director, under the Wellard Executive Share Option Plan.

The Board considers that this grant of Executive Share Options to Mr Mauro Balzarini would be a cost effective and efficient reward for the Company to make to appropriately incentivise his continued performance, and is consistent with the strategic goals and targets of the Company.

The Executive Share Options will vest if the Company VWAP exceeds \$1.39 at any time prior to the date which is four years from the date of issue (**Performance Condition**). If the Performance Condition is achieved and the Executive Share Options are exercised, the resultant Shares will be subject to voluntary escrow for a period of two years from the date of issue of the Shares.

If the Performance Condition is not achieved by the date which is four years from the date of issue then the Executive Share Options will lapse.

The material terms of the Wellard Executive Share Option Plan are summarised in Schedule 2.

Resolution 7 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 7.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 7, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy

in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

10.2 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Mr Mauro Balzarini is a Director and is therefore a related party of the Company.

10.3 Listing Rule 10.14

In accordance with Listing Rule 10.14, the Company must not permit a Director or any of his or her associates to acquire securities under an employee incentive scheme unless it obtains Shareholder approval.

Pursuant to Listing Rule 7.2, exception 14, as Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required.

10.4 Specific information required by Listing Rule 10.15 and section 219 of the Corporations Act

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The Executive Share Options will be granted to Mr Mauro Balzarini (or his nominee).
- (b) Mr Mauro Balzarini (or his nominee) will be granted up to 500,000 Executive Share Options.
- (c) The Company will grant the Executive Share Options no later than 12 months after the date of the Meeting or such longer period of time as ASX allows.
- (d) Under the rules of the Wellard Executive Share Option Plan, only Employees are entitled to participate in the Wellard Executive Share Option Plan. The Directors are each Employees for these purposes and are eligible to participate in the Wellard Executive Share Option Plan.
- (e) The Executive Share Options will be granted for nil cash consideration. Subject to the satisfaction of the relevant performance condition, the exercise price of the Executive Share Options will be nil.
- (f) No funds will be raised by the grant of the Executive Share Options as they are being granted for nil cash consideration.
- (g) No Executive Share Options have been granted under the Wellard Executive Share Option Plan to date.
- (h) Mr Mauro Balzarini has an interest in Resolution 7 and therefore believes it is inappropriate to make a recommendation to Shareholders as to how to vote. The other Directors are in favour of the grant of the Executive Share Options to Mr Mauro Balzarini under Resolution 7.
- (i) Mr Mauro Balzarini's existing interest in the Company is as follows:

- (i) **Shares:** Mr Mauro Balzarini has an indirect interest in 110,280,001 Shares; and
- (ii) **Options:** none.
- (j) In respect of the financial year ended 30 June 2016, Mr Mauro Balzarini received total remuneration of \$906,316.
- (k) The Board has received independent advice on the value of the Executive Share Options and determined on the basis of the assumptions set out below the technical value of one Executive Share Options is as follows:

| Director | Number of Executive Share Options | Value Per Executive Share Option \$ | Total Value \$ |
|--------------------|--|--|-----------------------|
| Mr Mauro Balzarini | 500,000 | \$0.004 | \$2,000 |

This valuation imputes a total value of \$2,000 to the Executive Share Options. The value may go up or down after the date of valuation as it will depend on the future price of a Share. A market based valuation methodology has been used to value the Executive Share Options, with the following assumptions:

- (i) the risk free rate of 1.58% is the Reserve Bank of Australia's 3-year bond rate;
- (ii) the underlying security spot price of \$0.266 used for the purposes of this valuation is based on the share price of the Company on the day of the report;
- (iii) the estimated volatility used in the valuation is 30%;
- (iv) for the purposes of the valuation, no future dividend payments have been forecast; and
- (v) for the purposes of the valuation it is assumed that the Executive Share Options will be issued on date of the valuation, 4 October 2016, and the Executive Share Options will have a life of four years from the commencement date.
- (l) Under the accounting standard AASB 2 share based payments, the Company will recognise an expense in the income statement based on the fair value of the options over the period from the date of issue to the vesting date. The total of the fair value of the Executive Share Options issued is \$2,000 at the date of the Notice.
- (m) Historical quoted price information for the Company's listed securities for the last twelve months is as follows:

| Shares | Price | Date |
|---------|---------|--|
| Highest | \$1.450 | 11 December 2015 |
| Lowest | \$0.22 | 2 September 2016, 5 September 2016 and 13 - 16 September 2016. |
| Last | \$0.250 | 7 October 2016 |

- (n) The exercise of the Executive Share Options will result in a dilution of all other Shareholders' holdings in the Company of 0.125%.
- (o) A voting exclusion statement is included in the Notice for Resolution 7.
- (p) Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 7.

10.5 Directors' Recommendation

The Board (other than Mr Mauro Balzarini) recommends that Shareholders vote in favour of Resolution 7.

11. RESOLUTION 8 - APPROVAL OF 10% PLACEMENT FACILITY

11.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(c)).

The Directors believe that Resolution 8 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairman intends to exercise all available proxies in favour of Resolution 8.

11.2 Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue one quoted classes of Equity Securities, being Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without Shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 400,000,000 Shares and, assuming that Resolution 7 is passed, will have capacity to issue:

- (i) 60,000,000 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 7, 40,000,000 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(c)).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i), the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX,

(the **10% Placement Period**).

11.3 Listing Rule 7.1A

The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

11.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities 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; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i), the date on which the Equity Securities are issued.
- (b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (d) The table also shows:
 - (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
 - (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

| Variable 'A' in Listing Rule 7.1A.2 | | Dilution | | |
|---|---------------------|---------------------------------------|-----------------------|--|
| | | \$0.12 50% decrease in Issue Price | \$0.24 Issue Price | \$0.48 100% increase in Issue Price |
| Current Variable A 400,000,000 Shares | 10% Voting Dilution | 40,000,000 Shares | 40,000,000 Shares | 40,000,000 Shares |
| | Funds raised | \$4,800,000 | \$9,600,000 | \$19,200,000 |
| 50% increase in current Variable A 600,000,000 Shares | 10% Voting Dilution | 60,000,000 Shares | 60,000,000 Shares | 60,000,000 Shares |
| | Funds raised | \$7,200,000 | \$14,400,000 | \$28,800,000 |
| 100% increase in current Variable A 800,000,000 Shares | 10% Voting Dilution | 80,000,000 Shares | 80,000,000 Shares | 80,000,000 Shares |
| | Funds raised | \$9,600,000 | \$19,200,000 | \$38,400,000 |

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Executive Share Options are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) 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%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised

into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- (vii) The issue price is \$0.24, being the closing price of the Shares on ASX on 3 October 2016.
- (e) The Company will only issue the Equity Securities during the 10% Placement Period.
- (f) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) non-cash consideration for the acquisition of the new assets, for the purposes of refinancing and/or maintenance of working capital. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets (including expense associated with such acquisition), refinancing, continued expenditure on the Company's current assets and/or general working capital.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the subscribers under the 10% Placement Facility will be the vendors of the new resources assets or investments.
- (j) A voting exclusion statement is included in the Notice for Resolution 8.
- (k) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security

holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

11.5 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 8.

12. RESOLUTION 9 - APPOINTMENT OF MR TYRON DENNISON AS DIRECTOR

A person is eligible to be elected as a Director if they are nominated by a Shareholder in accordance with rule 11.4(c) of the Constitution. In accordance with Listing Rule 14.3, an entity must accept a nomination for the election of a director up to 35 business days before the date of a general meeting.

On 6 October 2016, the Company received the following notices in accordance with rule 11.4(c) of the Constitution:

- (a) a notice signed by Butt Nominees Pty Ltd, a Shareholder holding in aggregate more than 5% of the votes that may be cast at a general meeting of the Company, giving notice of their intention to nominate Mr Tyron Dennison as a Director; and
- (b) a notice signed by Mr Tyron Dennison stating his consent to the nomination.

In accordance with rule 11.2(a) of the Constitution, the Company may by resolution at a general meeting appoint a natural person as a Director.

Resolution 9 provides that Mr Tyron Dennison is appointed as a Director.

The nominating Shareholder, being Butt Nominees Pty Ltd, has provided the following biography for Mr Tyron Dennison.

Mr Dennison has more than 22 years' experience in the design, project management and construction of livestock/meat processing facilities throughout the Middle East, China, South East Asia and Australia through his company, Food Equipment Australia Pty Ltd. He is also a director of Butt Nominees Pty Ltd which, through its sole shareholder, Mr Tariq Butt, has more than 30 years of livestock meat trading throughout the Middle East. Butt Nominees Pty Ltd has a relevant interest in approximately 14% of the shares in the Company and therefore is a substantial Shareholder.

Mr Dennison has a strong understanding and practical experience in commercial business and management, both in Australia and abroad. He has spent more than half of his working life in the Middle East, China and South East Asia and is a fluent Chinese Mandarin speaker.

Mr Dennison is a member of the Australian Institute of Company Directors.

As at the Notice, the Company had not yet obtained results of background checks to be performed by the Company in respect of Mr Tyron Dennison. If any material adverse information is revealed by the checks, the Company will provide details of that information to Shareholders.

On the basis that Mr Tyron Dennison is a nominee of Butt Nominees Pty Ltd, a substantial Shareholder, the Board considers that Mr Tyron Dennison will, if elected, not qualify as an independent director.

Resolution 9 is an ordinary resolution.

The Chairman intends to exercise all available proxies against Resolution 9.

The Board makes no recommendation as to the appointment of Mr Tyrone Dennison to the Board.

SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 11.1.

10% Placement Period has the meaning given in Section 11.2(f).

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2016.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chairman means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Wellard Limited (ACN 607 708 190).

Company VWAP means the VWAP of Shares on issue during, and calculated over, thirty trading days.

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporate Action means where:

- (c) the Board determines there are circumstances which have occurred or are likely to occur which will result in significant changes to the structure or control of the Company or the Group which may adversely affect the rights of or value to participants under the Wellard Executive Share Option Plan;
- (d) offers are made to acquire all of the Shares (or all of these that the offeror does not already have a relevant interest in) and after the announcement of the offer the offeror acquire control of the Company or the Group or offers are made to acquire all of the Shares (or all of those that the offeror does not already have a relevant interest in) by any person who has control of the Company or the Group;
- (e) a scheme or arrangement under the Corporations Act is proposed between the Company and its shareholders; or
- (f) a resolution for a members' voluntary winding up of the Company is passed.

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

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Disposal Restrictions means such restrictions on disposal or dealing in Executive Share Options, or in Shares delivered on exercise of Executive Share Options, as determined by the Board from time to time at its absolute discretion.

Employee means:

- (a) an employee, contractor or consultant of the Group;
- (b) a director of any Group Company;
- (c) a person to whom an offer of employment, engagement as a contractor or engagement as a consultant the Group has been made; or
- (d) any individual who is otherwise engaged by the Group to provide services.

Equity Security has the same meaning as in the Listing Rules.

Executive Share Option means an Option issued under the Wellard Executive Share Option Plan.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Financial Report means the annual financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

Group means the Company and its subsidiaries and **Group Company** means any one of them.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Managing Director means the managing director of the Company.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

Option means an option which entitles the holder to subscribe for one Share.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP has the meaning given to 'volume weighted average market price' in the Listing Rules.

Wellard Executive Share Option Plan has the meaning given in Section 9.1.

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

**SCHEDULE 2: SUMMARY OF MATERIAL TERMS OF
WELLARD EXECUTIVE SHARE OPTION PLAN**

| | Item or Material Term | Summary of Material Term |
|-----------------------------------|---------------------------------|--|
| Plan Details | | |
| 1. | Name of plan | Wellard Executive Share Option Plan |
| 2. | Purpose of the plan | To attract, reward and retain valuable employees and support the growth of the company. |
| 3. | Eligibility to participate | The Employees who the Board determines, in its absolute discretion, to issue an Executive Share Option. |
| 4. | Option term | 10 years from the date of issue or such other date determined by the Board in its absolute discretion. |
| 5. | Payout alternatives | The Company may determine, in its discretion, whether to settle vested and exercised Executive Share Options in cash or Shares. |
| 6. | Source of Shares | The Board may determine, in its absolute discretion, to either issue new Shares or acquire Shares on market. |
| 7. | Exercise price | Executive Share Options may be granted with an exercise price as determined by the Board, including, for the avoidance of doubt, with no exercise price. |
| Vesting Conditions | | |
| 8. | Performance Conditions | The Executive Share Options may have milestone dates, prior to which performance conditions must be satisfied. |
| Disposal Restrictions | | |
| 9. | Disposal restrictions on Shares | The Board may in its absolute discretion, determine the Disposal Restrictions that apply to some or all Shares acquired under the Wellard Executive Share Option Plan and may determine the terms and conditions of such Disposal Restrictions. |
| Forfeiture and termination | | |
| 10. | Good Leaver | <p>A good leaver is a participant under the Wellard Executive Share Option Plan who:</p> <p>(a) ceases to be an Employee as a result of genuine redundancy, death or total and permanent disablement; or</p> <p>(b) ceases to be an Employee and the Board determines at its</p> |

| | Item or Material Term | Summary of Material Term |
|-----|-----------------------|--|
| | | <p>sole discretion is a good leaver.</p> <p>If a participant is a good leaver:</p> <p>(a) the number of unvested Executive Share Options that will be retained by the participant will be calculated in accordance with the following formula:</p> $RA = UO \times \frac{D}{VP}$ <p>Where</p> <p>RA = The number of unvested Executive Share Options the good leaver may retain (rounded down the nearest whole number).</p> <p>UO = The number of unvested Executive Share Options that could have vested had the good leaver remained an Employee.</p> <p>D = the number of months which have elapsed in the period beginning on the issue of the Executive Share Options and ending on the date that the Participant ceases to be an Employee (rounded up to the nearest whole number).</p> <p>TVP = the number of months in the vesting period applicable to all Executive Share Options for the relevant tranche (e.g. if Executive Share Options are subject to annual vesting over a four year period, the TVP is 48); and</p> <p>(b) all vested Executive Share Options will be retained by the good leaver.</p> <p>Notwithstanding the above, if a participant ceases to be an Employee in circumstances other than as a bad leaver (refer below), the Board may determine, in its absolute discretion, whether that participant will forfeit or retain their Executive Share Options and the terms and conditions applicable to the forfeiture of those Executive Share Options.</p> |
| 11. | Bad Leaver | <p>A bad leaver is a participant under the Wellard Executive Share Option Plan who ceases to be an Employee and who:</p> <p>(a) breaches any provision of the terms of their employment and who the board determines is a bad leaver;</p> <p>(b) breaches any provision of the Wellard Executive Share Option Plan and fails to rectify such breach within 10 days of the date the Board issues notice of such breach;</p> |

| | Item or Material Term | Summary of Material Term |
|--------------------------|------------------------------|---|
| | | <p>(c) is subject to an insolvency event; or</p> <p>(d) the Board, determines in its absolute discretion, is a bad leaver,</p> <p>but does not include a participant who is a good leaver (refer above).</p> <p>If a participant is a bad leaver, all Executive Share Options held will lapse and all rights of the participant in respect of all unvested Executive Share Options, exercised Executive Share Options for which Shares are yet to be transferred, allotted or issued and vested but unexercised Executive Share Options will cease.</p> |
| Corporate actions | | |
| 12. | Corporation actions | <p>In the event of a Corporate Action or any other event determined by the Board, in its absolute discretion, subject to applicable law, the Board may determine that:</p> <p>(a) a participant's unvested Executive Share Options will vest;</p> <p>(b) a participant may transfer or otherwise dispose of their Executive Share Options; or</p> <p>(c) any Disposal Restrictions will be waived.</p> |
| Limits on capital | | |
| 13. | Limits of capital | <p>The Company will comply with such legal and regulatory limitations which limited the percentage of the capital of the Company that may be available under the Executive Share Option Plan from time to time as determined by the Board to be appropriate.</p> |

SCHEDULE 3: NOMINATION OF AUDITOR

10 October 2016

The Directors
Wellard Limited
1A Pakenham St
Fremantle WA 6160

Dear Sirs,

NOMINATION OF AUDITOR

For the purposes of section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**), as a member of Wellard Limited (**Company**), I, Mauro Balzarini, hereby nominate PricewaterhouseCoopers for appointment as auditor of the Company at the Company's first annual general meeting to be held on or about 29 November 2016.

Please distribute copies of this notice in accordance with section 328B(3) of the Act.

Yours faithfully



Mauro Balzarini



Wellard

ABN 53 607 708 190

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Wellard Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (WST) on Sunday, 27 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

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

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

PROXY FORM

I/We being a member(s) of Wellard Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (WST) on Tuesday, 29 November 2016 at Botanicals 2, Lower Level, Crown Convention Centre, Great Eastern Highway, Burswood, Western Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 6 and 7: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 6 and 7, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business, with the exception of Resolution 9 where the Chairman of the Meeting intends to vote against.

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

| | For | Against | Abstain* | | For | Against | Abstain* |
|--|--------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|--------------------------|
| 1 Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 9 Appointment of Mr Tyron Dennison as Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Confirmation of appointment of Mr David Griffiths as Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Confirmation of appointment of Mr Greg Wheeler as Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Confirmation of appointment of Mr Philip Clausius as Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Appointment of Auditor | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Approval of Wellard Executive Share Option Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 Issue of Executive Share Options to Mr Mauro Balzarini under the Wellard Executive Share Option Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 Approval of 10% Placement Facility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



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

STEP 3

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

