



**SYRAH** RESOURCES

# **Notice of Annual General Meeting and Explanatory Memorandum**

*The Annual General Meeting of*

## ***SYRAH RESOURCES LIMITED***

*ACN 125 242 284*

*Will be held at*

*10.00am (AEST) on Friday, 24 May 2019*

*at*

*RACV Club*

*Level 2, Bayside Rooms 4A & 4B*

*501 Bourke Street, Melbourne, Victoria, 3000*

This Notice of Annual General Meeting and Explanatory Memorandum 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 advisor without delay.

# SYRAH RESOURCES LIMITED

ACN 125 242 284

Registered Office: Level 28, 360 Collins Street, Melbourne VIC 3000

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Syrah Resources Limited (**Syrah** or the **Company**) will be held at:

**Venue:** the RACV Club,  
Level 2, Bayside Rooms 4A & 4B,  
501 Bourke Street,  
Melbourne, Victoria, 3000, Australia

**Date:** Friday, 24 May 2019

**Time:** 10.00am (AEST)

### AGENDA

The Explanatory Memorandum and Proxy Form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Memorandum and the Proxy Form in their entirety.

Capitalised terms not otherwise defined in this Notice have the meaning given in the Explanatory Memorandum which accompanies this Notice.

#### ORDINARY BUSINESS

##### Receipt and consideration of Accounts and Reports

To receive and consider the financial report of the Company and the related reports of the Directors and the auditor of the Company for the year ended 31 December 2018.

*Note: Except as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly, no resolution will be put to Shareholders on this item of business.*

##### Resolution 1: Adoption of Remuneration Report

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

*“That the Remuneration Report for the financial year ended 31 December 2018 be adopted.”*

The Remuneration Report is set out on pages 22 – 44 of the Company’s Annual Report.

##### Voting Exclusion

*The Company will disregard any votes cast on Resolution 1 by or on behalf of:*

- (a) a person who is a member of the Key Management Personnel (KMP) whose remuneration details are included in the Remuneration Report for the year ended 31 December 2018 or a Closely Related Party of such KMP (regardless of the capacity in which the vote is cast); and*
- (b) as proxy by a person who is a member of the KMP on the date of the Annual General Meeting or a Closely Related Party of such a member.*

*However, the Company need not disregard a vote on this Resolution 1 if:*

- (c) it is cast as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (d) it is cast by the Chairman for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides, including where the Proxy Form provides an express authorisation for the Chairman to exercise the proxy as the Chairman decides even though Resolution 1 is connected directly or indirectly with the remuneration of the KMP.*

## **Resolution 2: Election of Ms Lisa Bahash as a Director of the Company**

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

*"That Ms Lisa Bahash, having been appointed to the Board since the last Annual General Meeting of the Company, retires as a Director of the Company and offers herself for election, having consented and being eligible for election, be elected as a Director."*

## **Resolution 3: Re-election of Mr James Askew as a Director of the Company**

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

*"That of Mr James Askew, being a Director who retires by rotation pursuant to the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

## **Resolution 4: Re-election of Mr Sam Riggall as a Director of the Company**

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

*"That of Mr Sam Riggall, being a Director who retires by rotation pursuant to the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

## **Resolution 5: Approval to grant options to Ms Lisa Bahash**

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

*"That, for the purposes of Listing Rule 10.14, and for all other purposes, approval be given to the grant options to Ms Lisa Bahash, a Director of the Company, or her nominee, under the Equity Incentive Plan and on the terms described in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on Resolution 5:

- (a) in favour of the resolution by Ms Bahash or her associates (regardless of the capacity in which the vote is cast); and
- (b) as proxy by a person who is a member of the KMP on the date of the Annual General Meeting or a Closely Related Party of such a member.

However, the Company need not disregard a vote on Resolution 5 if:

- (c) it is cast as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides, including where the Proxy Form provides an express authorisation for the Chairman to exercise the proxy as the Chairman decides even though this Resolution 5 is connected directly or indirectly with the remuneration of the KMP.

## **Resolution 6: Ratification of Prior Issue of Shares**

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

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve, ratify and confirm the allotment and issue of 42,152,467 Shares on 10 September 2018, made by way of placement to institutional and sophisticated investors, as described in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) any person who participated in the issue; and
- (b) any associates of those persons.

However, the Company need not disregard a vote on this Resolution 6 if:

- (c) *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*
- (d) *it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides, including where the Proxy Form provides an express authorisation for the Chairman to exercise the proxy as the Chairman decides.*

**Resolution 7: Approval to issue fully paid ordinary Shares to Mr Shaun Verner (or his nominee) as Mr Verner's 2018 Short Term Incentive**

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

*"That, for the purposes of Listing Rule 10.14, and for all other purposes, approval be given to the issue of 180,470 fully paid ordinary shares to Mr Shaun Verner, a Director of the Company, or his nominee, as Mr Verner's 2018 Short Term Incentive, under the Equity Incentive Plan and on the terms described in the Explanatory Memorandum."*

**Voting Exclusion**

*The Company will disregard any votes cast on Resolution 7:*

- (a) *in favour of the resolution by Mr Verner or his associates (regardless of the capacity in which the vote is cast); and*
- (b) *as proxy by a person who is a member of the KMP on the date of the Annual General Meeting or a Closely Related Party of such a member.*

*However, the Company need not disregard a vote on Resolution 7 if:*

- (c) *it is cast as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (d) *it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides, including where the Proxy Form provides an express authorisation for the Chairman to exercise the proxy as the Chairman decides even though this Resolution 7 is connected directly or indirectly with the remuneration of the KMP.*

**Resolution 8: Approval to grant Performance Rights to Mr Shaun Verner (or his nominee) as his 2019 Long Term Incentive**

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

*"That for the purposes of Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, approval be given to grant 217,558 Performance Rights to Mr Shaun Verner, a Director of the Company, or his nominee, as Mr Verner's 2019 Long Term Incentive under the Equity Incentive Plan and on the terms described in the Explanatory Memorandum."*

**Voting Exclusion**

*The Company will disregard any votes cast on Resolution 8:*

- (a) *in favour of this resolution by Mr Verner or his associates (regardless of the capacity in which the vote is cast); and*
- (b) *as a proxy by a person who is a member of the KMP on the date of the annual general meeting or a Closely Related Party of such a member.*

*However, the Company need not disregard a vote on Resolution 8 if:*

- (c) *it is cast as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (d) *it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides, including where the Proxy Form provides an express authorisation for the Chairman to exercise the proxy as the Chairman decides even though this Resolution 8 is connected directly or indirectly with the remuneration of the KMP.*

**Resolution 9: Renewal of the proportional takeover provisions in the constitution of the Company**

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

*“That approval be given for the proportional takeover provisions contained in Rule 14 of the Constitution of the Company to be renewed for a further three years from the date of the 2019 Annual General Meeting, as detailed in the Explanatory Memorandum.”*

By order of the Board

A handwritten signature in cursive script that reads "Jennifer Currie".

**Jennifer Currie  
Company Secretary**

Dated: 17 April 2019

# SYRAH RESOURCES LIMITED

ACN 125 242 284

## EXPLANATORY MEMORANDUM

### **Receipt and consideration of Accounts and Reports**

Under the Corporations Act, the Directors of the Company must table the Financial Report, the Directors' Report (including the Remuneration Report) and the Auditor's Report for the year ended 31 December 2018.

These reports are set out in the 2018 Annual Report. Shareholders who elected to receive a printed copy of annual reports should have received the 2018 Annual Report with this Notice of Annual General Meeting. In accordance with section 314(1AA)(c) of the Corporations Act, you may access the 2018 Annual Report at the Company's website: [www.syrahresources.com.au](http://www.syrahresources.com.au) or via the Company's announcement platform on ASX. Except as set out in Resolution 1 (adoption of the Remuneration Report), no resolution is required on these reports.

### **Resolution 1: Adoption of Remuneration Report – Non Binding Resolution**

The Directors Report for the period ended 31 December 2018 contains a Remuneration Report which sets out in detail the Company's policy for determining remuneration for Directors and other members of the Company's Key Management Personnel. It includes information on the elements of remuneration that are performance based, the performance conditions that apply and the methodology used to assess the achievement of these performance conditions.

Shareholders are asked to adopt the Remuneration Report for the year ended 31 December 2018. The Company's remuneration strategy is designed to provide a link between the achievement of the Company's strategic objectives and executive rewards. It is designed to reward, motivate and retain the Company's executive team through market competitive remuneration and benefits, to support the continued success of the Company's businesses and ultimately to create shareholder value.

The vote on Resolution 1 is advisory only, and does not bind the Directors or the Company. However, a reasonable opportunity for discussion of the Remuneration Report will be provided at the Meeting. The Board will take into account the discussion on this resolution and the outcome of the vote when considering the future remuneration arrangements of the Company.

#### ***Board recommendation***

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

### **Resolution 2: Election of Ms Lisa Bahash as a Director of the Company**

Ms Lisa Bahash was appointed as a Non-Executive Director by the Board on 16 July 2018. The Constitution requires that a Director appointed by the Board must retire from office at the next annual general meeting following his or her appointment. Ms Bahash, being eligible for election, offers herself for election as a Director. Ms Bahash is considered by the Board to be an independent director.

Ms Bahash has 30 years experience in the automotive original equipment manufacturer (**OEM**) sector, Tier 1 supplier and aftermarket sectors. Her prior roles include Senior Vice President, Automotive and Transportation with Jabil Inc., one of the world's leading electronics manufacturing services company, and Group Vice President and General Manager of Johnson Control's Power Solutions business, one of the world's largest automotive battery manufacturers leading the OEM and technology strategies including advanced energy storage and Lithium-ion technologies.

Ms Bahash holds a Master of Engineering Management degree from Wayne State University, USA and a Bachelor of Science degree in Mechanical Engineering from the University of Michigan, USA.

She is currently a Member of the Remuneration, Nomination and Governance Committee (appointed to the Committee on 28 November 2018) and the Sustainability Committee (appointed to the Committee on 12 December 2018).

#### ***Board recommendation***

The Board (Ms Bahash abstaining) recommends that Shareholders vote in favour of Resolution 2.

### **Resolution 3: Re-election of Mr James Askew as a Director of the Company**

The Constitution requires that at every Annual General Meeting one-third of the Directors (rounded down, if necessary) shall retire from office, as well as any other Director who would otherwise have been in office

for three or more annual general meetings since he or she was last elected to office, and provides that such Directors are eligible for re-election at the meeting.

Mr James Askew will retire at the conclusion of the Meeting and, being eligible for re-election, offers himself for re-election as a Director. Mr Askew was appointed as a Non-Executive Director by the Board on 24 November 2014 and was last re-elected by shareholders on 26 May 2016. The Board considers Mr Askew to be an independent director.

Mr Askew is a mining engineer with over 40 years broad international experience as a Director and Chief Executive Officer for a wide range of Australian and international publicly listed mining, mining finance and other mining related companies. He has been continuously involved with the African mining industry since 1985. In addition to Syrah, Mr Askew is the Chairman of OceanaGold Corporation and a Non-Executive Director of Evolution Mining Limited and Endeavour Mining Corporation. He has recently announced his intention to retire from OceanaGold in June 2019.

Mr Askew holds a Master of Engineering Science and a Bachelor of Engineering, both from the University of Melbourne.

Mr Askew is currently the Chairman of the Sustainability Committee and a member of the Remuneration, Nomination and Governance Committee and the Audit and Risk Committee.

#### ***Board recommendation***

The Board (with Mr Askew abstaining) recommend that Shareholders vote in favour of Resolution 3.

#### **Resolution 4: Re-election of Mr Sam Riggall as a Director of the Company**

The Constitution requires that at every annual general meeting one-third of the Directors (rounded down, if necessary) shall retire from office, as well as any other director who would otherwise have been in office for three or more annual general meetings since he or she was last elected to office, and provides that such Directors are eligible for re-election at the meeting.

Mr Sam Riggall will retire at the conclusion of the Meeting and, being eligible for re-election, offers himself for re-election as a Director. Mr Riggall was appointed as a Non-Executive Director by the Board on 24 November 2014 and was last re-elected by shareholders on 26 May 2016. The Board considers Mr Riggall to be an independent director.

Mr Riggall is Chief Executive Officer of CleanTeQ Holdings Limited, an Australian and Canadian-listed technology company focused on development of resources for new energy and materials markets, and director of VRB Energy, one of China's largest vanadium redox flow battery manufacturers. Previously Executive Vice-President of Business Development and Strategic Planning at Ivanhoe Mines Ltd, and Director of Oyu Tolgoi LLC, and has over a decade's experience with Rio Tinto Ltd covering industrial minerals, project generation and evaluation, business development and capital market transactions. Mr Riggall brings significant insight to the impact of disruptive technologies on metals markets with a strong track record of identifying and building value through innovation.

Mr Riggall holds a Bachelor of Laws and a Bachelor of Commerce from University of Melbourne, and a Masters of Business Administration from Melbourne Business School.

Mr Riggall is currently Chairman of the Audit and Risk Committee and the Remuneration (appointed on 12 December 2018), Nomination and Governance Committee.

#### ***Board recommendation***

The Board (with Mr Riggall abstaining) recommend that Shareholders vote in favour of Resolution 4.

#### **Resolution 5: Approval to grant options to Ms Lisa Bahash**

Ms Bahash was appointed as a Director of the Company on 16 July 2018 (**Appointment Date**).

Pursuant to ASX Listing Rule 10.14, the Company is seeking Shareholder approval for the grant of 400,000 options to Ms Bahash, as well as for the issue of any Shares on vesting and exercise of the options. Each option entitles Ms Bahash to receive a Share or, in certain circumstances, to a cash payment, subject to vesting and exercise of the option.

If approved by Shareholders, the options will be granted with:

- an exercise price set at A\$2.89, being the value of the Company's shares trading on the ASX on the day prior to Ms Bahash's Appointment Date; and
- vesting to occur one year after the Appointment Date, provided Ms Basash holds office as a director on the vesting date; and

- an expiry date of three years from the Appointment Date,

**(Options).**

The Options will be issued under the Company's Equity Incentive Plan, as approved by shareholders on 17 May 2018 and the Options will be granted at no cost to Ms Bahash (although are subject to the exercise price set out above at the time of exercise).

The Board considers that the offer of Options to a non-executive director is an important factor in the Company's ability to attract skill and experienced candidates to the Board.

**Other terms of options**

*Entitlement to vote and dividends*

The Options will not entitle Ms Bahash to receive notice of, or to attend or vote at, meetings of members of the Company or to receive any dividends on Shares.

*Cessation of office*

Where Ms Bahash ceases to be a Director, unless the Board determines otherwise, any unvested Options will lapse, and any vested options will remain on foot and be exercisable according to their terms.

*Change of control*

If a corporate control event is likely to occur, the Board has a discretion to determine that some or all of the Options vest and become exercisable or lapse. If a corporate control event occurs prior to the Board exercising its discretion, all unvested options will automatically vest and become exercisable into Shares, and all vested but unexercised options will be automatically exercised, and Ms Bahash will be paid a cash amount in lieu of an allocation of Shares, less the exercise price payable in respect of those Options.

*Clawback*

The Board has broad "clawback" powers to determine that the Options lapse, to clawback any benefit received, or that any Shares allocated on vesting are forfeited in certain circumstances, including for example in the case of a breach of duties to a Group company or fraud or misconduct.

*Restrictions on dealing*

Ms Bahash may not deal with, or enter into any arrangement for the purpose of hedging, Options prior to vesting and exercise.

**Disclosures for the purposes of ASX Listing Rule 10.15**

The following disclosures are made for the purposes of Listing Rule 10.15:

- Shareholder approval is sought to grant Ms Bahash 400,000 Options under the Company's Equity Incentive Plan. The Options will be granted to Ms Bahash at no cost.
- In 2018, Company established the Equity Incentive Plan for eligible employees and Directors. As this is a new scheme, it is the first time the Company is seeking Shareholder approval under ASX Listing Rule 10.14. Resolutions 7 and 8 also seek Shareholder approval for the purposes of ASX Listing Rule 10.14.
- All Directors (executive or non-executive) are entitled to participate in the Equity Incentive Plan, being James Askew, Shaun Verner, Sam Riggall, Jose Caldeira and Lisa Bahash.
- No loan will be made by the Company in relation to the grant of Options to Ms Bahash.
- If Shareholder approval is obtained, the Options will be granted shortly after the Meeting, but in any event no later than 12 months after the Meeting.
- If approval is given under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

**Board recommendation**

The Board (with Ms Bahash abstaining) recommend that Shareholders vote in favour of Resolution 5.

**Resolution 6: Ratification of Prior Issue of Shares**

On 4 September 2018, the Company announced a fully underwritten placement of 42,152,467 new Shares, at an issue price of A\$2.23 per fully paid ordinary share (**Placement Share**), to raise approximately A\$94 million (**Institutional Placement**) from certain eligible institutional, professional and sophisticated investors.

The Placement Shares issued under the Institutional Placement represented approximately 12.4% of Syrah's undiluted share capital immediately following completion of the Placement.

Under Resolutions 6, the Company is seeking Shareholder approval to ratify the issue of 42,152,467 Placement Shares to institutional, professional and sophisticated investors issued under the Company's 15% placement capacity pursuant to Listing Rule 7.1.

Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12-month period if Shareholders ratify the previous issue of securities.

#### ***Disclosures for the purposes of ASX Listing Rule 7.5***

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) The total number of Placement Shares in the Company that were issued was 42,152,467.
- (b) The Placement Shares were issued at a price of A\$2.23 per Share.
- (c) The Placement Shares allotted and issued were fully paid ordinary Shares and rank equally in all respects with the Company's other Shares on issue.
- (d) The Placement Shares were allotted and issued to professional, sophisticated and institutional investors.
- (e) The funds raised from the issue of Placement Shares will be used to complete the ramp-up of the Balama Graphite Operation (**Balama**) through to positive cash flow, progress Syrah's Battery Anode Material strategy to the end of 2019, fund the evaluation of the Vanadium Resource at Balama, and fund corporate, general and administrative costs (including transaction costs).

#### ***Board recommendation***

The Board recommends that the Shareholders vote in favour of Resolution 6.

#### **Resolution 7: Approval to issue fully paid ordinary Shares to Mr Shaun Verner (or his nominee) pursuant to Mr Verner's 2018 Short Term Incentive**

For 2018, the Company's Managing Director and Chief Executive Officer, Mr Verner, was entitled to receive a Short Term Incentive award of up to 75% of his total fixed remuneration.

As disclosed in the 2018 Remuneration Report, the Board awarded Mr Verner 63% of his Short Term Incentive opportunity for 2018, being A\$232,824, which is to be delivered in fully paid Shares (not cash), subject to Shareholder approval. The 2018 Short Term Incentive is delivered as Shares to conserve the Company's cash position and to facilitate executives holding Shares in the Company and to align their interests with Shareholders.

Listing Rule 10.14 requires a listed company to obtain Shareholder approval prior to the issue of equity securities to a Director of the Company under an employee incentive scheme. As Mr Verner is a Director of the Company, Shareholder approval is sought to issue him (or his nominee) 180,470 Shares under the Company's Equity Incentive Plan. The number of Shares to be issued was calculated by dividing the dollar value of Mr Verner's Short Term Incentive award (being A\$232,824) by the allocation price of A\$1.29 per Share, being the 5 day VWAP of the Company's Shares ending on 7 March 2018. This is the same allocation price used for all share-based 2018 Short Term Incentive grants to other executives.

If Shareholder approval is obtained, the Shares will be issued shortly after the Meeting but in any event no later than 12 months after the Meeting subject to Mr Verner remaining employed by the Company (or one of its subsidiaries) at the date of the grant. There are no vesting conditions attached to the Shares.

The Shares issued to Mr Verner (or his nominee) will rank equally in all respects with other Shares on issue at that time.

#### ***Restrictions on dealing***

Mr Verner will be free to deal with the Shares issued to him (or his nominee), subject to the requirements of the Company's securities trading policy.

#### ***Other terms***

The Board has broad discretion to forfeit or clawback some or all of the Shares in certain circumstances, including for example in the case of fraud, dishonesty or gross misconduct.

In the event that the Company does not receive Shareholder approval for Resolution 7, the value of Mr Verner's 2018 Short Terms Incentive award (A\$232,824) will be paid in cash.

### **Disclosures for the purposes of ASX Listing Rule 10.15**

The following disclosures are made for the purposes of Listing Rule 10.15:

- (a) Shareholder approval is sought to issue Mr Verner (or his nominee) 180,470 Shares under the Company's Equity Incentive Plan. The Shares will be issued to Mr Verner at no cost.
- (b) No loan will be made by the Company in relation to the issue of Shares to Mr Verner (or his nominee).
- (c) In 2018, Company established the Equity Incentive Plan for eligible employees and Directors. As this is a new scheme, it is the first time the Company is seeking Shareholders approval under ASX Listing Rule 10.14. Resolutions 5 and 8 also seek Shareholder approval for the purposes of ASX Listing Rule 10.14.
- (d) All Directors (executive or non-executive) are entitled to participate in the Equity Incentive Plan, being James Askew, Shaun Verner, Sam Riggall, Jose Caldeira and Lisa Bahash.
- (e) If Shareholder approval is obtained, the Shares will be issued shortly after the Meeting, but in any event no later than 12 months after the Meeting.
- (f) If approval is given under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

### **Board recommendation**

The Board (Mr Verner abstaining) recommends that Shareholders vote in favour of Resolution 7.

### **Resolution 8: Approval to grant Performance Rights to Mr Shaun Verner (or his nominee) as his 2019 Long Term Incentive**

Resolution 8 of this Notice seeks Shareholder approval to grant 217,558 Performance Rights to Mr Shaun Verner (or his nominee) as his 2019 long term incentive on the terms described below and in accordance with the Equity Incentive Plan, as well as approval for the issue of any Shares on vesting and exercise of the Performance Rights.

Performance Rights are proposed to be granted to Mr Verner (or his nominee) to align his interests with the interests of Shareholders.

It is proposed that Mr Verner be granted 217,558 Performance Rights, which has been determined by dividing Mr Verner's maximum LTI opportunity (being A\$369,563) by the VWAP of the Company's shares on the ASX for the 60 trading days prior to the commencement of the Performance Period (being A\$1.70), noting that these numbers have been rounded.

As the Performance Rights will form part of Mr Verner's remuneration, they will be granted at no cost and there will be no amount payable on vesting and exercise. The vested Performance Rights will be exercised upon the Company's receipt of a valid exercise notice. Performance Rights will be exercisable from the vesting date until the date that is two years after the vesting date, subject to the Company's securities trading policy. Each Performance Right entitles Mr Verner to one ordinary fully paid Share in the Company, or equivalent cash payment, on vesting and exercise. Prior to vesting and exercise, Performance Rights do not entitle Mr Verner to any dividends or voting rights.

Under the terms of the issue, the Performance Rights will only vest upon a significant improvement in the market capitalisation of the Company compared to the performance of companies in the comparator group detailed below. This will align Mr Verner's interests with the interests of all Shareholders. It should be recognised that the achievement of these objectives will be to the benefit of all Shareholders, and the vesting of the Performance Rights can only occur if these benefits are realised.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position and in order to compensate Mr Verner in line with current market practices, Performance Rights provide an appropriate and meaningful remuneration component that is aligned with Shareholder interests.

Approval is being sought in Resolution 8 in respect of the proposed grant of Performance Rights to Mr Verner (or his nominee) under the Equity Incentive Plan as a component of his overall executive remuneration package put in place on his commencement as Managing Director & Chief Executive Officer of the Company.

### **Terms of the Performance Rights**

A total of 217,558 Performance Rights will be granted to Mr Verner (or his nominee), subject to Shareholder approval. The vesting of the Performance Rights is contingent on the satisfaction of the Performance Hurdles outlined below over a three year Performance Period.

## **Performance Hurdles**

The Performance Rights are subject to the satisfaction of two Performance Hurdles:

- 50% of the Performance Rights vest based on the satisfaction of a relative total shareholder return (TSR) performance hurdle; and
- 50% of the Performance Rights vest based on the absolute total shareholder return performance of the Company.

### **1. Relative TSR Performance Hurdle**

The portion of the Performance Rights that are subject to the Relative TSR Performance Hurdle will only be eligible to vest and become exercisable into Shares at the end of the Performance Period if the Company's TSR is at least equal to the median of the comparator group performance (**Relative TSR Performance Hurdle**). The entire annual allocation will vest if the Company's TSR is at the 75th percentile or higher than the comparator group performance. The percentage of Performance Rights subject to the Relative TSR Performance Hurdle that vest will be determined by reference to the following vesting schedule:

- 0% vesting if the Company relative TSR performance is at or below the median performance of the comparator group;
- 50% to 100% vesting if the Company relative TSR performance is between the median performance of the comparator group, but below the 75th percentile performance of the comparator group; and
- 100% vesting if the Company relative TSR performance is at or above the 75th percentile performance of the comparator group.

Under the Equity Incentive Plan there will be a straight line pro-rata vesting of Performance Rights where the Company's TSR performance is between the median and 75th percentile performance.

The comparator group is the companies in the S&P/ASX300 Index (^XKO) as at 1 January 2019, classified under the "Materials" industry under the GICS classification system, provided that it will not include any company that suffers an insolvency event, undertakes a material merger or acquisition or is delisted from the ASX during the performance period.

### **2. Absolute TSR Performance Hurdle**

The portion of Performance Rights subject to the Absolute TSR Performance Hurdle will only vest and become exercisable into Shares at the end of the Performance Period if the Company's Absolute TSR outcome is between the threshold and maximum performance TSR targets, being 8.6% and 18.8% respectively of the compound annualised growth rate, as set by the Board for the Performance Period (**Absolute TSR Performance Hurdle**). The percentage of Performance Rights subject to the Absolute TSR Performance Hurdle that vest will be determined by reference to the following vesting schedule:

- 0% vesting if the Company Absolute TSR outcome is at or below threshold performance;
- 50% to 100% vesting if the Company Absolute TSR outcome is between threshold and maximum performance; and
- 100% vesting if the Company Absolute TSR outcome is at or above maximum performance.

There will be a straight line pro-rata vesting of Performance Rights where the Company's Absolute TSR outcome is between threshold and maximum performance.

### **Vesting and testing**

The Performance Period will run from 1 January 2019 to 31 December 2021.

The Remuneration, Nomination and Governance Committee will test performance against the Performance Hurdles to determine whether the Performance Rights are eligible to vest shortly after the end of the Performance Period.

If the Performance Hurdles are not satisfied on the Performance Date, the Performance Rights will lapse unless the Remuneration, Nomination and Governance Committee exercises its discretion to waive the Performance Hurdle in whole or in part.

There is no re-testing of the Performance Hurdles.

The number of Performance Rights which vest is determined by assessing the performance of the Company against the Relative TSR Performance Hurdle and Absolute TSR Performance Hurdle outlined above.

The VWAP of the Shares in the 60 trading days prior to the end of the Performance Period (which ends 31

December 2021) compared to the VWAP of the Shares in the 60 trading days prior to the commencement of the Performance Period (which commenced on 1 January 2019), will be used in calculating TSR over the three year Performance Period. The TSR incorporates capital returns as well as dividends notionally reinvested and is considered the most appropriate means of measuring the Company's performance.

### ***Cessation of employment***

Where Mr Verner ceases employment as a 'bad leaver' (which includes by resignation or dismissal for cause or poor performance), unvested Performance Rights will immediately lapse and any vested Performance Rights may be exercised within 60 days of ceasing employment if permitted by the Company's securities dealing policy, or within 60 days of restrictions ceasing to apply under the Company's securities dealing policy. Vested Performance Rights that are not exercised by this time will lapse.

In all other circumstances, a pro rata portion of unvested Performance Rights will remain on foot and will vest and become exercisable in the normal course subject to the original conditions, as though Mr Verner had not ceased employment. The remaining portion of unvested Performance Rights will lapse immediately. Any vested Performance Rights will remain on foot and may be exercised until the expiry date.

However, pursuant to the Equity Incentive Plan Rules, the Board retains discretion to determine to treat any unvested Performance Rights other than in the manner set out above if the Board determines that the relevant circumstances warrant such treatment.

### ***Change of control***

If a corporate control event is likely to occur, the Board has a discretion to determine that that some or all of the Performance Rights vest and become exercisable or lapse. If a corporate control event occurs prior to the Board exercising its discretion, all unvested Performance Rights granted will automatically vest and become exercisable into Shares, irrespective of whether Performance Hurdles have been achieved and all vested but unexercised Performance Rights will lapse four months after the change of control event if not exercised.

### ***Clawback***

The Board has broad "clawback" powers to determine that the Performance Rights lapse or any Shares allocated on vesting are forfeited in certain circumstances, including for example in the case of a breach of duties to a Group company or fraud or misconduct.

### ***Restrictions on dealing***

Mr Verner may not deal with, or enter into any arrangement for the purpose of hedging, Performance Rights prior to vesting and exercise.

### ***Legal Requirements – ASX Listing Rule 10.14***

ASX Listing Rule 10.14 provides that a company must not permit a Director or their associates to acquire securities under an employee incentive scheme without Shareholder approval (unless an exception applies). The Equity Incentive Plan constitutes an "employee incentive scheme" under the Listing Rules.

### ***Disclosures for the purposes of ASX Listing Rule 10.14***

As Mr Verner is a Director of the Company, Shareholder approval is required in respect of the proposed grant of Performance Rights to Mr Verner (or his nominee and the allocation of Shares on exercise of the Performance Rights), on the terms described above.

The following disclosures are made for the purposes of Listing Rule 10.15A:

- (a) subject to Shareholder approval, the maximum number of Performance Rights to be granted is 217,558. Subject to the satisfaction of the vesting and exercise conditions described above, Mr Verner (or his nominee) will receive one Share in the Company for each Performance Right exercised;
- (b) the Performance Rights will be granted to Mr Verner at no cost;
- (c) no loan will be made by the Company in relation to the grant of Performance Rights to Mr Verner;
- (d) In 2018, Company established the Equity Incentive Plan for eligible employees and directors. As this is a new scheme, it is the first time the Company is seeking Shareholders approval under ASX Listing Rule 10.14. Resolutions 5 and 7 also seek Shareholder approval for the purposes of ASX Listing Rule 10.14.
- (e) all Directors (executive or non-executive) are entitled to participate in the Equity Incentive Plan being James Askew, Shaun Verner, Sam Riggall, Jose Caldeira and Lisa Bahash;
- (f) details of any Performance Rights issued under the Equity Incentive Plan will be published in each annual report of the Company relating to a period in which the Performance Rights have been issued;

- (g) any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the Equity Incentive Plan after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (h) if Shareholder approval is obtained, the Performance Rights will be granted shortly after the Meeting, but in any event no later than three years after the Meeting.
- (i) If approval is given under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

#### **Termination Benefits approval – section 200B and s200E Corporations Act**

Sections 200B and 200E of the Corporations Act prohibit the Company from giving a benefit to a person who holds (or has held in the previous three years) a managerial or executive office with the Company or its subsidiaries, if that benefit is given in connection with that person's retirement from office and is in excess of that person's average annual base salary over the relevant period, unless the benefit is approved by Shareholders or an exemption applies.

Approval is therefore sought under section 200E of the Corporations Act to allow for the Board to determine to accelerate vesting of some or all of Mr Verner's unvested Performance Rights in the event Mr Verner ceases employment in 'good leaver' circumstances being cessation other than due to resignation or dismissal for cause or poor performance and for the benefit not to be a termination benefits for the purposes of the Corporations Act. Where Mr Verner ceases as a 'bad leaver' (which includes by resignation or dismissal for poor performance), all unvested Performance Rights will lapse, unless the Board determines otherwise.

If Shareholder approval is obtained, the value of the approved benefits will be disregarded when calculating Mr Verner's termination benefits cap for the purpose of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act. The approval will be effective from the date the resolution is passed until the conclusion of the 2022 Annual General Meeting (that is, for a period of approximately three years).

The value of any benefit relating to the Performance Rights given in connection with Mr Verner ceasing to hold managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value are:

- the number of Performance Rights held by Mr Verner prior to cessation of his employment;
- the date when, and circumstances in which, Mr Verner ceases employment;
- whether Performance Hurdles are waived or (if not waived) met, and the number of Performance Rights that vest (which could be all of the Performance Rights held by Mr Verner (or his nominee)); and
- the market price of Syrah shares on ASX on the date Shares are provided to Mr Verner upon vesting of the Performance Rights.

#### **Board recommendation**

The Board (Mr Verner abstaining) recommends that Shareholders vote in favour of Resolution 8.

### **Resolution 9: Renewal of the proportional takeover provisions in the constitution of the Company**

#### **Background**

The Company's Constitution currently contains provisions dealing with proportional takeover bids for the Company's Shares. The provisions, which are contained in Rule 14 of the Constitution, are designed to assist Shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company.

Under the Corporations Act, these provisions must be renewed every three years, or they will cease to have effect. The Constitution (and the proportional takeover provisions in Rule 14) was approved by Shareholders on 26 May 2016. If renewed, the proposed proportional takeover provisions will be in exactly the same terms as the existing provisions and will have effect for a three year period commencing on the date of the Meeting.

The Corporations Act requires that the following information be provided to Shareholders when they are considering the inclusion of proportional takeover provisions in a constitution.

#### **Effect of the provisions to be included**

A proportional takeover bid is one where an offer is made to each shareholder for a proportion of that shareholder's shares. If the proportional takeover provisions in the Constitution are renewed and a proportional takeover bid is made after the date of the Meeting, the Directors must hold a meeting of the Shareholders of the class of Shares being bid for to consider whether or not to approve the bid. The Directors must ensure that a resolution to approve the bid is voted on at least 14 days before the last day of

the bid period. The resolution will be passed if more than 50 per cent of eligible votes are cast in favour of the approval. The bidder and its associates are not allowed to vote on the resolution.

If no such resolution is voted on by the above deadline, a resolution approving the bid is taken to have been passed. If a resolution to approve the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn. If the bid is approved or taken to have been approved, the transfers resulting from the bid may be registered provided they comply with other provisions of the Corporations Act and the Company's Constitution.

The proportional takeover provisions do not apply to full takeover bids and will only apply for three years after the Meeting, unless again renewed by Shareholders.

#### **Reasons for proposing the resolution**

The Directors consider that Shareholders should have the opportunity to vote on any proportional takeover bid for the Company. Without the proportional takeover provisions being included in the Constitution, a proportional takeover bid for the Company may enable control of the Company to be acquired without Shareholders having the opportunity to sell all of their shares to the bidder. Shareholders may therefore be at risk of passing control to the bidder without payment of an adequate control premium for all their shares whilst leaving themselves as part of a minority interest in the Company.

The proportional takeover approval provisions lessen these risks because they allow Shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed. The benefit of the provision is that Shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

#### **No knowledge of present acquisitions proposals**

As at the date of this notice, no Director of the Company is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

#### **Potential advantages and disadvantages for the Directors and shareholders of the Company**

The renewal of the proportional takeover provisions will enable the Directors to formally ascertain the views of Shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that the renewal of the proportional takeover provisions has no potential advantages or potential disadvantages for them as they remain free to make a recommendation on whether a proportional takeover offer should be approved.

The potential advantages of the proportional takeover provisions for Shareholders of the Company are:

- all Shareholders are given the opportunity to consider and vote upon a proportional takeover bid;
- Shareholders have the right to determine by majority vote whether a proportional takeover bid should proceed;
- the provisions may assist Shareholders to avoid being locked in as a minority;
- increase in Shareholders' bargaining power which may assist in ensuring that any proportional takeover bid is adequately priced; and
- knowing the view of the majority of Shareholders assists each individual Shareholder in assessing the likely outcome of the proportional takeover bid and whether to accept or reject an offer under the bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- the likelihood of a proportional takeover bid being successful may be reduced and the provisions may discourage the making of a proportional takeover bids in respect of the Company;
- the provisions may reduce the opportunities which Shareholders may have to sell all or some of their Shares at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's share price; and
- the provisions may be considered an additional restriction on the ability of individual Shareholders to deal freely in their Shares.

The Board considers that the potential advantages for members of the proportional takeover approval provisions outweigh the potential disadvantages.

#### **Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 9.

## PROXY AND VOTING INSTRUCTIONS

1. Certain categories of persons (including Directors and the Chairman) are prohibited from voting on resolutions relating to the remuneration of Key Management Personnel, including as a proxy, in some circumstances. If you are appointing a proxy, to ensure that your vote counts, please read the voting exclusion and the instructions on the Proxy Form carefully.
2. In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of shares in the Company as at 7.00pm (AEST) on Wednesday 22 May 2019 will be entitled to attend and vote at the Meeting as a Shareholder. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.
3. The details of the Resolutions contained in the Explanatory Memorandum accompanying this Notice should be read together with, and form part of, this Notice.
4. On a poll, ordinary Shareholders have one vote for every Share held.
5. A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder.
6. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the Proxy Form:
  - the full name of the body corporate appointed as proxy; and
  - the full name or title of the individual representative of the body corporate to attend the Meeting.
7. If you appoint the Chairman as your proxy and do not provide a direction on how to vote, the Chairman may vote as he or she sees fit (subject to any voting exclusions that apply). The Chairman intends to vote all available proxies in favour of each of the Resolutions proposed in this Notice. If you do not mark a box next to Resolutions 1, 5, 6, 7 and 8, then by completing and submitting the Proxy Form, you will be expressly authorising the Chairman to vote as they see fit in respect of Resolutions 1, 5, 6, 7 and 8 even though they are connected with the remuneration of the Company's KMP.
8. Voting exclusions apply to Resolutions 1, 5, 6, 7 and 8. Unless the Chairman of the meeting is your proxy, members of the Company's KMP (which includes each of the Directors) will not be able to vote as proxy on Resolutions 1, 5, 6, 7 and 8 unless you direct them how to vote. In addition, any person who participated in the issue of shares and their associates will not be able to vote your proxy on Resolution 6 and Mr Verner's associates will not be able to vote your proxy on Resolutions 7 and 8, unless you direct them how to vote. If you intend to appoint such a person as your proxy, you should read the voting exclusions carefully and ensure that you direct them how to vote on Resolutions 1, 5, 6, 7 and 8 by marking either "For", "Against" or "Abstain" on the Proxy Form.
9. Proxy Forms must be signed by a Shareholder or the Shareholder's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act, or signed by an authorised officer or agent.
10. A Proxy Form is attached. If required, the Proxy Form should be completed and signed (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or a certified copy of the authority). Proxy forms must be returned to Computershare Investor Services Pty Limited in accordance with the instructions set out in the Proxy Form by no later than 10.00am (AEST) on Wednesday, 22 May 2019. You may lodge your proxy form:
  - electronically via [www.investorvote.com.au](http://www.investorvote.com.au); for intermediary online subscribers only (custodians) – please visit [www.intermediaryonline.com](http://www.intermediaryonline.com)
  - by hand delivery to Computershare Investor Services Pty Ltd, 452 Johnston Street, Abbotsford, Victoria 3067;
  - by post to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria 3001; or
  - by fax to 1800 783 447 (within Australia), or +61 3 9473 2555 (outside Australia).

## GLOSSARY

The following terms have the following meanings in this Explanatory Memorandum:

“\$” means Australian Dollars;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect of the year ended 31 December 2018;

“**ASIC**” means the Australian Securities and Investments Commission;

“**associate**” has the meaning given to it in the Listing Rules;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**Auditor’s Report**” means the auditor’s report on the Financial Report, in respect of the year ended 31 December 2018;

“**AEST**” means Australian Eastern Standard Time;

“**Board**” means the Directors acting as the Board of Directors of the Company;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” has the meaning given in section 9 of the Corporations Act;

“**Company**” or “**Syrah**” means Syrah Resources Limited ABN 77 125 242 284;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**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, in respect of the year ended 31 December 2018;

“**Equity Incentive Plan**” means the Equity Incentive Plan established and approved by shareholders at the Annual General Meeting on 17 May 2018, and which applies to all shares, performance rights and options offered from 17 May 2018 onwards.

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Financial Report**” means the financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities, in respect of the year ended 31 December 2018;

“**Group**” means the Company and its subsidiaries;

“**KMP or 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);

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” the Annual General Meeting of Shareholders of the Company referred to in the introductory paragraph of the Notice;

“**NED**” means each of the non-executive Directors of the Company;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Memorandum;

“**Performance Date**” means the final day of the Performance Period;

“**Performance Hurdles**” has the meaning given to it in the Explanatory Memorandum;

“**Performance Period**” means the period commencing 1 January 2019 and ending 31 December 2021;

“**Performance Rights**” means options to acquire Shares (on a one for one basis), proposed to be granted on the terms and conditions set out in Resolution 8;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration and Nomination Committee**” means the Remuneration and Nomination Committee of the Company;

“**Remuneration Report**” means the remuneration report, which forms part of the Directors’ Report and which is set out in the Annual Report;

“**Resolution**” means a resolution referred to in the Notice;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company; and

“**VWAP**” means the volume weighted average price of the shares in the Company.



Lodge your proxy:

Online: www.investorvote.com.au

By Mail: Computershare Investor Services Pty Limited GPO Box 242 Melbourne Victoria 3001 Australia

Alternatively you can fax your form to (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only (custodians) www.intermediaryonline.com

For all enquiries call: (within Australia) 1300 850 505 (outside Australia) +61 3 9415 4000

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



Proxy Form

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Lodge proxy and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device. Follow the instructions on the secure website to lodge your proxy.



Your access information that you will need to lodge your proxy:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

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

For your proxy to be effective it must be received by 10.00am (AEST) on Wednesday 22 May 2019

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 in step 2 of the proxy form. 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.

Appointing the Chairman as proxy: If you wish to appoint the Chairman of the Meeting as your proxy, mark the first box in Step 1. If you leave Step 1 blank, or you direct your proxy how to vote and your proxy does not attend the meeting or does not vote on a poll in accordance with your instructions, the Chairman of the Meeting will become your proxy by default.

Proxy voting restrictions: The key management personnel of the Company (which includes each of the directors) and their closely related parties will not be able to vote your proxy on Resolutions 1, 5, 7 and 8 unless you direct them how to vote. In addition, any person who participated in the issue of shares and their associates will not be able to vote your proxy on Resolution 6 and Mr Verner's associates will not be able to vote your proxy on Resolutions 7 and 8, unless you direct them how to vote. If you intend to appoint such a person as your proxy, please ensure that you direct them how to vote on Resolutions 1, 5, 6, 7 and 8 by marking the voting boxes in Step 2 of the proxy form.

Proxy voting restrictions continued: If the Chairman of the Meeting is (or becomes) your proxy and you do not mark a voting box for Resolutions 1, 5, 6, 7 and 8 then by completing and submitting the proxy form you will be expressly authorising the Chairman of the Meeting to exercise your proxy in respect of the relevant Resolution even though it is connected with the remuneration of the Company's key management personnel. The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

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 the original or 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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

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.



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I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Syrah Resources 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 Syrah Resources Limited to be held at the RACV Club, Level 2, Bayside Rooms 4A & 4B, 501 Bourke Street, Melbourne, Victoria, 3000 on Friday, 24 May 2019 at 10.00am (AEST) 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), by completing and submitting this form, I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6, 7 and 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5, 6, 7 and 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5, 6, 7 and 8 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Ms Lisa Bahash as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr James Askew as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Mr Sam Riggall as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to grant options to Ms Lisa Bahash	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to issue fully paid ordinary Shares to Mr Shaun Verner (or his nominee) as Mr Verner's 2018 Short Term Incentive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to grant Performance Rights to Mr Shaun Verner (or his nominee) as his 2019 Long Term Incentive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Renewal of the proportional takeover provisions in the constitution of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available 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.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

SYR

999999A

Computershare +