

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (AGM) of Namoi Cotton Limited (Namoi Cotton or the Company) will be held via ZOOM Webinar on Tuesday 29 September 2020 commencing at 10:00am (Brisbane time).

Please refer to the Explanatory Notes to the Notice of Meeting on registering your attendance at the meeting, submitting questions and voting.

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### ORDINARY BUSINESS

#### 1. Financial Report

To receive and consider the Financial Report of the Company and its controlled entities for the financial year ended 29 February 2020, and the related Directors' Report and Auditor's Report.

Note: *There is no requirement for Shareholders to approve these reports.*

#### 2. Resolution 1 - Remuneration Report

To consider the Remuneration Report for the financial year ended 29 February 2020 and, if thought fit, pass the following non-binding resolution as an ordinary resolution in accordance with section 250R of the *Corporations Act 2001* (Cth):

*"That the Remuneration Report for the financial year ended 29 February 2020 be adopted."*

Notes:

- *This resolution is subject to the voting exclusions as set out at the end of this Notice of Meeting.*
- *The vote on this resolution is advisory only and does not bind the Directors or the Company.*
- *The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.*

#### 3. Resolution 2 and 3 - Re-election of Directors

A director (excluding the Managing Director) who retires in accordance with the Company's Constitution is eligible for re-election.

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

*"That Tim Watson, an Independent, Non-Executive Director retiring in accordance with ASX Listing Rule 14.4 and Article 11.4 of the Constitution, being eligible, is re-elected as a Director of the Company."*

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

*"That Ian Wilton, an Independent, Non-Executive Director retiring in accordance with Article 11.8 of the Constitution, being eligible, is re-elected as a Director of the Company."*

### SPECIAL BUSINESS

#### 4. Resolution 4 - Approve the Namoi Cotton Rights Plan

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

*"That for the purposes of Listing Rule 7.2, Exception 13, as an exception to Listing Rule 7.1 and for all other purposes, Shareholders approve the equity incentive plan known as the 'Namoi Cotton Limited Rights Plan.'"*

## VOTING EXCLUSIONS

Resolutions 1 and 4 are resolutions that are directly or indirectly related to the remuneration of a member of the Key Management Personnel (KMP) of the Company.

The *Corporations Act 2001* (Cth) (Corporations Act) restricts KMP and their closely related parties from voting in certain circumstances.

In addition, voting restrictions apply to Resolution 4 under the ASX Listing Rules.

A KMP of the Company are the Directors of the Company (including the Chairman) and other employees having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's KMP for the financial year ended 29 February 2020. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependents and companies they control.

### Item 2: Resolution 1 - Remuneration Report

The Company will disregard any votes cast (in any capacity) by or on behalf of:

- a) any KMP of the Company, details of whose remuneration is included in the Remuneration Report; and
- b) a closely related party of any such KMP.

Any votes cast as a proxy on this Item by members of the KMP and their closely related parties will be disregarded, unless the vote is cast:

- a) as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- b) by the Chairman of the Meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

### Item 4: Resolution 4 - Rights Plan

The Company will disregard any votes cast on the proposed Resolution 4 by any Director of the Company (except one who is ineligible to participate in the Rights Plan) and any associate of any such persons. However, the Company need 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 does.

In addition, no KMP of the Company or a closely related party of such a member may vote as a proxy on the proposed Item 4 unless:

- a) the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed Item 4; or
- b) the person is the Chairman and votes as a proxy appointed by writing that authorises the Chairman to vote on the proposed Resolution 4 even though the resolution is connected directly or indirectly with the remuneration of Key Management Personnel of the Company.

## IMPORTANT NOTE - PROXY VOTING

The Chairman intends to vote undirected proxies IN FAVOUR of all proposed resolutions set out in this Notice of Meeting. If there is a change to how the Chairman intends to vote undirected proxies, an announcement will be made to the ASX.

Please see the "Notes to the Notice of Meeting" for further details regarding proxy voting.

Dated: 20 August 2020

By Order of the Board



Andrew Metcalfe

Company Secretary

# EXPLANATORY NOTES TO THE NOTICE OF MEETING

## TIME AND PLACE OF MEETING, HOW TO REGISTER AND HOW TO VOTE AND ASK QUESTIONS

### Venue

The Annual General Meeting of the shareholders of the Company will be held at 10.00am on Tuesday 29 September 2020 via live webcast.

### Register to attend the webcast by email at [AGM@namoicotton.com.au](mailto:AGM@namoicotton.com.au)

The Company will send you the ZOOM link to join the Annual General Meeting.

### Live Online Voting

Shareholders and proxyholders will be able to vote at the meeting online by:

- visiting [web.lumiagn.com](http://web.lumiagn.com) on a smartphone, tablet or computer (using the latest version of Chrome, Safari, Internet Explorer 11, Edge and Firefox;
- using unique meeting ID 352 831 813

Online voting registration will commence 30 minutes prior to the start of the meeting and close 5 minutes after the last item of business. For full details on how to log on and vote online, please refer to the user guide included in this Notice of Meeting

### Questions:

You are encouraged to direct questions to the Chairman or auditor by email at [AGM@namoicotton.com.au](mailto:AGM@namoicotton.com.au) so that they are received not later than 5.00pm Thursday, 24 September 2020.

Please use the email subject "2020 AGM Question." Questions may also be asked during the meeting via the Webinar.

Please also refer to the Investor section on the Company's website [www.namoicotton.com.au](http://www.namoicotton.com.au) for further details relating to the Annual General Meeting.

### FOR FURTHER ENQUIRIES REGARDING THIS NOTICE OF MEETING, CONTACT:

Namoi Registered Office 1B Kitchener Street

Toowoomba QLD 4350

Tel: +61 7 4631 6100

Email: [namoi@namoicotton.com.au](mailto:namoi@namoicotton.com.au)

Share Registry Computershare

Investor Services Pty Limited

Yarra Falls, 452 Johnston Street, Abbotsford, VIC, 3067 Tel: 1300 850 505 (within Australia)

Tel: +61 3 9415 4000 (outside Australia)

# EXPLANATORY NOTES TO THE NOTICE OF MEETING

## VOTING ENTITLEMENTS

1. In accordance with Regulation 7.11.37 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the AGM will be the entitlement of that person set out in the register of Shareholders as at 7:00pm (Brisbane time) on Sunday 27 September 2020. Accordingly, transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the AGM.
2. If a share is held jointly, only one joint holder may vote. If more than one joint Shareholder votes, only the vote of the first person named on the register counts.

## EXERCISING YOUR RIGHT TO VOTE

3. The vote on each resolution will be decided by a poll subject to any requirements of the Corporations Act and the Constitution of the Company.

For resolutions determined by poll, each Shareholder present in person or by proxy or attorney has one vote for each fully paid ordinary share held.

## PROXIES

4. If you cannot attend the meeting you may appoint a proxy to attend and vote for you. A Proxy Form is included with this Notice of Meeting for this purpose. A proxy need not be a Shareholder of Namoi and may be an individual or a body corporate. If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you appoint two proxies and do not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half of the votes.
5. If you choose to appoint a proxy, you are encouraged to direct your proxy on how to vote by marking the "for", "against" or "abstain" box on the Proxy Form. Your proxy may only exercise your vote in the manner you have directed. If no direction is given, the proxy may vote as it sees fit, subject to any voting restrictions applicable to the proxy.
6. Either the original, facsimile or electronic transmission of the proxy form(s) and any Power of Attorney or authority under which they are signed must be received at least 48 hours prior to the AGM (i.e. by no later than 10:00am (Brisbane time) on Sunday 27 September 2020) or, in the case of an adjournment, prior to the time scheduled for resumption of the meeting. Any proxy form received after this deadline, including at the AGM, will be invalid.

Post Computershare Investor Services Pty Limited,  
GPO Box 242, Melbourne Victoria 3001

Fax 1800 783 447 (within Australia) or  
+61 3 9473 2555 (outside Australia)

Online by visiting [www.investorvote.com.au](http://www.investorvote.com.au)  
and quoting the 6-digit control number found on  
the front of your Proxy Form.

Intermediary Online subscribers (custodians) can lodge  
a proxy online by visiting  
[www.intermediaryonline.com](http://www.intermediaryonline.com)

7. Additional Proxy Forms can be obtained from Namoi Cotton Share Registry (Computershare Investor Services Pty Limited) by phoning 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

## PROXY VOTING BY THE CHAIRMAN

8. If you appoint the Chairman of the Meeting as your proxy or the Chairman is appointed as your proxy by default, and you do not direct the Chairman of the Meeting how to vote on an item of business, then by completing and returning the relevant Proxy Form you will be expressly authorising the Chairman of the Meeting to exercise your undirected proxy on a resolution even though it may be directly or indirectly connected with the remuneration of a member of the KMP.

If you do not direct the Chairman of the Meeting how to vote on an item of business, the Chairman as your proxy will vote IN FAVOUR of all Resolutions.

## CORPORATE SHAREHOLDERS

9. A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise as a Shareholder at general meetings of Namoi or in the capacity of a Shareholder's proxy at general meetings of Namoi. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a general meeting or in voting on a resolution.
10. If a corporate representative is to attend the AGM on behalf of a body corporate, a formal Notice of Appointment must be brought to the meeting signed as required by section 127 of the Corporations Act or that Corporation's Constitution.

## VOTING BY ATTORNEY

11. If you wish to appoint an attorney to act on your behalf at the meeting, your appointment must be made by a duly executed Power of Attorney.

The Power of Attorney must be received by no later than 10:00am (Brisbane time) on Sunday 27 September 2020 or, in the case of an adjournment, prior to the time scheduled for resumption of the meeting, unless it has been previously provided to Namoi Cotton.

## QUESTIONS FROM SHAREHOLDERS

12. In addition to asking questions at the meeting, written questions to the Chairman of the Meeting about the management of Namoi, or to Namoi's Auditor about the content of the Auditor's Report and the conduct of the audit, may be submitted by visiting the investor section of our website [www.namoicotton.com.au](http://www.namoicotton.com.au). Questions must be received at least 5 days prior to the AGM (i.e. by no later than 5.00pm (Brisbane time) on Thursday 24 September 2020). This is to allow time to collate questions and to prepare answers.

# EXPLANATORY STATEMENT ON ITEMS OF BUSINESS

The Chairman and CEO will address the meeting via Webcast and make a presentation on the performance of the Company during the financial year ended 29 February 2020 as well as other strategic and operational activities of the Company.

The Chairman and CEO may also respond to questions raised by Shareholders at or before the meeting. If you would like to submit your questions prior to the AGM, please visit the investor section of our website.

## ITEM 1: FINANCIAL REPORT

The Corporations Act requires the following reports in respect of the financial year ended 29 February 2020 to be laid before the Annual General Meeting:

- Financial Report (which includes financial statements and Directors' declaration);
- The Directors' Report (which includes the Remuneration Report); and
- The Auditor's Report.

There is no requirement either in the Corporations Act or the Constitution for Shareholders to approve the Financial Report, the Directors' Report (other than a non-binding vote on the Remuneration Report which is considered as a separate resolution) or the Auditor's Report.

The Reports referred to above are included in the Annual Report provided to Shareholders who elected to receive a copy of the report. A copy of the report is also available in the investor section on our website [www.namoicotton.com.au](http://www.namoicotton.com.au). Shareholders will be provided with the opportunity at the meeting to ask questions about the reports.

The Company's Auditor will be available at the meeting to answer any questions in relation to the conduct of the audit and the preparation and content of the Auditor's Report.

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## RESOLUTION 1 - REMUNERATION REPORT

A resolution for the adoption of the Remuneration Report is required to be considered and voted on in accordance with section 250R of the Corporations Act. Prior to holding this vote, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the Remuneration Report.

The Remuneration Report for the financial year ended 29 February 2020 is included in the Annual Report. In accordance with the Corporations Act, the Remuneration Report:

- describes the policies behind, and structure of, the remuneration arrangements of the Company, and the link between remuneration and the Company's performance; and
- sets out the remuneration arrangements in place for Directors and those members of the senior management team with authority and responsibility for planning, directing and controlling the activities of the Company.

The vote on this resolution is advisory only and the outcome will not be binding on the Board or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Board recommends that Shareholders vote in favour of this non-binding resolution.

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## RESOLUTIONS 2 and 3 - RE-ELECTION OF DIRECTORS

### Re-election of Directors

Resolutions 2 and 3 seek approval for the re-election of Directors who are retiring under Article 11.4 and 11.8 of the Company's Constitution. Article 11.4 states that a Director must retire from office no later than the longer of the third AGM of the Company following that Director's last election or appointment or three years following that Director's last election or appointment. Article 11.8 states that a Director appointed as a casual vacancy or additional director holds office until the conclusion of the next annual general meeting of the Company and is eligible for election at that meeting.

Tim Watson and Ian Wilton are eligible for election and offer themselves for re-election as Directors of the Company.

(a) *Tim Watson, Independent Non-Executive Director, Grower Director*

- Chair of the Board of Directors
- Chair of the People & Culture Committee

Tim has been an Independent Non-Executive Director since 2014. He was appointed Chair of the Board on 29 August 2018.

Tim grows cotton in the Hillston Region and has been involved in the cotton industry since 2000 and is a member of the Hillston District Irrigators Association and the Lachlan River Customer Service Committee. Currently he is also a representative of the Lachlan Valley Water Users Association. He brings with him extensive industry and commercial expertise for the cotton and general agricultural industry.

The Board (with Tim Watson abstaining) recommends that you vote in favour of this resolution.

(b) *Ian Wilton, Independent Non-Executive Director, Non-grower Director*

- Member of the People & Culture Committee
- Member of the Trading & Operating Risk Committee

Ian was appointed to the Board as an Independent Non-Executive Director on 17 June 2020.

Ian is an experienced director and is currently Chair of Elders Limited (ASX: ELD). He brings significant Agri-sector experience to the Board of Namoi Cotton, having held senior executive positions with GrainCorp Limited, Ridley Corporation Limited and CSR Sugar.

The Board (with Ian Wilton abstaining) recommends that you vote in favour of this resolution.

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# EXPLANATORY STATEMENT ON ITEMS OF BUSINESS

## RESOLUTION 4 - APPROVE THE NAMOI COTTON RIGHTS PLAN

### (a) Background

Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12-month period without requiring Shareholder approval. Listing Rule 7.2 allows certain issues of securities to be excluded from the calculation of the number of securities issued in the 12 month period, including under exception 13(b), where an issue is made under an employee incentive plan, if within three years before the date of issue, the terms of the plan are approved by Shareholders.

Resolution 4 proposes that Shareholders consider and approve the Rights Plan in accordance with Listing Rule 7.2, exception 13(b), which would enable securities issued under the Rights Plan over the next three years to be excluded from any calculation of securities for the purposes of Listing Rule 7.1.

The Rights Plan provides for the issuance of Rights, which, upon a determination by the Board that the performance conditions attached to the Rights have been met, will result in the issue of securities in the Group for each Right.

The total number of securities proposed to be issued under the Rights Plan is 3,195,893.

### (b) Summary of the terms of the Namoi Cotton Ltd Rights Plan

The object of the Rights Plan is to:

- (i) align the interests of Eligible Employees with those of Shareholders;
- (ii) provide incentives to attract, retain and/or motivate Eligible Employees in the interests of Namoi; and
- (iii) provide Eligible Employees with the opportunity to acquire Rights, and ultimately Namoi Shares, in accordance with these Rules.

A summary of the terms of the Rights Plan, including the amendments noted earlier in this Notice, are outlined below. Capitalised terms in this section refer to definitions in the Rights Plan rules.

**Grant of Rights:** The Board has discretion to grant rights to Eligible Employees on the terms of the Rights Plan and such additional terms and conditions that the Board determines. Unless the Board determines otherwise, no payment is required for the grant of Rights under the Rights Plan.

**Eligible Employee:** The eligible participants under the Rights Plan are employees of the Group (including Directors) or other persons who are determined by the Board to be eligible participants for the purposes of the Rights Plan. In accordance with the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Group can participate in the Rights Plan and be granted Rights.

**Information to be provided:** The Board will advise each Eligible Employee of the following minimum information regarding Rights at the time of a grant or invitation:

- (i) the number or maximum value of Rights being offered, or the method for determining the number or maximum value;
- (ii) any applicable Conditions and the applicable Period;
- (iii) the time or times at which Rights may vest;

- (iv) any amount that will be payable upon vesting of a Right (if applicable);
- (v) the period or periods during which Rights may be exercised and the manner of exercise of the Rights (if applicable);
- (vi) the date, time and circumstances when Rights lapse; and
- (vii) any other relevant terms and conditions attaching to the Rights or NAM Shares held under the Rights Plan (including, for example, any restrictions on transfer of the NAM Shares).

**Title to Rights:** Unless the Board determines otherwise, a Right may only be registered in the name of a Participant. A Right granted under, and subject to, these Rules is only transferable with the consent of the Board or by a court of law. Where a Participant purports to transfer a Right other than in accordance with these rules the Right immediately lapses.

**Prohibition against hedging:** A participant in the Rights Plan must not enter into any scheme, arrangement or agreement (including options and derivative products) under which the economic benefit to be derived from Rights that remain subject to these Rules are affected, otherwise the Rights will immediately lapse.

**Vesting and lapse of Rights:** Subject to Board discretion, cessation of employment, fraud or dishonesty, reorganisations and divestment, change of control and Board powers, a Right granted under the Rights Plan will not vest unless the conditions advised to the Participant have been satisfied. The Board may, in its discretion, determine that a Right vest prior to the date specified by the Board.

Subject to the Board's overriding discretion, an unvested Right granted to a Participant will lapse upon the earliest to occur of:

- (i) the date specified by the Board.
- (ii) an event relating to title of the rights, cessation of employment, fraud or dishonesty, reorganisations and divestments or change of control;
- (iii) failure to meet the conditions by the end of the Period; or
- (iv) the fifth anniversary of the date the Right was granted.

**Satisfaction of vested Rights:** The Board will from time to time determine whether NAM will, with respect to each Right that is exercised:

- (i) issue or procure the transfer to:
  - the Participant (or his or her personal representative); or
  - a trustee who is to hold NAM Shares on behalf of the Participant,of the number of NAM Shares (including fractions of a NAM Share) to which the Participant is entitled in respect of each Right as outlined in the terms of a grant or invitation which may include a formula for calculating the relevant number of NAM Shares (**Equity Settled**); or
- (ii) pay a cash amount equivalent to the market price of a NAM Share on the vesting date multiplied by the number of NAM Shares contemplated the grant or invitation in full satisfaction of the NAM Shares that would otherwise have been allocated on exercise of the Rights (**Cash Settled**).

**Ranking of NAM Shares:** All NAM Shares issued under the Rights Plan will rank equally in all respects with other NAM Shares for the time being on issue, except with regard to any rights attaching to such other NAM Shares by reference to a record date prior to the date of allocation of those NAM Shares.

# EXPLANATORY STATEMENT ON ITEMS OF BUSINESS

**Listing on ASX:** NAM will apply for quotation of NAM Shares issued under the Rights Plan within the period required by ASX.

**Transfer restrictions:** The Board may, in its discretion, impose any trading or other restrictions in respect of NAM Shares issued or transferred on the vesting of Rights. The Board must provide a Participant with details of any such restrictions at the time of a grant or invitation. The Board may implement any procedure it considers appropriate to restrict a Participant from trading in NAM Shares while they remain subject to these Rules including, without limitation, imposing a holding lock on the NAM Shares or arranging for the NAM Shares to be held on trust.

**Cessation of employment:** Where a Participant holding unvested Rights ceases to be an employee of the Group, those Rights immediately lapse. Notwithstanding this, where a Participant holding unvested Rights ceases to be an employee of the Group, the Board may, in its discretion, determine the treatment of those unvested Rights.

**Forfeiture of NAM Shares allocated on vesting of Rights:** The Board may, at its discretion, determine that a Participant, will forfeit his or her interest in any vested Rights that have not been exercised and in any NAM Shares that are allocated to the Participant on exercise of vested Rights that are subject to an additional holding restriction if, during such restriction period, the Participant:

- (i) resigns;
- (ii) is dismissed for cause; or
- (iii) is terminated in circumstances that, in the opinion of the Board, involve a failure by the Participant to meet acceptable performance requirements in connection with his or her employment.

For the purposes of this Rights Plan, a Participant will only be treated as ceasing employment when the Participant is no longer an employee of the Group.

**Capital reorganisation:** If:

- (i) NAM Shares are issued pro rata to NAM Shareholders generally by way of a bonus issue;
- (ii) NAM Shares are offered to NAM Shareholders by way of a rights issue; or
- (iii) any reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of NAM is effected, then:

the number of Rights to which each Participant is entitled will be adjusted in the manner determined by the Board in order to minimise or eliminate any material advantage or disadvantage to the Participant. Any new Rights granted will, unless the Board determines otherwise, be subject to the same terms and conditions as the original Rights.

**Divestment of material business or subsidiary:** Where the Group divests a business designated by the Board for this purpose as 'material', the Board may determine special rules that apply to Participants of that business in relation to the Rights or NAM Shares held pursuant to the Rights Plan (and any other entitlements that may arise in relation to those NAM Shares). Without limiting the Board's discretion, such rules may include:

- (i) varying the Conditions and/or Period applying to the Participant's Rights to take into account the divestment of the business; and
- (ii) deeming that the Participant remains a Group employee for a specified period.

**Takeover bid or scheme of arrangement:** If an Event occurs prior to Rights vesting then the Board may, in its absolute discretion, determine whether:

- (i) some or all unvested Rights vest or lapse (whether subject to Conditions or not); or
- (ii) some or all of the unvested Rights remain subject to the applicable Conditions (or substitute Conditions),

having regard to any matter the Board considers relevant, including, without limitation, the circumstances of the Event, the extent to which the applicable Conditions have been satisfied and/or the proportion of the Period that has elapsed at that time.

If an Event occurs after Rights vest, all NAM Shares issued or transferred (as applicable) on exercise of the Rights that remain subject to a disposal restriction under the Rights Plan will be released from restriction.

An Event occurs where:

- (i) a Takeover Bid is made for NAM and the Board resolves to recommend the bid; or
- (ii) a Takeover Bid is made for NAM and the bid is declared unconditional at a time prior to the bidder being entitled to 50% of the issued NAM Shares in Namoi; or
- (iii) a court convenes a meeting of Shareholders to be held to vote on a proposed scheme of arrangement pursuant to which control of the majority of NAM Shares may change; or
- (iv) any transaction or event is proposed that, in the opinion of the Board, may result in a person becoming entitled to exercise control over NAM.

**Acquisition of securities in another Company:** If a Company (the **Acquiring Company**) obtains control of NAM and each of NAM, the Acquiring Company and the Participant agree, then a Participant may be provided with securities in the Acquiring Company (or its parent or subsidiary) in substitution for Rights, on substantially the same terms and conditions as the Rights, but with appropriate adjustments to the number and kind of securities the subject of the Rights.

**Amendment of the Rules:** The Board may at any time, amend, add to, vary, omit from or substitute any of these Rules, provided that any such amendment may not materially reduce or otherwise prejudicially affect the rights attaching to the Rights granted or the NAM Shares issued or transferred (as applicable) pursuant to, and still subject to, the Rights Plan, other than an amendment introduced primarily:

- (i) for the purpose of complying with or conforming to present or future State or Commonwealth legislation;
- (ii) to correct any manifest error or mistake; or
- (iii) to take into consideration possible adverse tax implications for Namoi or the Participant arising from, amongst other things, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.

**Board powers:** The Board has absolute and unfettered discretion in exercising any power or discretion concerning the Rights Plan.

**Directors' Recommendation**

The Board unanimously recommends that Shareholders vote in favour of this resolution.