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**SWICK MINING SERVICES LTD**

ACN 112 917 905

**NOTICE OF ANNUAL GENERAL MEETING**

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**Time:** 10.00 a.m.

**Date:** 14 November 2014

**Place:** Hyatt Regency Perth  
99 Adelaide Terrace  
Perth, Western Australia

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

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

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Notice is given that the annual general meeting of Shareholders of Swick Mining Services Ltd will be held at 10.00 a.m. (WST) on Friday, 14 November 2014 at:

Hyatt Regency Perth  
99 Adelaide Terrace  
Perth, Western Australia

The Explanatory Statement to this Notice of Meeting provides additional information on the matters to be considered at the Annual General Meeting.

Terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in the Glossary.

### YOUR VOTE IS IMPORTANT

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

### VOTING ELIGIBILITY

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4:00 p.m. (WST) on 12 November 2014.

### VOTING IN PERSON

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

### VOTING BY PROXY

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

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

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

Under sections 250BB and 250BC of the Corporations Act:

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

### ***Proxy vote if appointment specifies way to vote***

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

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

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

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

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

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## BUSINESS OF THE MEETING

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### AGENDA

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#### ORDINARY BUSINESS

##### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2014, together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

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

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

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report, as contained in the Company's annual financial report for the financial year ended 30 June 2014."*

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

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

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

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

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

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ANDREW SIMPSON

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

*"That, for the purpose of rule 13.2 of the Constitution and for all other purposes, Andrew Simpson, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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#### 3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – IAN MCCUBBING

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

*"That, for the purpose of rule 13.2 of the Constitution and for all other purposes, Ian McCubbing, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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#### 4. RESOLUTION 4 – APPROVAL TO ISSUE SECURITIES UNDER PERFORMANCE RIGHTS PLAN

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

*“That, for the purpose of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, the Plan be approved for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement**

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

- (a) the proxy is either:
  - (i) a member of Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

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#### 5. RESOLUTION 5 – GRANT OF PERFORMANCE RIGHTS TO RELATED PARTY – KENT SWICK

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

*“That, for the purposes of ASX Listing Rule 10.14, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to grant up to 822,182 Performance Rights to Kent Swick (or his nominee) under the Plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement**

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

- (a) the proxy is either:
  - (i) a member of Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

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By order of the Board

**Frank Campagna**  
Company Secretary

Perth, Western Australia  
30 September 2014

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## EXPLANATORY STATEMENT

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

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2014, together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

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

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

#### 2.1 General

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

The Remuneration Report sets out remuneration arrangements for the directors and senior management of the Company. The Remuneration Report is included in the directors' report contained in the annual financial report of the Company for the financial year.

The chair of the meeting must allow a reasonable opportunity for shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

#### 2.2 Voting consequences

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

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

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

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

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, a Spill Resolution is not relevant for this Annual General Meeting.

#### 2.3 Proxy voting restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

- (a) *If you appoint a member of Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy.*

**You must direct your proxy how to vote on this Resolution.** Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

- (b) **If you appoint the Chair as your proxy (where he/she is also a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).**

You **do not** need to direct your proxy how to vote on this Resolution due to a recent amendment to the ASX Listing Rules.

**If you appoint any other person as your proxy you do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

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### 3. RESOLUTIONS 2 AND 3 – RE-ELECTION OF DIRECTORS – ANDREW SIMPSON AND IAN MCCUBBING

Rule 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under rule 13.2 of the Constitution is eligible for re-election.

The Company currently has 5 Directors (including Kent Swick, Managing Director) and accordingly 2 must retire.

Andrew Simpson and Ian McCubbing, being the Directors longest in office since their last election, retire by rotation and seek re-election.

The Board (excluding Andrew Simpson and Ian McCubbing) recommends that shareholders vote in favour of the re-election of Mr Simpson and Mr McCubbing as Directors of the Company. The Chair intends to vote undirected proxies in favour of Resolution 2 and 3.

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### 4. RESOLUTION 4 – APPROVAL TO ISSUE SECURITIES UNDER PERFORMANCE RIGHTS PLAN

#### 4.1 General

Resolution 4 seeks the approval of Shareholders for the Company to issue securities under the Plan (an employee incentive scheme) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

The Plan has been designed to assist with the attraction, motivation and retention of Eligible Participants, align the interests of those Eligible Participants and Shareholders by matching rewards with the long term performance of the Company and, accordingly, continue to drive the Company's improved performance. The Plan has not been previously approved by Shareholders.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to grant Performance Rights under the Plan to Eligible Participants over a period of 3 years from the date of approval without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Any grants of Performance Rights under the Plan to a Director or any associate of a Director will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

#### 4.2 Technical information required by ASX Listing Rule 7.2 (Exception 9(b))

The following information is provided pursuant to and in accordance with ASX Listing Rule 7.2 (Exception 9(b)):

- (a) A summary of the key terms and conditions of the Plan is set out in Schedule 1. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan will also be sent to Shareholders upon request.
- (b) Shareholders have not previously approved the adoption of the Plan, therefore, no Performance Rights have been granted under the Plan since it was last approved. However, 3,512,248 Performance Rights have previously been granted under the Plan since the Board resolved to adopt the Plan, of which 1,300,000 Performance Rights lapsed due to vesting conditions not being met.
- (c) A voting exclusion statement is set out on page 4 of the Notice of Meeting accompanying this Explanatory Statement.

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## 5. RESOLUTION 5 – GRANT OF PERFORMANCE RIGHTS TO RELATED PARTY – KENT SWICK

### 5.1 BACKGROUND

The Company provides a long term incentive component to the remuneration packages of senior executives through the issue of Performance Rights. The entitlement to Performance Rights is based on a methodology adopted by the Board whereby 20% of the sum of the total fixed remuneration of the executive plus short term incentive bonuses is divided by the volume weighted average price of the Company's shares over the preceding 12 months, to determine the number of Performance Rights to be issued.

Performance Rights are granted with 50% vesting immediately and 50% to vest 12 months after grant.

In October 2013, the Board (other than Kent Swick, Managing Director of the Company) resolved to grant 412,814 Performance Rights to Kent Swick (or his nominee) in relation to Mr Swick's entitlement under the long term incentive component of his remuneration arrangements for the financial year ended 30 June 2013. The Performance Rights were to be issued on the terms and conditions set out below, subject to receipt of all requisite Shareholder approvals (**Tranche 1 Performance Rights**). Under the terms of the Tranche 1 Performance Rights:

- (a) 206,407 Tranche 1 Performance Rights will be granted upon receipt of Shareholder approval and will vest immediately upon grant; and
- (b) 206,407 Tranche 1 Performance Rights will be granted upon receipt of Shareholder approval and will vest immediately upon grant (having been in excess of 12 months since the Board resolved to grant the Performance Rights for the financial year ended 30 June 2013).

In September 2014, the Board (other than Kent Swick) resolved to grant a further 409,368 Performance Rights to Kent Swick (or his nominee) in relation to Mr Swick's entitlement under the long term incentive component of his remuneration arrangements for the financial year ended 30 June 2014.

The Performance Rights were to be issued on the terms and conditions set out below, subject to receipt of all requisite Shareholder approvals (**Tranche 2 Performance Rights**). Under the terms of the Tranche 2 Performance Rights:

- (a) 204,684 Tranche 2 Performance Rights will be granted upon receipt of Shareholder approval and will vest immediately upon grant; and

- (b) 204,684 Tranche 2 Performance Rights will vest on the date that is 12 months after the date that Shareholder approval for the grant of the Tranche 2 Performance Rights is received.

There are no further vesting conditions applicable to the Related Party Performance Rights.

Resolution 5 seeks the approval of Shareholders for the grant of Related Party Performance Rights to Kent Swick (a related party by virtue of Kent Swick being a Director) pursuant to the Plan in accordance with ASX Listing Rule 10.14 and section 208 of the Corporations Act.

Under the terms of the employment agreement for Mr Swick, where Shareholder approval is not obtained, then the long term incentive component of Mr Swick's remuneration package is payable in cash.

## 5.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity or any associate of the director.

If approval is given by Shareholders under ASX Listing Rule 10.14, separate Shareholder approval is not required under ASX Listing Rule 10.11 (which provides general restrictions against issuing securities to directors without shareholder approval).

## 5.3 Technical information required by ASX Listing Rule 10.14

The following information is provided in relation to the proposed grant of Related Party Performance Rights to Mr Swick pursuant to and in accordance with ASX Listing Rule 10.15A:

- (a) the related party is Kent Swick, who is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Performance Rights to be granted to Mr Swick (or his nominee) is 822,182;
- (c) the Related Party Performance Rights will be granted for nil cash consideration, and upon the vesting conditions being met (or waived), the Related Party Performance Rights will be exercisable at nil cost. Accordingly no funds will be raised;
- (d) no Performance Rights have previously been granted under the Plan to any person referred to in ASX Listing Rule 10.14 and the Plan has not previously been approved by Shareholders;
- (e) all executive directors and other full-time or part-time employees of the Company (or their permitted nominees) are entitled to participate in the Plan, however, the Company does not currently intend to make an offer to any Director other than Mr Swick. Accordingly approval is being sought only for the grant of the Related Party Performance Rights to Kent Swick (or his nominee);
- (f) a voting exclusion statement is set out in the Notice of Meeting accompanying this Explanatory Statement;
- (g) the Company will not be providing a loan in connection with the acquisition of the Related Party Performance Rights by Mr Swick under the Plan;
- (h) details of any securities issued under the Plan will be published in each annual report of the Company relating to a period in which securities are issued under the Plan, and for which approval for the issue of securities under the Plan is obtained pursuant to ASX Listing Rule 10.14;
- (i) any additional persons referred to in ASX Listing Rule 10.14 who the Directors resolve to grant Performance Rights to pursuant to the Plan after Resolution 5 was approved will not be granted Performance Rights until approval is obtained under ASX Listing Rule 10.14; and
- (j) the Related Party Performance Rights will be granted to Kent Swick (or his nominee) no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the Related Party Performance Rights will be granted on one date.

#### 5.4 Chapter 2E of the Corporations Act

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

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

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

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

The grant of Related Party Performance Rights pursuant to the Plan to Mr Swick requires the Company to obtain Shareholder approval because:

- (a) the grant of Related Party Performance Rights to Mr Swick constitutes giving a financial benefit; and
- (b) as a Director, Kent Swick is a related party of the Company.

It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Performance Rights to Mr Swick.

#### 5.5 Technical information required by Chapter 2E of the Corporations Act

Specific information must also be provided to Shareholders in accordance with section 219 of the Corporations Act. The majority of this information is set out above in accordance ASX Listing Rule 10.15A and the balance of the information required under section 219 of the Corporations Act is set out below:

- (a) the material terms of the Performance Rights are described in Schedule 1 to this Explanatory Statement. These terms are similar to those which apply to Performance Rights that have previously been issued to Eligible Participants under the Plan;
- (b) the primary purpose of the grant of Related Party Performance Rights to Mr Swick is to provide a performance linked long term incentive component in the remuneration package for Mr Swick in order to motivate and reward his continued performance in his role as Managing Director of the Company;
- (c) the Directors (other than Mr Swick) recommend that Shareholders vote in favour of Resolution 5 for the following reasons:
  - (i) the grant of Related Party Performance Rights to Mr Swick will align his interests with those of Shareholders through the linking of executive performance with the creation of shareholder wealth; and
  - (ii) the grant of Related Party Performance Rights is a reasonable and appropriate method to provide cost-effective remuneration to Mr Swick as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were provided to Mr Swick; and
  - (iii) given the primary purpose of the grant of the Related Party Performance Rights described above, the Directors consider that there are no significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Performance Rights on the terms set out in the Plan;
- (d) Mr Swick declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that Mr Swick will be granted Performance Rights if Resolution 5 is passed. Mr Swick did not vote on any resolution of the Board to grant Related Party Performance Rights to himself, given his material personal interest in the outcome of such resolutions;

- (e) with the exception of Mr Swick, no other Director has a personal interest in the outcome of Resolution 5;
- (f) all Directors that are eligible to participate in any employee incentive scheme in relation to the Company, including the Plan, will be excluded from voting on Resolution 5 at the Annual General Meeting pursuant to the requirements of the ASX Listing Rules;
- (g) in forming their recommendations and in determining the number, value and terms of the Related Party Performance Rights proposed to be granted to Mr Swick, each Director (other than Mr Swick) considered the expertise and experience of Mr Swick, the existing and proposed contribution of Mr Swick to the Company and current market practices when determining the number of Performance Rights to be granted to Mr Swick under the Plan;
- (h) the relevant interests (directly and indirectly held) of Mr Swick in securities of the Company as at the date of this Notice are set out below:

Shares	Performance Rights	Options
32,500,000	Nil	Nil

- (i) remuneration and emoluments paid by the Company to Mr Swick and his associates for the previous financial year and the proposed remuneration and emoluments to be paid by the Company to Mr Swick or his associates for the current financial year are set out below:

	Base salary (including superannuation)	Performance Rights (if approved under Resolution 5)	Other remuneration
<b>2014</b>	\$542,832	\$229,188 <sup>1</sup>	Nil

<sup>1</sup> Refer Schedule 2. Includes \$115,588 which relates to Related Party Performance Rights attributable to the previous financial year.

Base salary and other remuneration for the 2015 financial year is expected to be similar to that received in the financial year ended 30 June 2014.

- (j) if the Related Party Performance Rights granted to Mr Swick all vest and are exercised, a total of 822,182 Shares would be granted. This will increase the number of Shares on issue from 216,123,326 to 216,945,508 (assuming that no other Performance Rights are exercised and no other Shares are issued,) with the effect that the shareholding of existing Shareholders (other than Mr Swick and his associates) would be diluted by approximately 0.38%;
- (k) in order to assist Shareholders in making a decision on Resolution 5, the Company discloses the information in Schedule 2 regarding the value of the Related Party Performance Rights to be granted to Mr Swick; and
- (l) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass Resolution 5.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Related Party Performance Rights to Mr Swick as approval is being obtained under ASX Listing Rule 7.2 (Exception 9(b)). Accordingly, the grant of Performance Rights to Mr Swick (and other Eligible Participants in the next 3 years) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## GLOSSARY

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

**Board** means the Board of Directors.

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

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

**Company** means Swick Mining Services Ltd (ACN 112 917 905).

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

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

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

**Employee** has the meaning given in Schedule 1.

**Eligible Participant** has the meaning given in Schedule 1.

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

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

**Notification Event** has the meaning given in Schedule 1.

**Performance Rights** means an entitlement to a Share subject to satisfaction of any vesting conditions and the corresponding obligation of the Company to provide the Share, pursuant to the Plan.

**Plan** means the Swick Mining Services Ltd Performance Rights Plan.

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

**Remuneration Report** means the remuneration report set out in the director's report section of the Company's annual financial report for the year ended 2014.

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

**Related Party Performance Rights** means the Tranche 1 Performance Rights and the Tranche 2 Performance Rights.

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

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

**Tranche 1 Performance Rights** has the meaning given in section 5.1 of the Explanatory Statement.

**Tranche 2 Performance Rights** has the meaning given in section 5.1 of the Explanatory Statement.

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

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## SCHEDULE 1 – KEY TERMS AND CONDITIONS OF THE PLAN

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**Eligible Participants:** All full time or part time employees (including a Director or company secretary) of the Company (or another entity within the Company group) (**Employee**) and any employees who personally, or whose permitted nominee (as that term is defined in the Plan) who holds a Performance Right granted under the Plan (together, **Eligible Participants**) are eligible to participate in the Plan.

**Offers:** Subject to any necessary approvals from Shareholders or as required by law or by the ASX Listing Rules, the Board may, from time to time, at its absolute discretion, make an offer to grant Performance Rights to an Eligible Participant under the Plan and on such additional terms and conditions as the Board determines. An Eligible Participant will not be required to make any payment in return for the grant of Performance Rights

**Performance Rights:** Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one Share.

**Not transferrable:** Performance Rights are only transferrable with the consent of the Board or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the Eligible Participant's trustee in bankruptcy.

**Vesting conditions:** The Board will determine the vesting conditions (if any) that must be satisfied before a Performance Right vests and the date by which a vesting condition must be satisfied.

**Vesting:** A Performance Right will vest where vesting conditions are satisfied or where, despite vesting conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested Performance Rights have vested as a result of:

- (a) the Employee ceasing to be employed by the Company (or another entity within the Company group), an Eligible Participant due to death, total and permanent disability, retirement or redundancy as set out in the Plan; or
- (b) the Company undergoing a winding up.

**Vesting upon change of control:** A Performance Right will vest immediately upon the occurrence of:

- (a) a takeover bid becoming or being declared to be unconditional (regardless of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid);
  - (b) a change in control event (that is, a shareholder or group of associated shareholders becoming entitled to sufficient Shares such that it or they can exercise its or their ability to replace all or a majority of the Board or gaining the ability to control more than 50% of the voting power in the Company); or
  - (c) approval of a merger by way of a scheme of arrangement by the Court,
- (each a **Notification Event**).

Upon a Notification Event occurring, the Company will notify each Eligible Participant in writing of the automatic vesting of their Performance Rights and the period within which an Eligible Participant must exercise their vested Performance Rights. Unvested Performance Rights will lapse if an Eligible Participant does not exercise its vested Performance Rights within the period specified by the Company in the notice.

**Exercise of vested Performance Right:** Unless the Board decides otherwise or the Performance Right automatically converts upon vesting, any vested Performance Right may be exercised within 5 years of the Board notifying the Eligible Participant that the Performance Right has vested, following which the Company will issue the participant with the applicable number of Shares.

**Lapse of an unvested Performance Right:** A Performance Right that has not vested will lapse upon the earlier to occur of:

- (a) a failure to meet a vesting condition of the Performance Right;
- (b) the relevant Employee ceasing to be an employee, director or company secretary (unless the Board otherwise determines that the Performance Right will vest);

- For personal use only
- (c) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Performance Right;
  - (d) an unauthorised transfer or purported unauthorised transfer of a Performance Right;
  - (e) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
  - (f) the expiry date of the Performance Right; and
  - (g) the 7 year anniversary of the date of grant of the Performance Right.

**Lapse of a vested Performance Right:** A Performance Right that has vested but has not been validly exercised will lapse upon the earlier of 6 months after the relevant Employee ceases to be an employee, director or company secretary and to occur of the items (d), (e), (f), and (g) above in relation to the lapse of an unvested Performance Right.

**Shares:** Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank on equal terms with all other Shares on issue.

**Quotation of Shares:** If Shares of the same class as those allotted under the Plan are quoted on the ASX, the Company will apply to the ASX within a reasonable time after they are allotted for those Shares to be listed.

**No Participation Rights:** There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

**Reorganisation or bonus issue:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return) or the Company undertakes a bonus issue to Shareholders, all rights of a holder of a Performance Right are to be changed in a manner determined by the Board, consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation, in a way to ensure that no advantage or disadvantage accrues to any Eligible Participant as a result of such a reorganisation or bonus issue.

**Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Performance Right granted under the Plan.

**Restrictions on amendments:** Without the consent of the Eligible Participant, no amendment may be made to the terms of any granted Performance Right which reduced the rights of the Eligible Participant in respect of that Performance Right, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State or Commonwealth legislation, the ASX Listing Rules or instruments of relief granted by the Australian Securities and Investments Commission governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake; or
- (c) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, 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 of competent jurisdiction.

## SCHEDULE 2 – VALUATION OF RELATED PARTY PERFORMANCE RIGHTS

The Related Party Performance Rights to be granted to Kent Swick (or his nominee) pursuant to Resolution 5 have been independently valued.

The valuation is described as “indicative” on the basis that the valuation was undertaken at a date prior to the date of grant. The date of assessment of the value of the Performance Rights for the purposes of this notice of meeting is 16 September 2014.

Tranche 1 and Tranche 2a Performance rights are expected to be issued and will vest immediately following shareholder approval and will be exercised and converted to shares at nil cost. Accordingly, in valuing the Tranche 1 and Tranche 2a Performance Rights, the value per Performance Right is assessed as the underlying share price as at the valuation date. Inputs for the valuation of the Tranche 2b Performance Rights are set out below.

Based on the assumptions set out below, the Related Party Performance Rights were ascribed the following values:

Assumptions	Tranche 1	Tranche 2a <sup>1</sup>	Tranche 2b <sup>2</sup>
Grant date	14.11.14	14.11.14	14.11.14
Vesting date	14.11.14	14.11.14	14.11.15
Expiry date	14.11.14	14.11.14	14.11.15
Underlying share price	\$0.28	\$0.28	\$0.28
Exercise price	\$0.00	\$0.00	\$0.00
Dividend yield	0.0%	0.0%	1.4%
Number of Performance Rights	412,814	204,684	204,684
Indicative value	\$115,588	\$57,312	\$56,288

**Total Value of Related Party Performance Rights is \$229,188.**

Notes:

- <sup>1</sup> Tranche 2a Performance Rights relate to 50% of the allocation of Performance Rights for the financial year ended 30 June 2014 which vest immediately upon grant following shareholder approval.
- <sup>2</sup> Tranche 2b Performance Rights relate to the remaining 50% of the allocation of Performance Rights for the financial year ended 30 June 2014 which vest 12 months after shareholder approval.

# SWICK MINING SERVICES LTD

ABN: 20 112 917 905

REGISTERED OFFICE:  
64 GREAT EASTERN HIGHWAY  
SOUTH GUILDFORD WA 6055

SHARE REGISTRY:  
Security Transfer Registrars Pty Ltd  
All Correspondence to:  
PO BOX 535, APPECROSS WA 6953  
AUSTRALIA  
770 Canning Highway, APPECROSS WA 6153  
AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

«HOLDER\_NAME»  
«ADDRESS\_LINE\_1»  
«ADDRESS\_LINE\_2»  
«ADDRESS\_LINE\_3»  
«ADDRESS\_LINE\_4»  
«ADDRESS\_LINE\_5»

Code: **SWK**

Holder Number: «HOLDER\_No.»

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE ONLINE**

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

Online Proxy ID: «ONLINE PRX ID»

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson 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 subject to relevant laws, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10.00 am (WST) on 14 November 2014 at Hyatt Regency Perth, 99 Adelaide Terrace, Perth, Western Australia and at any adjournment of that meeting.

**Chairperson authorised to exercise proxies on remuneration related matters:** Where I/we have appointed the Chairperson of the meeting as my/our proxy (or the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy on Resolutions 1, 4 and 5 in accordance with his/her intentions as set out in the notice of meeting and this form (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairperson.

**Important Note:** If the Chairperson is (or becomes) your proxy, you can direct the Chairperson to vote for or against or abstain from voting on Resolutions 1, 4 and 5 by marking the appropriate box below.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all resolutions in which the Chairperson is entitled to vote.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTIONS	FOR	AGAINST	ABSTAIN*
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Andrew Simpson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Ian McCubbing as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval to issue securities under Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval for the issue of Performance Rights to Related Party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If two proxies are being appointed, the proportion of voting rights this Proxy Form represents is \_\_\_\_\_%

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder	Security Holder 2	Security Holder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director & Sole Company Secretary	Director Secretary	Director/Company Secretary

Proxy Forms must be received by Security Transfer Registrars Pty Ltd no later than 10.00 am (WST) on 12 November 2014.

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My/Our contact details in case of enquiries are:

Name:

[Grid for Name input]

Number:

( [Grid for Number input] )

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If you wish to appoint the chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. Please also refer to Section B of this proxy form and ensure you mark the box in that section if you wish to appoint the Chairperson as your Proxy. If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions. Where a box is not marked, the Proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. However, where both proxies attend the meeting, voting may only be exercised on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
b) Return both proxy forms in the same envelope.

5. SIGNING INSTRUCTIONS

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

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

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is appointed pursuant to section 250D of the Corporations Act is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. ATTENDING THE MEETING

Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.

7. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Registrars Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 535
Applecross WA 6953 Australia

Street Address Alexandria House
Suite 1, 770 Canning Highway
Applecross WA 6153 Australia

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

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For personal use only