

INDEPENDENCE GROUP NL
ABN 46 092 786 304

**NOTICE OF ANNUAL GENERAL MEETING
AND EXPLANATORY MEMORANDUM**

Date: Wednesday, 20 November 2019

Time: 4:00pm WST

Place: Fremantle Ballroom
Four Points by Sheraton Perth
707 Wellington Street
Perth Western Australia 6000

INDEPENDENCE GROUP NL

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2019 Annual General Meeting of Independence Group NL (**Company** or **IGO**) will be held at the Fremantle Ballroom, Four Points by Sheraton Perth, 707 Wellington Street, Perth, Western Australia on Wednesday, 20 November 2019 at 4.00pm WST (**Meeting**).

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

AGENDA

BUSINESS

Financial Statements and Reports

To receive and consider the financial statements and the reports of the Directors and Auditors for the year ended 30 June 2019.

Resolution 1 – Re-election of Mr. Peter Buck

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

“That Mr. Peter Buck be re-elected as a Director of the Company.”

Resolution 2 – Election of Ms. Kathleen Bozanic

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

“That Ms. Kathleen Bozanic be elected as a Director of the Company.”

Resolution 3 – Remuneration Report

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

“That the Remuneration Report for the year ended 30 June 2019, which is contained in the Annual Report for the year ended 30 June 2019, be adopted.”

Note: the vote on Resolution 3 is advisory only and does not bind the Directors or the Company.

Resolution 4 – IGO Employee Incentive Plan Approval

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

“That for the purposes of ASX Listing Rule 7.2, Exception 9 and sections 200B and 200E of the Corporations Act and all other purposes, approval be given to, and for the issue of securities under, the IGO Employee Incentive Plan as described in the Explanatory Memorandum accompanying this Notice of Meeting.”

Resolution 5 – Issue of Service Rights to Mr. Peter Bradford

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 and all other purposes, approval be given to grant 40,986 Service Rights to Mr. Peter Bradford (the Company’s Managing Director) in respect of the settlement of the deferred component of the FY19 short term incentive on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.”

Resolution 6 – Issue of Performance Rights to Mr. Peter Bradford

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 and all other purposes, approval be given to grant 162,617 Performance Rights to Mr. Peter Bradford (the Company’s Managing Director) in

respect of the three-year measurement period (being 1 July 2019 to 30 June 2022) on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.”

Resolution 7 – Change of Company Type

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

“That, subject to the passing of Resolution 9, for the purposes of sections 162, 163 and 164 of the Corporations Act and all other purposes, the Company be converted from a public no liability company to a public company limited by shares.”

Resolution 8 – Change of Company Name

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

“That, for the purposes of section 157 of the Corporations Act and all other purposes, approval is given to change the name of the Company as follows:

- if Resolution 7 is passed, from Independence Group NL to IGO Limited, with effect from the change of type of the Company for which approval is sought under Resolution 7; or
- if Resolution 7 is not passed, from Independence Group NL to IGO NL.”

Resolution 9 – Replacement of Constitution

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

“That, subject to the passing of Resolution 7, for the purposes of section 136 of the Corporations Act and all other purposes, the Constitution be repealed and replaced with a new constitution in the form tabled at the Meeting and signed by the Chairman for identification purposes, with effect from the change of type of the Company for which approval is sought under Resolution 7.”

Inter-conditional Resolutions

Resolutions 7 and 9 are inter-conditional with the result that both of these Resolutions must be passed by the requisite majority in order for either of them to pass.

EXPLANATORY MEMORANDUM

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

ENTITLEMENT TO VOTE

Snapshot date

It has been determined that, under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Meeting, shares of the Company will be taken to be held by the persons who are the registered holders at 7:00pm (Sydney time) on 18 November 2019. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

VOTING EXCLUSION STATEMENTS

Resolution 3 – Remuneration Report

The Company will disregard any votes cast on Resolution 3:

- by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report for the year ended 30 June 2019 or their Closely Related Parties (regardless of the capacity in which the vote is cast); or
- as proxy by a person who is a member of the Key Management Personnel on the date of the Meeting or their Closely Related Parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote:

- in accordance with a direction on the Proxy Form; or
- by the person chairing the Meeting, in accordance with an express authorisation in the Proxy Form to exercise the proxy even though the Resolution is connected with the remuneration of the Key Management Personnel.

Resolutions 4, 5 and 6 – IGO Employee Incentive Plan Approval and Issue of Securities to Mr. Peter Bradford

The Company will disregard any votes on Resolutions 4, 5 or 6:

- cast in favour of the relevant Resolution by or on behalf of any Director or their associates (regardless of the capacity in which the vote is cast); or
- cast as proxy by a person who is a member of the Key Management Personnel on the date of the Meeting or their Closely Related Parties,

unless the vote is cast as proxy for a person entitled to vote on the relevant Resolution:

- in accordance with a direction on the Proxy Form; or
- by the person chairing the Meeting, in accordance with an express authorisation in the Proxy Form to exercise the proxy even though the relevant Resolution is connected with the remuneration of the Key Management Personnel.

Further, if any Shareholder is an employee or director of the Company or a related body corporate (or could be in the future), then that Shareholder (and their associates) should not vote on Resolution 4 if they wish to preserve their ability to rely on the approval for the purposes of section 200E of the Corporations Act.

PROXIES

A Shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If such evidence is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

A Shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise an equal share of the Shareholder's votes.

Any directed proxies that are not voted on a poll at the Meeting by a Shareholder's appointed proxy will automatically default to the Chairman of the Meeting, who is required to vote proxies as directed on a poll.

Members of the Key Management Personnel or their Closely Related Parties will not be able to vote as proxy on Resolutions 3, 4, 5 and 6 unless the Shareholder tells them how to vote, or in the case of the Chairman of the Meeting, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chairman) or a Closely Related Party of a member of the Key Management Personnel as their proxy, the Shareholder should ensure that they direct the member of the Key Management Personnel or the Closely Related Party of a member of the Key Management Personnel how to vote on Resolutions 3, 4, 5 and 6.

If a Shareholder intends to appoint the Chairman of the Meeting as their proxy for Resolutions 3, 4, 5 and 6, Shareholders can direct the Chairman how to vote by marking one of the boxes (to vote 'for', 'against' or to 'abstain' from voting) for each of Resolutions 3, 4, 5 and 6.

If a Shareholder appoints the Chairman as their proxy and the Shareholder does not direct the Chairman how to vote on Resolutions 3, 4, 5 and 6, please note that by completing and returning the Proxy Form, the Shareholder will be expressly authorising the Chairman of the Meeting to exercise its undirected proxy on Resolutions 3, 4, 5 and 6 even though they are connected with the remuneration of Key Management Personnel. The Chairman intends to vote undirected proxies in favour of all items of business.

A Proxy Form accompanies this Notice and, to be effective, must be received at the Company's share registry:

By mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001, Australia

By fax:

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

Online at: www.investorvote.com.au

Custodian:

For Intermediary Online subscribers only (custodians) please visit: www.intermediaryonline.com to submit your voting intentions

By mobile: Scan the QR Code on your proxy form and follow the prompts

by no later than 4.00pm WST on 18 November 2019 (being 48 hours before the time appointed for the Meeting).

Lodging your Proxy Form online

You are now able to lodge your Proxy Form online by visiting the Computershare Investor Services Pty Limited website, www.investorvote.com.au, logging into the Investor Centre Investor Vote and following the prompts and instructions on the website. To use the online lodgement facility, Shareholders will need the Control Number, their Securityholder Reference Number or Holder Identification Number and their Postcode, which are shown on the front page of the personalised Proxy Form enclosed with this Notice. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions on the website.

You must lodge your Proxy Form online **by no later than 4.00pm WST on 18 November 2019** (being 48 hours before the time appointed for the Meeting).

Corporate representatives

A body corporate that is a Shareholder may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it has been signed, unless it has previously been given to the Company.

Voting by attorney

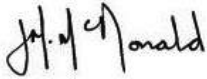
A Shareholder entitled to attend and vote may appoint an attorney to act on his or her behalf at the Meeting. An attorney may but need not be a member of the Company. An attorney may not vote at the Meeting unless the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the Company in the same manner, and by the same time, as outlined above for proxy forms.

Resolutions

A simple majority of votes cast by Shareholders entitled to vote on the resolution are required to approve all **ordinary resolutions**.

At least 75% of the votes cast by Shareholders entitled to vote on the resolution are required to approve all **special resolutions**.

By order of the Board 8 October 2019

A handwritten signature in black ink, appearing to read 'Joanne McDonald', written in a cursive style.

Joanne McDonald
Company Secretary
8 October 2019

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

This Explanatory Memorandum (including the 'Definitions' section and Attachments A and B) has been prepared to help Shareholders understand the business to be put to Shareholders at the forthcoming Meeting.

Annual financial report

The Corporations Act requires:

- the reports of the Directors and Auditors; and
- the annual financial report, including the financial statements of the Company for the year ended 30 June 2019 (**2019 Financial Report**),

to be laid before the Meeting. The Corporations Act does not require a vote of Shareholders on the reports or statements. However, Shareholders will be given an opportunity to raise questions or comments on the management of the Company.

The financial report for consideration at the Meeting will be the 2019 Financial Report. The 2019 Financial Report is set out in the Company's 2019 Annual Report and is also available on the Company's website (www.igo.com.au). Any Shareholder wishing to receive a copy should contact the Company's share registry and a copy will be provided.

Also, an opportunity will be given to Shareholders, as a whole, at the Meeting, to ask the Company's Auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the Auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's Auditor about the content of the Auditor's report and the conduct of the audit may be submitted no later than five business days before the date of the Meeting to the Company Secretary at the Company's registered office, Suite 4, Level 5, South Shore Centre, 85 South Perth Esplanade, South Perth, WA 6151, Australia.

The Chairman will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to Shareholders.

Re-election of Directors

As required by the Company's Constitution and the ASX Listing Rules, Messrs. Peter Buck and Geoff Clifford, this being the third annual general meeting since their re-election at the 2016 annual general meeting, will retire and may seek re-election. Mr Buck has advised the Board that he will seek re-election. Mr Clifford advised the Board he will not be seeking re-election.

Resolutions 1 – Re-election of Mr. Peter Buck

Term of Office

Mr. Peter Buck was appointed as Non-executive Director in October 2014. The Board considers Mr. Buck to be an independent Non-executive Director.

Board Committees

Member of People and Performance Committee and Chair of Sustainability and Risk Committee.

Experience

Mr. Buck is a geologist with over 40 years' experience in the mineral exploration and mining industry. Mr. Buck has worked with WMC Resources, Forresteria Gold, LionOre and Breakaway Resources in executive management and director positions. He has been a non-executive director of Gallery Gold Ltd and PMI Gold. Mr. Buck was also a board member of the Centre for Exploration Targeting at the University of Western Australia and Curtin University and is a life member of the Association of Mining and Exploration Companies.

Mr. Buck has a Master of Science (Geology) and is a member of the AusIMM.

Mr. Buck brings a strong background in discovery, development and mining of nickel, gold and base metal deposits in Australia and overseas.

Other current directorships: Non-executive director – Antipa Minerals Limited.

Former directorships in the last 3 years: None.

Recommendation

The Board (with Mr. Buck abstaining) recommends that Shareholders vote in favour of the re-election of Mr. Buck.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 1.

Resolution 2 – Election of Ms. Kathleen Bozanic

Ms. Kathleen Bozanic joined the Board as Non-executive Director on 3 October 2019. Having been appointed since the last annual general meeting, in accordance with rule 9.1(c) of the Company's Constitution, ASX Listing Rule 14.4 and for all other purposes, Ms. Bozanic offers herself for election as a director of the Company.

Appropriate background checks were completed before Ms. Bozanic was appointed to the Board and there were no areas of concern revealed from the checks.

Ms. Bozanic's experience, qualifications and other information appears below:

Term of Office

Ms. Bozanic was appointed as Non-executive Director on 3 October 2019. The Board considers Ms. Bozanic to be an independent Non-executive Director.

Experience

Ms. Bozanic has over 25 years' experience as a finance professional as Chief Financial Officer and General Manager Finance of listed and private mining and contracting companies, including BGC Contracting, Altas Iron and Mt Gibson. She was previously a Partner of professional services firm, Deloitte.

Ms. Bozanic is currently the Chief Financial Officer of BGC Contracting, and a non-executive director of Future Force Foundation and Child and Adolescent Health Service, part of the Western Australian Department of Health. She is also a non-executive member of the Kuwait Foreign Petroleum Exploration Company (KUFPEC) Australia Pty Ltd Audit and Risk Committee.

Other current directorships: Non-executive director – Great Southern Mining Limited.

Former directorships in the last 3 years: None.

Recommendation

The Board (with Ms. Bozanic abstaining) recommends that Shareholders vote in favour of the election of Ms. Bozanic.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 2.

Resolution 3 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's 2019 Annual Report.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to the Key Management Personnel (including the Directors), sets out details of the remuneration and service agreements for each member of Key Management Personnel and sets out the details of any share-based compensation.

Resolution 3 is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote very seriously when considering the Company's future remuneration policy.

An opportunity will be given to Shareholders as a whole, to ask questions about, or make comments on, the Remuneration Report. The Remuneration Report is set out in the Company's 2019 Annual Report and is also available within the 2019 Financial Report on the Company's website (www.igo.com.au).

Voting exclusions

For the voting exclusions applicable to this Resolution 3, please refer to the 'Voting Exclusion Statements' section of the Notice of Meeting.

Recommendation

The Board recommends that Shareholders vote in favour of adopting the Remuneration Report.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 3.

Resolution 4 – IGO Employee Incentive Plan Approval

Background

The IGO Employee Incentive Plan (**EIP**) was adopted by the Board and approved by Shareholders at the Company's 2016 annual general meeting. The EIP incorporates both broad based equity participation for eligible employees as well as key executive incentive schemes.

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

EIP terms generally

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

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

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

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

Whenever Shares are acquired under the EIP, they may be acquired and held by the Independence Group NL Performance Rights and Employee Incentive Plan Trust (**EST**). The trust deed (**EST Trust Deed**) outlines the rules of the EST and the responsibilities of the trustee of the EST, the Company and the participants. A copy of the EST Trust Deed is available upon request from the Company.

Approvals sought

Shareholders are asked to approve the EIP for all purposes including:

- Listing Rule 7.2, Exception 9; and
- section 200E of the Corporations Act.

Further information on the EIP and these approvals are provided below.

Approval under ASX Listing Rule 7.2, Exception 9

Shareholder approval of the EIP is being sought for the purposes of ASX Listing Rule 7.2, Exception 9 so that securities issued in accordance with the EIP will be excluded from the calculation of the maximum number of new equity securities that can be issued by the Company under ASX Listing Rule 7.1 for a period of three years from the date of approval.

If Resolution 4 is approved by Shareholders, it will have the effect of enabling the securities issued by the Company under the EIP to be automatically excluded from the formula to calculate the number of securities which the Company may issue within the 15% in 12 months limit under ASX Listing Rule 7.1 during the next three year period.

Since the EIP was approved by Shareholders in 2016, 3,694,186 securities have been issued under the EIP.

Approval under section 200E of Corporations Act

The Corporations Act restricts the benefits that can be given to persons who hold a 'managerial or executive office' (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate.

Under section 200B of the Corporations Act, the Company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office in the Group if the benefit is approved by Shareholders or an exemption applies.

As described in Attachment A, where a participant in the EIP has left employment or their position before their ESS interests have vested, the Board may exercise its discretion to determine that some or all of the ESS interests will vest or remain on foot.

The exercise of these discretions may constitute a 'benefit' for the purposes of section 200B of the Corporations Act.

The Company is therefore seeking Shareholder approval for the exercise of the Board's discretions in respect of any current or future participant in the EIP who holds:

- a managerial or executive office in a Group company at the time of their leaving or at any time in the three years prior to their leaving; and
- ESS interests under the EIP at the time of their leaving,

but only if those ESS interests are granted, or if the Board exercises certain discretions under the EIP, during the period from the beginning of the 2019 annual general meeting and ending at the close of the 2022 annual general meeting. That is, Resolution 4 is limited so that it only applies in respect of ESS interests granted in that period to, or if the Board exercises certain discretions under the EIP in that period in favour of, participants who from time to time hold a managerial or executive office (as defined in the Corporations Act).

Provided Shareholder approval is given, the value of these benefits may be disregarded when applying subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act (i.e., the approved benefit will not count towards the statutory cap under the legislation).

Non-executive Directors are not entitled to retirement benefits other than statutory superannuation or other statutory required benefits. Although Non-executive Directors are eligible to participate in the EIP, the Company does not currently make awards to Non-executive Directors under the EIP and has no current intention to provide Non-executive Directors with any termination benefits in connection with the EIP. Accordingly, Shareholder approval is sought on the basis that it will not extend to the giving of any termination benefits in connection with the EIP to Non-executive Directors.

Board's intentions for exercise of discretion

The Board's previous practice has been to only exercise its discretion:

- where the employee leaves employment without fault on their part; and
- so as only to preserve that number of unvested ESS interests, which then get tested in the same way as if the employee had remained and only vest to the extent that the performance hurdles are met.

However, this previous practice does not limit the Board's discretion, including its discretion to vest unvested ESS interests early in appropriate cases.

Value of the benefits

The value of the termination benefits that the Board may give under the EIP cannot be determined in advance.

This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's share price at the time of vesting and the number of ESS interests that the Board decides to vest, lapse or leave on foot.

The following additional factors may also affect the benefit's value:

- the circumstances in which a participant ceases to hold office and whether they serve all or part of any applicable notice period;
- the participant's length of service and the portion of any relevant measurement periods that have expired at the time they leave employment;
- the participant's total fixed remuneration at the time grants are made under the EIP and at the time they leave employment;
- the number of unvested ESS interests that the participant holds at the time they leave employment;
- any other factors that the Board determines to be relevant when exercising a discretion (such as its assessment of the participant's performance up to the cessation date); and
- the jurisdiction in which the participant is based at the time they cease employment, and the applicable laws in that jurisdiction.

Voting exclusions

For the voting exclusions applicable to this Resolution 4, please refer to the 'Voting Exclusion Statements' section of the Notice of Meeting.

Recommendation

The Board (with Mr. Bradford, the Company's Managing Director, abstaining given that he has an interest in Resolution 4) recommends that Shareholders vote in favour of Resolution 4.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 4.

Resolution 5 – Issue of Service Rights to Mr. Peter Bradford

Background

Resolution 5 seeks Shareholder approval for the grant of Service Rights to Mr. Peter Bradford, the Company's Managing Director, pursuant to the EIP, and otherwise on the terms and conditions set out in this Explanatory Memorandum.

ASX requires, under Listing Rule 10.14, that Shareholders approve the issue of securities to a director.

Accordingly, Shareholder approval is sought for the grant of Service Rights to Mr. Bradford as set out below.

Number of Service Rights

The number of Service Rights to be granted to Mr. Bradford will be 40,986. This number was set by the Board in the context of considering Mr. Bradford's remuneration package, of which short term incentives (STIs) form a part. The Company's People and Performance Committee recommended, and the Board resolved, that the value of Mr. Bradford's STI for FY19 should be \$482,000 (STI \$ Value for FY19). The number of Service Rights determined was then calculated as follows:

Number of rights = (STI \$ Value for FY19 x 0.50) / IGO 5-day VWAP (after release of FY19 financial statements).

$$40,986 = (\$482,000 \times 0.50) / \$5.88$$

Shareholders should be aware, that as the Service Rights defer a portion of Mr. Bradford's STI for FY19, which has already been earned and otherwise would have been paid to Mr. Bradford in cash, if Resolution 5 is not passed for any reason, the Company intends to pay Mr. Bradford the STI \$ Value for FY19 (\$482,000) in full as ordinary income.

Terms of Service Rights

All Service Rights granted will be on terms consistent with the rules of the EIP. A summary of the key terms of the EIP is contained in Attachment A. A full copy of the EIP is available to Shareholders from the Company's share registry on request.

No consideration is payable by Mr. Bradford at the time of grant of the Service Rights or upon the allocation of ordinary shares to which Mr. Bradford may become entitled upon Service Rights vesting. Each Service Right will entitle the holder to one fully paid ordinary share in the Company at no cost, subject to satisfaction of any restrictions as described below.

| | |
|----------------------------|--|
| Grant Date: | Date of Shareholder approval of this Resolution 5 (if approved) |
| Vesting Date: | Tranche 1 (50% of the Service Rights) – 1 September 2020 Tranche 2 (50% of the Service Rights) – 1 September 2021 |
| Expiry Date: | 1 September 2034 for both Tranche 1 and Tranche 2 Service Rights |
| Vesting Conditions: | Continuous service with the Group to the vesting date. |

Other conditions

Unvested Service Rights may, in certain circumstances, vest early in accordance with the terms of the EIP, and any leaver's policy that may apply from time to time, as approved by the Board.

The Board's previous practice has been to only exercise its discretion:

- where the employee leaves employment without fault on their part; and
- so as only to preserve that number of unvested ESS interests, which then get tested in the same way as if the employee had remained and only vest to the extent that the performance hurdles are met.

However, this previous practice does not limit the Board's discretion, including its discretion to vest unvested ESS interests early in appropriate cases.

Any dealing in Shares is subject to the constraints of Australian insider trading laws and the Company's Dealing in Securities Standard. Mr. Bradford is specifically prohibited from hedging the Service Rights during the vesting period.

The EIP contains malus and clawback provisions that give the Board discretion to reduce or reclaim unvested and vested entitlements in certain circumstances, including where Mr Bradford has acted fraudulently or dishonestly or is in breach of his obligations to the Group.

ASX Listing Rule 10.15 information requirements

ASX Listing Rule 10.15 requires the following information regarding the EIP to be included in this Explanatory Memorandum:

- Subject to Shareholder approval being obtained, the maximum number of Service Rights (and hence ordinary shares) that the Company may issue to Mr. Bradford will be 40,986. If approval is obtained under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.
- No consideration is payable by Mr. Bradford at the time of grant of the Service Rights or upon the allocation of the ordinary shares to which Mr. Bradford may become entitled upon exercise of the vested Service Rights.
- Subject to the passing of Resolution 4, the EIP will be re-approved by Shareholders at the Meeting. Since the Company's 2018 annual general meeting, 261,705 equity interests consisting of 43,230 Service Rights at an issue price of \$4.21 and 218,475 Performance

Rights at an issue price of \$4.33 have been issued under the EIP to Mr. Bradford for no consideration.

- The other directors of the Company (being Mses. Bakker and Bozanic, Messrs. Bilbe, Buck, Clifford, Spence and Warburton) are entitled to participate in the EIP, though the Company has not sought Shareholder approval for such an issue and they have not received any securities under the EIP to date. It is the current intention of the Board that Non-executive Directors will not participate in the EIP.
- The voting exclusion statement in relation to Resolution 5 is included in the 'Entitlement to vote' section of the Notice of Meeting.
- No loans will be made by the Company in connection with the acquisition of Service Rights or ordinary shares upon the vesting of Service Rights by Mr. Bradford.
- The Company will issue the Service Rights to Mr. Bradford as soon as practicable following the Meeting and no later than 12 months after the Meeting.

Corporate governance

Mr. Bradford is an executive director of the Company. Commentary to Recommendation 8.2 of the ASX Corporate Governance Council's Principles and Recommendations encourages ASX listed companies to establish remuneration packages that involve a balance between short-term and long-term performance objectives. In the Board's view, the issue of these Service Rights to Mr. Bradford is an appropriate means of achieving these objectives. The Board also considers that encouraging senior executives, including Mr. Bradford, to hold security interests in the Company aligns their interests with Shareholders.

Dilution

The Service Rights to be issued to Mr. Bradford will have a diluting effect on the percentage interest of existing Shareholders' holdings. The diluting effect of these Service Rights is less than 0.01% of the Company's current share capital.

The Board has formed the view that remuneration in the form of the Service Rights to be granted to Mr. Bradford is reasonable given the Company's circumstances, and Mr. Bradford's circumstances (including his responsibilities). The Board is of the opinion that the terms of issue of the Service Rights to Mr. Bradford are reasonable.

Voting exclusions

For the voting exclusions applicable to this Resolution 5, please refer to the 'Voting Exclusion Statements' section of the Notice of Meeting.

Recommendation

The Board (with Mr. Bradford abstaining) recommends that Shareholders vote in favour of Resolution 5.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 5.

Resolution 6 – Issue of Performance Rights to Mr. Peter Bradford

Background

Resolution 6 seeks Shareholder approval for the grant of Performance Rights to Mr. Peter Bradford, the Company's Managing Director, pursuant to the EIP, and otherwise on the terms and conditions set out in this Explanatory Memorandum.

The Company's remuneration policy is to ensure that executive remuneration is competitive in attracting, motivating and retaining executives of a high calibre and properly reflects the duties and responsibilities of each relevant executive. The remuneration structure used by the Company to achieve these objectives includes the combination of fixed annual remuneration and performance-related remuneration (including participation in the EIP). Additional information on the Company's long-term incentive programs is included in the Remuneration Report.

The ASX requires, under ASX Listing Rule 10.14, that Shareholders approve the issue of securities to a director under an employee incentive plan.

Accordingly, Shareholder approval is sought for the grant of Performance Rights to Mr. Bradford as set out below.

Number of Performance Rights

The number of Performance Rights to be granted to Mr. Bradford will be 162,617. This number was set by the Board in the context of considering Mr. Bradford's remuneration package, of which Performance Rights form a part. The Company's People and Performance Committee recommended, and the Board resolved, that the value of Mr. Bradford's annual total fixed remuneration (inc. superannuation) (TFR) for the year ending 30 June 2020 should be \$870,000 per annum.

The number of Performance Rights determined was calculated as follows:

$$(TFR \times 1.0) / 20 \text{ day VWAP up to and including 26 August 2019, being } \$5.35$$

Terms of Performance Rights

All Performance Rights granted will be on terms consistent with the rules of the EIP. A summary of the key terms of the EIP is contained in Attachment A. A full copy of the EIP is available to Shareholders from the Company's share registry on request.

No consideration is payable by Mr. Bradford at the time of grant of the Performance Rights or upon the allocation of ordinary shares to which Mr. Bradford may become entitled upon Performance Rights vesting. Each Performance Right will entitle the holder to one fully paid ordinary share in the Company at no cost, subject to satisfaction of the performance hurdles described below.

Performance hurdles

The Performance Rights will vest and convert into ordinary shares if, over the three-year measurement period (being 1 July 2019 to 30 June 2022), the performance hurdles are achieved. Performance Rights that have not vested where the performance hurdle has not been satisfied or waived by the expiry date, will automatically lapse.

The performance hurdles that the Board has determined will apply to the Performance Rights are summarised in the table below and described in further detail below:

| Performance Hurdle | Weighting |
|--|-----------|
| The Company's relative total shareholder return (TSR) measured against a determined comparator group (Relative TSR Performance Rights) | 25% |
| The Company's absolute TSR measured against specific thresholds (Absolute TSR Performance Rights) | 25% |
| Reserve growth per share | 25% |
| EBITDA average margin | 25% |

Relative TSR Performance Rights

The Relative TSR Performance Rights will be determined based on a percentile ranking of the Company's TSR results relative to the TSR of each of the companies in the comparator group over the same three-year measurement period.

TSR measures the return received by Shareholders from holding ordinary shares over the relevant Performance Period, calculated as follows:

$$TSR = ((B - A) + C) / A$$

Where:

A = the Market Value of the share at the start of the Performance Period

B = the Market Value of the share at the end of the Performance Period

C = the aggregate dividend amount per share paid during the Performance Period

Market Value is calculated as the 20-day VWAP of the share ending on the day prior to the start or end of the Performance Period.

The comparator group will be a peer group comprised of members of the S&P ASX 300 Metals and Mining Index as well as several mining companies listed on the Toronto Stock Exchange (**TSX**) and the New York Stock Exchange (**NYSE**). The current list of the comparator group is set out in Attachment B. The Board has discretion to adjust the peer group from time to time in its absolute discretion.

The vesting schedule for 25% of the Performance Rights subject to relative TSR testing is as follows:

| Relative TSR performance | TSR Scorecard (Level of vesting) |
|----------------------------------|---|
| Less than 50th percentile | Zero |
| Between 50th and 75th percentile | 50% plus pro-rata straight line percentage between 50% and 100% |
| 75th percentile or better | 100% |

Absolute TSR Performance Rights

The Absolute TSR Performance Rights will be determined based on an increase in Absolute TSR over the three-year measurement period.

The vesting schedule for 25% of the Performance Rights subject to absolute TSR testing is as follows:

| Absolute TSR performance | TSR Scorecard (Level of vesting) |
|--|---|
| 10% per annum return | 33% |
| Above 10% per annum and below 20% per annum return | Straight line pro-rata between 33% and 100% |
| Above 20% per annum return | 100% |

Reserve growth per share

The Reserve growth per share performance condition will be determined as managed ore reserve growth in excess of depletion over the three-year measurement period. Baseline Ore Reserves means IGO's managed nickel equivalent ore reserve at the start of the performance period as determined by the Board.

The vesting schedule for 25% of the Performance Rights subject to Reserve growth per share testing is as follows:

| Growth in Managed Ore Reserves per share performance | Level of vesting |
|---|---|
| <90% of Baseline Ore Reserves | 0% |
| 90% of Baseline Ore Reserves | 33% |
| Above 90% of Baseline Ore Reserves and below 100% | Straight-line pro-rata between 33% and 66% |
| 100% Baseline Ore Reserves | 66% |
| Above 100% of Baseline Ore Reserves and below 120% | Straight-line pro-rata between 66% and 100% |
| 120% and above Baseline Ore Reserves | 100% |

EBITDA average margin

The EBITDA average margin will be measured over the three-year measurement period.

The vesting schedule for 25% of the Performance Rights subject to EBITDA average margin testing is as follows:

| Group EBITDA Margin | Level of vesting |
|---------------------|------------------|
| <20% | 0% |
| ≥ 20% | 33% |
| ≥ 30% | 66% |
| ≥ 40% | 100% |

In determining the Company's performance against the reserve growth and EBITDA average margin targets, the Board has discretion in relation to its calculations and may include or exclude items, or adjust outcomes, in a manner that is consistent with the intent and purpose of the relevant target.

Other conditions

The Board has the discretion to reduce the number of Performance Rights vesting, even to zero, in the event that relative TSR performance is met but absolute TSR is negative.

Unvested Performance Rights may, in certain circumstances, vest early in accordance with the terms of the EIP, and any leaver's policy that may apply from time to time, as approved by the Board.

The Board's previous practice has been to only exercise its discretion:

- where the employee leaves employment without fault on their part; and
- so as only to preserve that number of unvested ESS interests, which then get tested in the same way as if the employee had remained and only vest to the extent that the performance hurdles are met.

However, this previous practice does not limit the Board's discretion, including its discretion to vest unvested ESS interests early in appropriate cases.

Any dealing in shares is subject to the constraints of Australian insider trading laws and the Company's Dealing in Securities Standard. Mr. Bradford is specifically prohibited from hedging Performance Rights during the vesting period.

The EIP contains malus and clawback provisions that give the Board discretion to reduce or reclaim unvested and vested entitlements in certain circumstances, including where Mr. Bradford has acted fraudulently or dishonestly, or is in breach of his obligations to the Group.

ASX Listing Rule 10.15 information requirements

ASX Listing Rule 10.15 requires the following information regarding the EIP to be included in this Explanatory Memorandum:

- Subject to Shareholder approval being obtained, the maximum number of Performance Rights (and hence ordinary shares) that the Company may issue to Mr. Bradford will be 162,617. If approval is obtained under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.
- No consideration is payable by Mr. Bradford at the time of grant of the Performance Rights or upon the allocation of the ordinary shares to which Mr. Bradford may become entitled upon vesting of the Performance Rights.
- Subject to the passing of Resolution 4, the EIP will be re-approved by Shareholders at the Meeting. Since the Company's 2018 annual general meeting, 261,705 equity interests consisting of 43,230 Service Rights at an issue price of \$4.21 and 218,475 Performance

Rights at an issue price of \$4.33 have been issued under the EIP to Mr. Bradford for no consideration.

- The Non-executive Directors of the Company (being Mses Bakker and Bozanic, Messrs Bilbe, Buck, Clifford, Spence, Warburton) are entitled to participate in the EIP, though the Company has not sought Shareholder approval for such an issue and they have not received any securities under the EIP to date. It is the current intention of the Board that Non-executive Directors will not participate in the EIP.
- The voting exclusion statement in relation to Resolution 6 is included in the 'Entitlement to vote' section of the Notice of Meeting.
- No loans will be made by the Company in connection with the acquisition of Performance Rights or ordinary shares upon the vesting of Performance Rights by Mr. Bradford.
- The Company will issue the Performance Rights to Mr. Bradford as soon as practicable following the Meeting and no later than 12 months after the Meeting.

Corporate governance

Mr. Bradford is an executive director of the Company. Commentary to Recommendation 8.2 of the ASX Corporate Governance Council's Principles and Recommendations encourages ASX listed companies to establish remuneration packages that involve a balance between short-term and long-term performance objectives. In the Board's view, the issue of Performance Rights to Mr. Bradford is an appropriate means of providing these long-term performance objectives. The Board also considers that the retention of high quality and well-credentialed executive directors, like Mr. Bradford, is essential to the ongoing development and success of the Company and its projects.

Dilution

The Performance Rights to be issued to Mr. Bradford will have a diluting effect on the percentage interest of existing Shareholders' holdings. The diluting effect of these Performance Rights is less than 0.03% of the Company's current share capital.

The Board has formed the view that remuneration in the form of the Performance Rights to be granted to Mr. Bradford is reasonable given the Company's circumstances, and Mr. Bradford's circumstances (including his responsibilities). The Board is of the opinion that the terms of issue of the Performance Rights to Mr. Bradford are reasonable.

Voting exclusions

For the voting exclusions applicable to this Resolution 6, please refer to the 'Voting Exclusion Statements' section of the Notice of Meeting.

Recommendation

The Board (with Mr. Bradford abstaining) recommends that Shareholders vote in favour of Resolution 6.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 6.

Resolution 7 – Change of Company Type

Resolution 7 seeks Shareholder approval for the Company to change its status from a public no liability company to a public company limited by shares.

Section 162 of the Corporations Act specifically provides that a public no liability company may change its status to a public company limited by shares if the members of the company pass a special resolution to that effect. This change may only occur if all the issued shares of the company are fully paid up. All of the issued shares of the Company are fully paid up.

The Directors are of the view that public companies limited by shares are the most common type of company listed on the ASX. The Directors believe that, in changing to a public company limited by shares, the Company's ability to raise capital and pursue its business development objectives will be enhanced as a result of having a capital structure that is more readily understood by investors and their advisors.

In addition to only engaging in businesses related to mining, a principal difference between a no liability company and a company limited by shares is that a shareholder of a no liability company has no obligation to pay calls on their shares, although their shares are liable to be forfeited if they do not do so. In contrast, a shareholder of a company limited by shares has a contractual obligation to pay any amount unpaid on their shares in the event of a call of the unpaid amount.

The Company does not have any partly paid shares on issue. The matter of payment for partly paid shares would only be of practical importance if you accepted an offer by the Company of partly paid shares in the future.

Current shareholders, all of whom hold fully paid shares, have no obligation to contribute further funds to the Company. If the Company did offer partly paid shares for subscription, the maximum liability of the holders of such shares would be the amount unpaid on the share. The change from a no liability company to a company limited by shares will not affect the Company's existing property, rights or obligations.

If Resolution 7 is passed at the Meeting by the requisite majority, the Company will apply to ASIC to change the company type. In accordance with section 164 of the Corporations Act, ASIC is required to publish a notice in the Commonwealth Gazette that states that it intends to alter the details of the Company's registration one month after the notice has been published. Subject to an order made by a court or the Administrative Appeals Tribunal within that one month period, after that one month period has passed ASIC must alter the details of the company's registration to reflect the company's new type. The change of type takes effect when ASIC alters the details of the company's registration.

Recommendation

The Board recommends that shareholders vote in favour of Resolution 7.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 7.

Resolution 8 – Change of Company Name

The Company proposes to change its name as follows:

- if Resolution 7 is passed, from Independence Group NL to IGO Limited; or
- if Resolution 7 is not passed, from Independence Group NL to IGO NL.

The Board proposes the change of name on the basis that it more accurately aligns with the Company's branding since its rebranding in 2015, and also aligns with the Company's ASX ticker and website URL, being www.igo.com.au. The change in legal element of the Company's name (from 'NL' to 'Limited') is a necessary consequence of passing Resolution 7.

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 8 seeks approval of Shareholders for the Company to change its name to "IGO Limited" (if Resolution 7 is passed) or "IGO NL" (if Resolution 7 is not passed). The proposed name has been reserved by the Company and, if Resolution 8 is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the Meeting in order to effect the change. The change of name will take effect when ASIC alters the details of the Company's registration.

Recommendation

The Board recommends that shareholders vote in favour of Resolution 8.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 8.

Resolution 9 – Replacement of Constitution

Background

The current Constitution of the Company was adopted by the Company as a public no liability company. Subject to Shareholders approving Resolution 7, changes are required to the Constitution in order for the Company to change its status from a public no liability company to a public company limited by shares.

Section 136 of the Corporations Act allows a company to adopt a new constitution by special resolution of its shareholders. Resolution 7 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type customary for a listed public company limited by shares.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution, rather than to amend each specific provision.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. In addition to replacing the rules specific to public no liability companies with the necessary rules applicable to listed public companies limited by shares, the Proposed Constitution has also been modernised where appropriate. The Directors believe these additional amendments do not materially impact Shareholders.

It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below. The Proposed Constitution also includes proportional takeover provisions (as are included in the current Constitution). The information the Corporations Act requires the Company to provide for adoption of the proportional takeover provisions is also set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.igo.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9238 8300). Shareholders are invited to contact the Company if they have any queries or concerns.

Summary of material proposed changes to the Constitution

- **Objects of the Company:** Removing the requirement that the Company's sole object be for mining purposes (as this is a requirement for a no liability company only).
- **Calls on partly paid shares:** Removing the Company's inability to call on unpaid shares (which is a requirement for a no liability company) and related provisions, and introducing standard provisions regarding the recovery of calls and forfeiture of partly paid shares.
- **Variation of class rights:** Amending the variation of class rights provisions so that a special resolution by the Shareholders as a whole (in addition to approval by 75% of the holders of the shares in that particular class) is not required to amend the rights attached to any class of shares. The Company only has one class of shares and so the Directors do not consider this change to materially impact Shareholders.
- **Dividends for partly paid shares:** Dividends continue to be paid equally on shares, except that a partly paid share only confers the respective portion to a dividend for that share.
- **Interest:** Consistent with market practice, amending the rate of interest payable by Shareholders under the Constitution to a rate that is 2% greater than the rate prescribed in respect of unpaid judgments in the Supreme Court of Western Australia.
- **Chairperson:** Confirming that the Chairperson may, if he or she considers it necessary or desirable for the proper and orderly conduct of a meeting, decide not to put any resolution proposed in the notice convening the meeting to a meeting of Shareholders (other than a resolution proposed by members in accordance with section 249N of the Corporations Act or a resolution required by the Corporations Act to be put to the meeting).
- **Director remuneration:** Confirming that when calculating a Non-executive Director's remuneration, any amount paid by the Company or a related body corporate as fees for acting as a director of the Company or any child entity is to be included, and any amounts paid as securities, issued with the approval of members under the Listing Rules, are to be excluded.
- **Retirement benefits:** Clarifying that a Director may be paid a retirement benefit, as determined by the Board, in accordance with the Corporations Act.
- **Director meetings:** As the quorum for meetings of Directors is two Directors, clarifying that where only two Directors are present or entitled to vote at a meeting of the Directors and the votes are equal on a proposed resolution, the Chairperson of the meeting does not have a second or casting vote and the proposed resolution is taken as lost.

- **Committees of Directors:** Confirming that Directors may delegate their powers to a committee of Directors or any other person.
- **Unpaid amounts on shares on winding up:** Providing that upon winding up, any unpaid amounts on shares are to be treated as property of the Company.

Statement under the Corporations Act in relation to the proportional takeover approval provisions

The Company's Constitution contains provisions dealing with proportional takeover bids for the Company's shares in accordance with the Corporations Act. The provisions 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, the provisions must be renewed every three years or they will cease to have effect. The current provisions were last renewed at the Company's 2016 annual general meeting. If the Proposed Constitution is approved, the proposed proportional takeover provisions will be in the same terms as the existing provisions and will have effect until the date that is three years from 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

A proportional takeover bid is one where the offer made to each Shareholder is only for a proportion of that Shareholder's shares.

If a proportional takeover bid is made, the Directors must hold a meeting of the Shareholders entitled to vote for the purpose of considering, and if thought fit, passing a resolution to approve the proportional takeover bid. A resolution approving the bid must be voted on before the 14th day before the end of the bid period, during which the offers under the proportional takeover bid remain open, or a later day allowed by ASIC. The resolution will be passed if more than 50% of votes are cast in favour of the approval. Each person who held shares in the Company as at the end of the day on which the first offer under the bid was made is entitled to vote, except that the bidder and its associates are not allowed to vote on the resolution.

If a resolution to approve the bid is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be 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 Directors will breach the Corporations Act if they fail to ensure the resolution is voted on. If no resolution is voted on by the deadline, the bid is taken to have been approved. The proportional takeover provisions do not apply to full takeover bids and only apply for three years after approval. The provisions may be renewed, but only by a special resolution.

Reasons

A proportional takeover bid may enable control of the Company to pass without Shareholders having the opportunity to sell all their shares to the bidder. Shareholders may therefore be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their shares.

The proposed proportional takeover provisions lessen this risk because they allow Shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

No knowledge of any acquisition proposals

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

Review of proportional takeover approval provisions

While the proportional takeover provisions have been in effect in rule 7 of the Constitution, there have been no takeover bids for the Company, either proportional or otherwise. Accordingly, there are no actual examples against which to assess the advantages or disadvantages of the existing proportional takeover provisions (that is, rule 7 of the existing Constitution) for the Directors and Shareholders of the Company.

The Directors are not aware of any potential takeover bid that was discouraged by rule 7.

Potential advantages and disadvantages

The Directors of the Company consider that the proposed reinsertion of the proportional takeover provisions has no potential advantages or potential disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved.

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

- they give Shareholders their say in determining by majority vote whether a proportional takeover bid should proceed;
- they may assist Shareholders in not being locked in as a minority;
- they increase Shareholders' bargaining power, which may assist in ensuring that any proportional 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 approve or reject that offer.

The potential disadvantages of the proposed proportional takeover provisions for Shareholders are:

- proportional takeover bids for Shares in the Company may be discouraged;
- Shareholders may lose an opportunity to sell some of their shares at a premium; and
- the likelihood of a proportional takeover being successful may be reduced.

The Directors consider that the potential advantages for Shareholders of the proportional takeover provisions outweigh the potential disadvantages. In particular, Shareholders as a whole are able to decide whether or not a proportional takeover bid is successful.

Recommendation

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

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 9.

ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions. A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Attachment A – Summary of EIP Key Terms and Key Policy Settings

Eligibility

The Board has the discretion to determine who is eligible to participate in any offer under the EIP.

Vesting conditions

The vesting of any securities issued under the EIP, excluding Exempt Share Awards (as defined in the rules of the EIP), may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to the employee in the individual's offer documents.

Exercise of securities

A participant will be entitled to exercise vested securities issued under the EIP in accordance with the terms contained in the invitation to the individual. The terms of the invitation may provide that EIP securities will be automatically exercised on vesting.

Price

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

Lapse/forfeiture

Securities issued under the EIP will lapse or be forfeited in accordance with the terms of any individual EIP award. This may include, for example, lapse or forfeiture due to failure to meet conditions, the occurrence of events such as cessation of employment or a change of control, or the expiry of EIP securities.

Board may elect to settle in cash

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

Waiving the restricted period

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

Change of control

On the occurrence of a change of control, the Board will determine, in its sole and absolute discretion, the manner in which vested and unvested securities issued under the EIP shall be dealt with which may include pro-rata vesting.

Cessation of employment

The Board, in its discretion, may determine that some or all unvested securities lapse, are forfeited, vest (immediately or subject to conditions), are only exercisable for a prescribed period and will otherwise lapse, and/or are no longer subject to some of the restrictions that previously applied, as a result of a participant ceasing to be an employee of the Group.

Malus and clawback

The EIP contains discretions that allow the Board to reduce or clawback unvested and vested entitlements in certain circumstances, including in the case of fraud, dishonesty, gross misconduct, bringing the Group into disrepute, breach of obligations to the Group, material financial misstatements, where warranted due to risk behaviour, or other circumstances under law or Group policy. The EIP also allows the Board to reduce unvested awards where vesting is not justified or supportable for performance or other specified reasons.

No dealing or hedging

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

Rights attaching to Shares

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

Company may issue or acquire shares

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

Adjustments

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

Limits on securities issued

Securities will not be granted under the EIP if it is an issue of securities that combined with all other employee share scheme interests outstanding would exceed 15% of the Company's then outstanding issued capital.

Continued operation of the plan

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

Attachment B – Comparator TSR Peer Group

Initial TSR Peer Group

The Company's TSR performance will be assessed against a peer group comprised of members of the S&P ASX 300 Metals and Mining Index and a number of mining companies from the TSX and NYSE. As at 1 July 2019 these were:

| | |
|------------------------------|------------------------------|
| Regis Resources Ltd | Antofagasta Plc |
| Orocobre Ltd | First Quantum Minerals Ltd |
| Western Areas Ltd | Lundin Mining Corp |
| Sandfire Resources NL | Ivanhoe Mines LTD-CL A |
| Galaxy Resources Ltd | Kaz Minerals Plc |
| Mineral Resources Ltd | Ero Copper Corp |
| Lynas Corp Ltd | Turquoise Hill Resources Ltd |
| Resolute Mining Ltd | Hudbay Minerals Inc |
| Pilbara Minerals Ltd | Nexa Resources SA |
| Saracen Mineral Holdings Ltd | Eramet |
| St Barbara Ltd | |
| Oz Minerals Ltd | |
| Evolution Mining Ltd | |
| Northern Star Resources Ltd | |

Adjustments to the peer group

Listed below are a number of events, as well as the implications of these events, that may occur which could affect the structure of the Company's TSR peer group:

- If a company in the peer group is taken over, that company may be removed from the peer group.
- If the acquiring company is in the peer group, that company will remain in the peer group.
- If a company in the peer group demerges, the demerged companies may be removed from the peer group.
- In the case of a capital reconstruction or capital return, an adjustment to the TSR calculation will be made, if appropriate, depending on the nature of the event.
- If a company in the peer group changes its name, it will remain in the peer group.
- Where a company's shares are suspended at the testing date, the Board shall have the discretion as to how this event shall be treated.
- Where a company is delisted from the relevant stock exchange the Board shall have the discretion as to how this event shall be treated.

DEFINITIONS

In the Notice of Meeting and this Explanatory Memorandum (including Attachments A and B), the following terms have the meaning set out below:

| Term | Meaning |
|-------------------------------|---|
| \$ | Australian dollars. |
| 2019 Annual Report | the annual report of the Company for the year ended 30 June 2019. |
| 2019 Financial Report | the annual financial report, including the financial statements of the Company for the year ended 30 June 2019. |
| ASIC | Australian Securities & Investments Commission. |
| ASX | ASX Limited (ACN 008 624 691) or the Australian Securities Exchange operated by it, as the context requires. |
| Auditor | the Company's auditor, being BDO Audit (WA) Pty Ltd. |
| Board | the board of directors of the Company. |
| Closely Related Party | has the meaning as defined in section 9 of the Corporations Act and includes in respect of a member of the Key Management Personnel: <ul style="list-style-type: none">• a spouse or child of the member a child of the member's spouse;• a dependant of the member or of the member's spouse;• 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 dealings with the Company; or• a company the member controls. |
| Company or IGO | Independence Group NL (ABN 46 092 786 304). |
| Constitution | the constitution of the Company. |
| Corporations Act | the <i>Corporations Act 2001</i> (Cth). |
| Director | a director of the Company. |
| EIP | Employee Incentive Plan. |
| Explanatory Memorandum | this Explanatory Memorandum accompanying the Notice of Meeting. |

| Term | Meaning |
|---|---|
| Group | the Company and its subsidiaries. |
| Key Management Personnel or KMP | the key management personnel of the Company as defined in AASB Standard 124 (and includes each of the Directors). |
| Listing Rules or ASX Listing Rules | the Listing Rules of the ASX. |
| Meeting | the annual general meeting of the Company convened by the Notice of Meeting. |
| Non-executive Director | a Director of the Company who is not a member of the executive management team. |
| Notice of Meeting or Notice | the notice convening the Meeting that accompanies this Explanatory Memorandum. |
| Proxy Form | the proxy form included with the Notice of Meeting. |
| Remuneration Report | the Remuneration Report for the year ended 30 June 2019. |
| Shares or Ordinary Shares | fully paid ordinary shares in the Company. |
| Shareholder | the holder of Shares. |
| TSR | total shareholder return. |
| VWAP | volume weighted average price. |
| WST | Western Standard Time, being the time in Perth, Western Australia. |



Independence Group NL
ABN 46 092 786 304

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **4:00pm (WST) Monday, 18 November 2019.**

Proxy Form

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. 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.

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 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

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

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

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 182952

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

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



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

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.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Independence Group NL 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 Independence Group NL to be held at the Fremantle Ballroom, Four Points by Sheraton Perth, 707 Wellington Street, Perth, Western Australia on Wednesday, 20 November 2019 at 4:00pm (WST) 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), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3, 4, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 3, 4, 5 and 6 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 3, 4, 5 and 6 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 |
|---|---|--------------------------|--------------------------|--------------------------|
| 1 | Re-election of Mr. Peter Buck | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | Election of Ms. Kathleen Bozanic | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | IGO Employee Incentive Plan Approval | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | Issue of Service Rights to Mr. Peter Bradford | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 | Issue of Performance Rights to Mr. Peter Bradford | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 | Change of Company Type | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 | Change of Company Name | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9 | Replacement of Constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote 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 / /

