



**PALADIN ENERGY LTD**

**ACN 061 681 098**

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**NOTICE OF ANNUAL GENERAL MEETING**

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**Date of Meeting**

Thursday, 19 November 2015

**Time of Meeting**

10:00am Perth time

**Place of Meeting**

Perie Banou Room,  
Royal Perth Yacht Club  
Australia II Drive  
Crawley, Western Australia, 6009

**PALADIN ENERGY LTD  
ACN 061 681 098**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the members of Paladin Energy Ltd will be held in the Perie Banou Room at The Royal Perth Yacht Club, Australia II Drive, Crawley, Western Australia on 19 November 2015 at 10:00am (Perth time) for the purpose of transacting the following business.

**AGENDA**

**BUSINESS**

**Financial Statements and Reports**

To receive and consider the consolidated financial statements of the Company and its controlled entities and the reports of the Directors and auditor for the financial year ended 30 June 2015.

**Resolution 1 – Re-election of Director**

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

*"That Mr Donald Shumka be re-elected as a Director".*

**Resolution 2 – Re-election of Director**

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

*"That Mr Peter Donkin be re-elected as a Director".*

**Resolution 3 – Re-election of Director**

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

*"That Mr Wendong Zhang be re-elected as a Director".*

**Resolution 4 – Renewal of the Company's Proportional Takeover Approval Provisions**

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

*"That, for the purposes of section 648G of the Corporations Act and all other purposes, the Company renews its proportional takeover approval provisions as set out in clause 32 of the Constitution, for a period of three years commencing on the day this resolution is passed."*

**Resolution 5 – Employee Performance Share Rights Plan**

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

*"That, for the purposes of Listing Rule 7.2 (Exception 9(b)), section 613 of the TSX Company Manual and for all other purposes, Shareholders approve the Employee Plan and the issue of securities under the Employee Plan until 19 November 2018, on the terms and conditions set out in the Explanatory Notes."*

#### **Voting Exclusion**

The Company will, in accordance with Listing Rule 7.2 (Exception 9(b)) and to comply with TSX requirements, disregard any votes cast on resolution 5 by anybody, including Directors and insiders of the Company, who may participate in the Employee Plan or any associate of anybody, including Directors and insiders of the Company, who may participate in the Employee Plan. However, the Company need not disregard a vote if:

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

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 the 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 the Key Management Personnel.

### **Resolution 6 – Contractor Performance Share Rights Plan**

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

*"That, for the purposes of Listing Rule 7.2 (Exception 9(b)), section 613 of the TSX Company Manual and for all other purposes, Shareholders approve the Contractor Plan and the issue of securities under the Contractor Plan until 19 November 2018, on the terms and conditions set out in the Explanatory Notes."*

#### **Voting Exclusion**

The Company will, in accordance with Listing Rule 7.2 (Exception 9(b)) and to comply with TSX requirements, disregard any votes cast on resolution 6 by anybody, including Directors and insiders of the Company, who may participate in the Contractor Plan or any associate of anybody, including Directors and insiders of the Company, who may participate in the Contractor Plan. However, the Company need not disregard a vote if:

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

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 the 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 the Key Management Personnel.

### **Resolution 7 – Remuneration Report**

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

*"To adopt the Remuneration Report for the year ended 30 June 2015."*

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

#### **Voting Prohibition**

In accordance with section 250R of the Corporations Act, a vote on this resolution must not be cast (in any capacity) by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- (a) the person is acting as a proxy appointed in writing and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this resolution as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution directly or indirectly connected with the remuneration of a member of the Key Management Personnel.

**What this means for security holders:** If you intend to appoint a member of the Key Management Personnel (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on this resolution. If you intend to appoint the Chair of the meeting as your proxy, you can direct him how to vote by marking the boxes for resolution 7, or you can choose not to mark any of the boxes and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).

### **Resolution 8 – Holding a Spill Meeting**

**Condition for resolution 8:** resolution 8 will be considered at the Meeting only if at least 25% of the votes cast on resolution 7 are against the adoption of the Remuneration Report. The Explanatory Notes further explain the circumstances in which resolution 8 will be put to the Meeting.

If the condition (described above) is satisfied, to consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, as required by the Corporations Act:*

- (a) *a meeting of the Company’s members be held within 90 days of the date of the Meeting (the **spill meeting**);*
- (b) *all of the Directors who:*
  - (i) *were Directors when the resolution to approve the Directors’ Report for the year ended 30 June 2015 was passed; and*
  - (ii) *are not a managing director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office,*  
*cease to hold office immediately before the end of the spill meeting; and*
- (c) *resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.”*

#### **Voting Prohibition**

In accordance with section 250R of the Corporations Act, a vote on this resolution must not be cast (in any capacity) by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- (a) the person is acting as a proxy appointed in writing and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this resolution as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution directly or indirectly connected with the remuneration of a member of the Key Management Personnel.

**What this means for security holders:** If you intend to appoint a member of the Key Management Personnel (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on this resolution. If you intend to appoint the Chair of the meeting as your proxy, you can direct him how to vote by marking the boxes for resolution 8, or you can choose not to mark any of the boxes and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).

### **Other Business**

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

**For the purposes of this Notice of Annual General Meeting:**

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of directors of the Company;

"**Cash Equivalent Value**" means, unless the Board determines otherwise, a cash amount equal to the market price (calculated in accordance with the terms of the Plans) of the Ordinary Shares that would have been allocated or transferred to an eligible participant under the Plans if the Board chose to settle the exercised Share Rights in Ordinary Shares in accordance with the terms of the Plans;

"**Chair**" means the chair of the Meeting;

"**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**" or "**Paladin**" means Paladin Energy Ltd ACN 061 681 098;

"**Constitution**" means the Company's constitution;

"**Contractor Plan**" means a performance share rights plan for contractors of the Company known as the "Paladin Energy Ltd Contractor Performance Share Rights Plan";

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Director**" means a director of the Company;

"**Directors' Report**" means the directors' report section of the Company's annual financial report for the year ended 30 June 2015;

"**Employee Plan**" means a performance share rights plan for employees (including Directors) of the Company known as the "Paladin Energy Ltd Employee Performance Share Rights Plan";

"**Explanatory Notes**" means the explanatory notes 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), or if the Company is part of a consolidated entity, of an entity within the consolidated group;

"**Listing Rules**" means the listing rules of the ASX;

"**Meeting**" means the meeting convened by the Notice;

"**Notice**" or "**Notice of Annual General Meeting**" means this notice of annual general meeting, including the Explanatory Notes;

"Plans" or "Performance Share Rights Plans" means both the Employee Plan and Contractor Plan, or any one of them, as the context requires;

"Proxy Form" means the proxy form accompanying the Notice;

"Remuneration Report" means the remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2015;

"Shares" or "Ordinary Shares" means fully paid ordinary shares in the capital of the Company;

"Share Rights" means performance share rights;

"Shareholder" means a holder of Shares;

"TSX" means the Toronto Stock Exchange;

"TSX Company Manual" means the Toronto Stock Exchange Company Manual, as amended from time to time; and

"WST" means Australian Western Standard Time.

#### **Designated Foreign Issuer pursuant to Canadian Securities Laws**

Pursuant to Canadian National Instrument 71-102 (the "Instrument") *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*, Paladin Energy Ltd. (the "Company") hereby discloses that it is a Designated Foreign Issuer as such term is defined in the Instrument and is subject to the regulatory requirements of Australian Securities laws and the rules and regulations of the Australian Securities Exchange.

By order of the Board



**Ranko Matic**  
Group Company Secretary  
Dated: 16 October 2015

## PROXIES

A Shareholder entitled to attend and vote at the Meeting of Shareholders may appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. A proxy may, but need not be, a Shareholder.

For Shareholders on the Australian register, proxies must be delivered prior to 10:00am (Perth time) on Tuesday, 17 November 2015 to:

### **AUSTRALIA**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
VICTORIA 3001 AUSTRALIA

**Or** Facsimile:  
Australia: 1800 783 447  
Overseas: +61 3 9473 2555

Shareholders can also submit their proxy voting instructions online at [www.investorvote.com.au](http://www.investorvote.com.au).

## UNDIRECTED PROXIES

If a Shareholder entitled to vote appoints the Chair as their proxy and the Shareholder does not direct the Chair how to vote on resolutions 7 (Remuneration Report) or 8 (Holding a Spill Meeting), the Shareholder may authorise the Chair in respect of those resolutions to exercise the proxy notwithstanding those resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Further details are contained in the Proxy Form.

Where the Chair is appointed as proxy for a Shareholder entitled to vote, the Chair will (where authorised) vote all undirected proxies IN FAVOUR of all of the proposed resolutions to be considered at the Meeting, other than in relation to resolution 8 (Holding a Spill Meeting) where the Chair intends to vote AGAINST the proposed resolution. Accordingly, if you appoint the Chair as your proxy and wish to vote differently to how the Chair intends to vote on any of the resolutions, you must mark "For", "Against" or "Abstain" on the Proxy Form for the relevant resolution.

## ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company determines that members holding Shares at 4:00pm (Perth time) on Tuesday, 17 November 2015 will be entitled to attend and vote at the Annual General Meeting.

If you cannot attend the meeting in person, you are encouraged to date, sign and deliver the accompanying proxy and return it in accordance with the instructions set out above under the heading 'Proxies'.

## REVOCAION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof at which the proxy is to be used, or to the Chair on the day of the Meeting or any adjournment or postponement thereof, or in any other manner permitted by law.

A proxy is valid only in respect of the Meeting.

## DIRECT VOTING

A direct vote will enable Shareholders to vote on resolutions considered at the Meeting by lodging their votes with the Company prior to the Meeting. Direct voting will enable Shareholders to exercise their voting rights without the need to attend the meeting or appoint a proxy.

A Shareholder may lodge a direct vote by using the voting form provided with this Notice.

A Shareholder may lodge a direct vote by indicating on the voting form that the Shareholder is casting the Shareholder's vote directly and then placing a mark in one of the boxes opposite each item of business on the voting form. All of the Shareholder's Ordinary Shares will be voted in accordance with such direction, unless the Shareholder indicates that the Shareholder's direction is:

- (a) to vote only a portion of the Shareholder's votes on any item; or
- (b) to cast the Shareholder's votes in different ways on any item,

by inserting the number of Shares in the appropriate box or boxes.

If a Shareholder indicates that the Shareholder is lodging the Shareholder's votes directly and then does not mark any of the boxes on a given item, no votes will be voted on that item.

If a Shareholder indicates that the Shareholder is lodging the Shareholder's votes directly and then marks more than one box on an item, the Shareholder's vote on that item will be invalid. If a Shareholder inserts a number of Shares in boxes on any item that in total exceed the number of Ordinary Shares the Shareholder holds as at the voting entitlement time, the Shareholder's vote on that item will be invalid, unless the Shareholder inserted a number of Shares in one box only on an item which exceeds the number of Ordinary Shares that the Shareholder holds at that time, in which case the Shareholder's vote will be taken to be valid for the number of Ordinary Shares actually held by that Shareholder at that time.

Please note, a Shareholder who has cast a direct vote may attend the Meeting, however, the Shareholder's attendance cancels the direct vote unless the Shareholder instructs the Company or the Company's share registry otherwise.

Shareholders can also submit their direct voting instructions online at [www.investorvote.com.au](http://www.investorvote.com.au). Please refer to the enclosed voting form for more information about submitting direct voting instructions online.

## **BODY CORPORATE REPRESENTATIVES**

A body corporate member or proxy may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with, or presented to, the Company before the Meeting.

## **CUSTODIANS AND NOMINEES**

Custodians and nominees are able to vote online and receive confirmation of their votes by accessing this website: [www.intermediaryonline.com](http://www.intermediaryonline.com). This website allows intermediaries to choose whether to cast a direct vote or lodge a proxy vote.

## **RESOLUTIONS**

A simple majority of votes cast are required to approve all ordinary resolutions to be submitted to Shareholders at the Meeting.

75% of votes cast are required to approve all special resolutions to be submitted to Shareholders at the Meeting.



## EXPLANATORY NOTES

The following information is intended to provide Shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Annual General Meeting.

The Directors recommend that Shareholders read the Explanatory Notes in full before making any decision in relation to the resolutions.

### FINANCIAL STATEMENTS AND REPORTS

The consolidated financial statements of the Company and its controlled entities and the reports of the Directors and auditor for the financial year ended 30 June 2015 will be presented for consideration.

Refer Annexure A for disclosure information on the audit committee.

### ORDINARY RESOLUTIONS

#### Resolution 1 – Re-election of Director – Donald Shumka

The Constitution provides that at each Annual General Meeting one-third of the Directors or, if their number is not a multiple of three, then such number as is appropriate shall retire from office to ensure that no Director holds office for a period in excess of three years or later than the third Annual General Meeting following the Director's appointment. Mr Shumka therefore retires from office in accordance with this requirement and submits himself for re-election.

#### Mr Donald Shumka B.A., MBA age 73

*Term in office:* Joined the Board in July 2007

*Independent:* Yes

*Skills and experience:* Mr Shumka is a Vancouver-based Corporate Director with more than 40 years' experience in financial roles. From 2004 to 2011, he was President and Managing Director of Walden Management, a consulting firm specialising in natural resources. From 1989 to 2004, he was Managing Director, Investment Banking with CIBC World Markets and Raymond James Ltd. Prior to 1989, Mr Shumka was Vice President, Finance and Chief Financial Officer of West Fraser Timber Co. Ltd., one of Canada's largest forest products companies. He holds a Bachelor of Arts Degree in Economics from the University of British Columbia and a Master of Business Administration Degree from Harvard University. Mr Shumka is also a director of Eldorado Gold Corp. (since May 2005), Alterra Energy Corp. (since March 2008) and Odin Mining and Exploration Ltd (since July 2014).

*Paladin Committee Memberships:*

- Chairman of Audit Committee from 9 July 2007;
- Member of Remuneration Committee from 10 August 2007; and
- Member of Nomination Committee from 9 July 2007.

The Board (other than Mr Shumka because of his interest) recommends that Shareholders vote in favour of Mr Shumka's re-election.

#### Resolution 2 – Re-election of Director – Peter Donkin

The Constitution provides that at each Annual General Meeting one-third of the Directors or, if their number is not a multiple of three, then such number as is appropriate shall retire from office to ensure that no Director holds office for a period in excess of three years or later than the third Annual General Meeting following the Director's appointment. Mr Donkin therefore retires from office in accordance with this requirement and submits himself for re-election.

**Mr Peter Donkin BEc, LLB., F Fin, MAICD age 58**

*Term in office:* Joined the Board in July 2010

*Independent:* Yes

*Skills and experience:* Mr Donkin has over 30 years' experience in finance, including 20 years arranging finance in the mining sector. He was previously the Managing Director of the Mining Finance Division of Société Générale in Australia, having worked for that bank for 21 years in both their Sydney and London offices. Prior to that, he was with the corporate and international banking division of the Royal Bank of Canada. His experience has involved arranging transactions for mining companies, both in Australia and internationally, in a wide variety of financial products, including project finance, corporate finance, acquisition finance, export finance and early stage investment capital. Mr Donkin holds a Bachelor of Economics degree and a Bachelor of Law degree from the University of Sydney. He is a director of Allegiance Coal Ltd (since 2010) and was previously a director of Sphere Minerals Ltd (from March 2010 to November 2010) and Carbine Tungsten Ltd (from February to April 2013).

*Paladin Committee Memberships:*

- Member of Audit Committee from 25 November 2010; and
- Chairman of Nomination Committee from 1 July 2010.

The Board (other than Mr Donkin because of his interest) recommends that Shareholders vote in favour of Mr Donkin's re-election.

**Resolution 3 – Re-election of Director – Wendong Zhang**

The Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election. Mr Zhang was appointed by the Director's as a Non-Executive Director on 25 November 2014. Mr Zhang therefore retires from office in accordance with this requirement and submits himself for re-election.

**Mr Wendong Zhang B.A. age 45**

*Term in office:* Joined the Board in November 2014

*Independent:* No

*Skills and experience:* Mr Zhang joined HOPU in 2012 and is a Senior Managing Director, Head of International primarily focused on international cooperation and outbound investments. With 23 years of experience in financial services and international capital markets, Mr Zhang was among the first generation Chinese bankers on Wall Street working with Morgan Stanley, UBS and Citi across New York, Hong Kong and Beijing. He also co-founded two boutique investment advisory firms focusing on China opportunities. Mr Zhang has completed advisory, financing and investment transactions for local clients, and established relationships with leading players in various sectors including conventional energy, nuclear utilities and natural resources.

Between 1991 and 2000, Mr Zhang worked at Morgan Stanley and in 1992 he was transferred from New York to Hong Kong and became one of the first members of the firm's China investment banking team, with a primary focus and responsibility on international bond issuance by China's Ministry of Finance and major financial institutions, as well as advising global clients in China. In 1994, his focus expanded to include IPO and financing transactions for many large Chinese state owned enterprises. Between 2004 and 2006, he was co-Head of China investment banking for UBS and led the development and execution of more than \$3bn of financing and advisory transactions in energy, natural resources and financial services. Between 2007 and 2008, Mr Zhang was responsible for deal origination and execution of China investment banking business at Citi, primarily focused on the private sector and completing more than \$1bn of financing and advisory transactions in natural resources, energy, chemical and media.

Mr Zhang was appointed to the Board as a nominee of HOPU Clean Energy (Singapore) Pte. Ltd., a substantial shareholder of the Company.

*Paladin Committee Memberships:*

- Member of Remuneration Committee from 12 February 2015; and
- Member of Audit Committee from 20 August 2015.

The Board (other than Mr Zhang because of his interest) recommends that Shareholders vote in favour of Mr Zhang's re-election.

**Resolution 4 – Renewal of the Company's Proportional Takeover Approval Provisions**

The Constitution currently contains provisions dealing with proportional takeover bids for 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 will automatically cease to have effect after 21 November 2015 unless renewed by the proposed special resolution. If renewed, the proposed proportional takeover provisions will be in exactly the same terms as the existing provisions and will have effect until 18 November 2015. 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 Company must hold a meeting of the shareholders of the class of shares being bid for to consider whether or not to approve the bid. A resolution approving the bid must be voted on before the 14th day before the end of the bid period. The resolution will be passed if more than 50% of votes are cast in favour of the approval. The bidder and its associates are not allowed to vote on the resolution. If no such resolution is voted on by that deadline, a resolution approving the bid is taken to have been passed.

If a resolution to approve the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn.

If the bid is approved or taken to have been approved, the transfers resulting from the bid may be registered provided they comply with other provisions of the Corporations Act and the Constitution. The proportional takeover provisions do not apply to full takeover bids.

**Reasons**

Without the proportional takeover approval provisions, 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 be exposed to the risk of being left as a minority Shareholder of 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 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**

The Corporations Act requires that members be given a statement which retrospectively examines the advantages and disadvantages, for Directors and members, of the proportional takeover provisions proposed to be renewed. Such a statement follows.

While the proportional takeover approval provisions have been in effect in clause 32 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 review the advantages or disadvantages of the existing proportional takeover provisions (that is, clause 32 of the existing Constitution) for the Directors and members of the Company. The Directors are not aware of any potential takeover bid that was discouraged by clause 32.

### **Potential advantages and disadvantages**

As well as a retrospective review of the provisions proposed to be renewed, the Corporations Act requires that Shareholders be given a statement of the potential future advantages and disadvantages of the provisions. The Directors consider that the proposed renewal of the proportional takeover approval 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 members are:

- (a) they give Shareholders their say in determining by majority vote whether a proportional takeover bid should proceed;
- (b) they may assist Shareholders in not being locked in as a relatively powerless minority;
- (c) they increase Shareholders' bargaining power and may assist in ensuring that any proportional bid is adequately priced; and
- (d) 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.

Some potential disadvantages to members of the Company are:

- (a) it is a hurdle and may discourage the making of proportional takeover bids in respect of the Company;
- (b) this hurdle may depress the Share price or deny Shareholders an opportunity of selling their Shares at a premium; and
- (c) it may reduce the likelihood of a proportional takeover being successful.

However, the Directors do not perceive those or any other possible disadvantages as justification for not renewing the proportional takeover provisions for a further three years.

The Board recommends that Shareholders vote in favour of resolution 4.

### **Approval of Performance Share Rights Plans** **Resolution 5 – Employee Performance Share Rights Plan** **Resolution 6 – Contractor Performance Share Rights Plan**

Further to the Listing Rules and the TSX Company Manual, Shareholder approval of the Performance Share Rights Plans is required to be renewed every 3 years.

Shareholders last approved the Performance Share Rights Plans at the Company's annual general meeting held on 22 November 2012.

The Plans provide for the issuance of Share Rights which, upon a determination by the Board that the performance conditions attached to the Share Rights have been met and the exercise of the Share Rights, are convertible into Ordinary Shares (or alternatively, eligible participants will receive a Cash Equivalent Value, at the discretion of the Board).

Resolutions 5 and 6 seek the approval of Shareholders of the Plans and for the Company to issue securities under the Plans in accordance with Listing Rule 7.2 (Exception 9(b)).

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.

Listing Rule 7.2 (Exception 9(b)) sets out an exception to Listing Rule 7.1 which provides that issues under an employee incentive scheme (which includes the Plans) 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 Listing Rule 7.1.

If resolutions 5 and 6 are passed, the Company will be able to grant Share Rights under the Plans to eligible participants over a period of 3 years from the date of approval without diminishing the Company's 15% annual placement capacity calculated pursuant to Listing Rule 7.1.

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

Shareholder approval of both Plans is also required pursuant to the TSX Company Manual.

Further information about the Plans is set out below. A copy of the full terms and conditions of the Plans can be obtained by contacting the Company Secretary.

### **Participation**

Carefully designed, performance linked, equity plans are widely considered to be very effective in providing long-term incentives to staff. As well, they are used to attract and retain staff by providing them with the opportunity to participate in the creation of a valuable personal asset – a financial stake in the Company.

The Plans have 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.

As part of the Company's strategy, the Board wishes to be in a position to issue Share Rights under the Employee Plan to employees (including Directors) and under the Contractor Plan to eligible contractors, to achieve the objectives outlined above.

### **Performance Conditions**

The Board is cognisant of general Shareholder concern that long-term equity based reward for staff should be linked to the achievement by the Company of a performance condition. Share Rights granted under the Plans to eligible participants will be subject to performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Share Rights to vest. Following vesting and subsequent exercise, Ordinary Shares are immediately issuable.

The Employee Plan and the Contractor Plan differ only in respect of the class of individuals who are eligible for participation. The main features of the Plans are summarised as follows:

- **Eligible Participants:** The eligible participants under the Employee Plan are full time employees and permanent part-time employees (including Directors) of the Company and its subsidiaries. The eligible participants under the Contractor Plan are the contractors engaged by the Company and its subsidiaries.
- **Limits on Entitlements and Existing Entitlements:** The Plans have a fixed maximum percentage of Ordinary Shares that are issuable under the Plans. The maximum number of Ordinary Shares that are issuable under each Plan, when combined with (a) the number of Ordinary Shares that are issuable under any other employee incentive scheme of the Company (including the Paladin Energy Incentive Plan adopted 21 November 2006) but excluding the Ordinary Shares that are issuable under the other Plan; and (b) the number of Ordinary Shares issued during the previous five years pursuant to the Plans or any other employee incentive scheme of the Company; but disregarding any offer made, or Share Rights acquired or Ordinary Shares issued by way of or as a result of (i) an offer to a person situated at the time of receipt of the offer outside Australia; or (ii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or (iii) an offer made under a disclosure document, must not exceed 5% of the total number of issued Ordinary Shares.

As of the date of this Notice, 625,489 Ordinary Shares (being 0.04% of the Company's current issued and outstanding Ordinary Shares) are issuable pursuant to entitlements granted under the employee incentive schemes of the Company which are currently in force. In the previous five years the Company has issued 4,419,336 ordinary shares pursuant to the Plans or other employee incentive schemes. Given that there are currently 1,712,090,933 Ordinary Shares outstanding, the maximum number combined (or aggregate) Ordinary Shares that may be issued under both Plans totals 166,789,757 Ordinary Shares.

- **No Limits:** The Plans do not set out a maximum number of Ordinary Shares that may be made issuable to any one person or company and do not specify a maximum percentage of Ordinary Shares available to insiders of the Company.
- **Consideration Payable:** No amount is payable in connection with the grant of a Share Right. Upon Share Rights vesting and being exercised, Ordinary Shares may be issued for no consideration, or the Board may, at the time of grant, in its discretion, specify an amount payable for the issuance of Ordinary Shares as a performance condition attached to a Share Right, which amount may not be below the market price of the Company's Ordinary Shares. The market price will be calculated pursuant to the TSX Company Manual, and will generally be the volume weighted average trading price of the Shares for the five days preceding the date of the Offer on the stock exchange upon which the majority of the trading volume and trading value of the Shares occurred for such period.
- **Vesting, Exercise, Issue of Ordinary Shares and Cash Equivalent Value:** The Share Rights issued under each Plan, any performance conditions that must be satisfied in order for the Share Rights to vest and any restrictions on the ability of an eligible participant to exercise a vested Share Right ("**Exercise Restrictions**"), are established by the Board and expressed in a written offer (the "**Offer**") made by the Company to the eligible participant which, subject to acceptance by the eligible participant within a specified period, is then subject to re-affirmation by the Board. The performance conditions may include one or more of work performance of a minimum period of time, achievement of specific performance objectives by the participant and/or by the Company, payment of consideration for the issuance of Ordinary Shares, as described above or such other performance objectives as the Board may determine and set out in the Offer. Except for a performance condition that involves only the passage of a minimum period of time or the payment of money, the Board determines whether performance conditions have been met and therefore whether Share Rights have vested.

Upon Share Rights becoming vested, the Share Rights are exercisable subject to any Exercise Restrictions. Subject to the valid exercise of the Share Rights, the Company shall either issue Ordinary Shares to the participant or pay the participant the Cash Equivalent Value (provided such discretion was stated in the Offer), without any further action being required on the part of the participant.

- **Term & Lapse:** Share Rights have a term of seven years, or such other term as the Board may determine in its absolute discretion and specify in the Offer, and are subject to lapsing if performance conditions are not met by the relevant measurement date or expiry date (if no other measurement date is specified) or if employment is terminated for cause or in circumstances other than as described in the next paragraph. If a contractor is terminated for any reason, the contractor's Share Rights which have not vested will lapse.
- **Termination of Employment or Contractor Relationship: Retirement, Disability, Redundancy or Death:** Under the Employee Plan, upon the retirement, total and permanent disability, redundancy or death of a participant, as defined in the Employee Plan, performance conditions will be deemed to have been satisfied or waived, Exercise Restrictions in respect of the Share Rights will cease to apply, and Ordinary Shares shall be issued subject to the Share Rights being exercised, except a performance condition that requires the payment of money must be satisfied by the earliest to occur of 6 months from the date of retirement, disability, redundancy or death, such longer period as the Board may determine and the original expiry time of the Share Rights in order for the Share Rights to vest and, subject to the Share Rights being exercised, Ordinary Shares to be issued. Under the Employee Plan, upon termination of employment of a participant for cause or for any reason other than retirement, disability, redundancy or death, all Share Rights held by the participant will immediately and automatically lapse. Under the Contractor Plan, if at any time prior to the expiry of Share Rights the contractor dies, the

contractor's legal personal representative shall be entitled to receive the Share Rights and exercise any rights in respect of the Share Rights that may exist. In all other cases of termination of contractor relationship, the Contractor Plan provides that all Share Rights that have not vested will immediately lapse. Under either Plan, where termination of employment or contractor relationship is due to resignation by the participant, the effective date of termination is deemed to be when the participant gives notice of resignation and that notice is accepted.

- **Blackout Periods:** Share Rights do not vest and may not be exercised, and Ordinary Shares may not be issued, under the Plans, during a blackout period determined in accordance with the Company's policy for trading in Company securities. Any Share Rights that vest or are exercised during a blackout period will be deemed to have vested or become exercisable immediately after termination of the blackout period.
- **Assignment:** Without approval of the Board, Share Rights may not be transferred, assigned or novated, except upon death, where a participant's legal personal representative may elect to be registered as the new holder of such Share Rights and exercise any rights in respect of them.
- **Takeover Bid or Change of Control:** In the event of: (i) a takeover bid; (ii) a change of control of the Company; or (iii) approval by the court of a merger by way of scheme of arrangement, the Board may determine in its absolute discretion the treatment of the participant's unvested Share Rights and the timing of such treatment, which may include determining that some or all of the unvested Share Rights vest, lapse or become subject to substitute or varied conditions. Any Share Rights that do not vest following the exercise of the Board's discretion will lapse immediately.
- **Alteration in Share Capital:** The Board is empowered to make, without being required to seek Shareholder approval, appropriate adjustments to Share Rights in the event of a variation of the share capital of the Company.
- **Amendment:** Subject to the requirements of any regulatory body having authority over the Company, the Plans or the Shareholders, and in particular, any restrictions or procedural requirements relating to the amendment of the terms and conditions of an employee incentive scheme imposed by the Listing Rules or the amendment of a security based compensation arrangement imposed by the TSX Company Manual, the Board may exercise its discretion: (i) in accordance with the provisions of the Plans, which exercise shall not be taken to be an amendment that requires Shareholder approval; or (ii) to correct any internal inconsistencies, grammar, spelling or punctuation without Shareholder approval. The Listing Rules and the TSX Company Manual generally require that all other amendments must be approved by the Shareholders and the votes of insiders who benefit from the relevant Plan being amended, and any other person who benefits from the relevant Plan being amended and such person's associates, must be excluded.
- **Suspension or Termination:** The Board may suspend or terminate either or both of the Plans at any time, without notice, but the suspension or termination will not affect any existing grants of Share Rights already made.

In accordance with the requirements of Listing Rule 7.2 (Exception 9(b)) and for the purposes of the TSX, the following information is provided:

- (a) the terms of the Plans have been summarised within this Notice;
- (b) 3,463,096 securities have been issued under the Plans since they were approved by Shareholders on 22 November 2012, representing 0.202% of the issued and outstanding Ordinary Shares; and
- (c) a voting exclusion statement has been included in this Notice for the purposes of resolutions 5 and 6.

## Resolution 7 – Remuneration Report

The Board is submitting its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding resolution as required under the Corporations Act.

The Remuneration Report forms part of, and is clearly identified in, the Directors' Report included in the Company's 2015 Annual Report. The Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive Directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and members of the Key Management Personnel of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive Directors and members of the Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The vote on the adoption of the Remuneration Report resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Shareholders should note that whilst the vote on this resolution is advisory only, if 25% or more of the votes cast on this resolution are against adopting the Remuneration Report, a vote on resolution 8 (spill resolution) will be required to be put to the Meeting. The operation and consequences of a spill resolution are set out under resolution 8 below.

Voting exclusions apply to this resolution as specified in the Notice and the Proxy Form.

The Chair intends to vote all available proxies in favour of adoption of the Remuneration Report, subject to any instructions of the Shareholder to the contrary included in the Proxy Form.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders vote in favour of resolution 7.

## Resolution 8 – Holding a Spill Meeting

The Corporations Act was amended in June 2011 to introduce the “two-strikes” rule. The two strikes rule provides that if at least 25% of the votes cast on the adoption of the remuneration report at two consecutive AGMs are against adopting the remuneration report, members will have the opportunity to vote on a “spill resolution” (as described below).

At last year's AGM, at least 25% of the votes cast on the resolution to adopt the remuneration report were against adopting the report. This constitutes a “first strike”.

If at least 25% of the votes cast on resolution 7 are against adopting the Remuneration Report at the Meeting, this will constitute a second strike and resolution 8 will be put to the Meeting and voted on as required by section 250V of the Corporations Act (the **spill resolution**).

If less than 25% of the votes cast on resolution 7 are against adopting the Remuneration Report at the Meeting, then there will be no second strike and resolution 8 will not be put to the Meeting.

If put, the spill resolution will be considered as an ordinary resolution.



If the spill resolution is passed, a further meeting of Shareholders must be held within 90 days (the **spill meeting**). Immediately before the end of the spill meeting, with the exception of a managing director of the Company, all of the Directors who were Directors when the resolution to approve the Directors' Report for the year ended 30 June 2015 was passed (the **Relevant Directors**) will cease to hold office immediately before the end of the spill meeting.

Each Relevant Director is eligible to seek re-election as a director of the Company at the spill meeting.

If the spill resolution is passed, members should note that each of the Relevant Directors intends to stand for re-election at the spill meeting.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, if resolution 8 is put to the Meeting, the Board recommends that Shareholders vote against resolution 8 on the basis that a spill meeting would be disruptive and costly and in the Board's view it would be inappropriate to remove all of the Relevant Directors in the circumstances.

# **Annexure A – Audit Committee Disclosure**

## **AUDIT COMMITTEE**

### **Charter of the Audit Committee**

The Audit Committee assists the Board in discharging its responsibilities to ensure that the Company complies with appropriate and effective accounting, auditing, internal control, business risk management, compliance and reporting practices in accordance with the Audit Committee Charter.

The Charter of the audit committee of the Company, as adopted by the Board of Directors of the Company in April 2005 and revised May 2015 and October 2015, is set out below.

The role of the Audit Committee is to:

- monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgments;
- review the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- monitor and review the effectiveness of the Company's internal audit function;
- monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services;
- monitor and review the Company's corporate reporting processes;
- perform such other functions as assigned by law, the Company's constitution, or the Board; and
- review compliance with legal and regulatory requirements.

The Audit Committee meets at least once a quarter and at any other time requested by a Board member, Company Secretary or external auditor. The external auditors attend at least twice a year and on other occasions where circumstances warrant.

### **Composition of the Audit Committee**

The Audit Committee comprises three members, the majority of whom are independent Non-executive Directors of the Company. The current members of the Audit Committee are Donald Shumka (Chairman), Wendong Zhang and Peter Donkin. The members of the Audit Committee are financially literate within the meaning of section 1.6 of National Instrument 52-110.

Mr Shumka holds a Bachelor of Arts Degree in Economics from the University of British Columbia and a Master of Business Administration Degree from Harvard University. Mr Shumka is a Vancouver based Corporate Director with more than 40 years' experience in financial roles. From 2004 to 2011, he was President and Managing Director of Walden Management, a consulting firm specialising in natural resources. From 1989 to 2004, he was Managing Director, Investment Banking with CIBC World Markets and Raymond James Ltd. Prior to 1989, Mr Shumka was Vice President, Finance and Chief Financial Officer of West Fraser Timber Co. Ltd., one of Canada's largest forest products companies. Mr Shumka is also a director of Eldorado Gold Corp. (since May 2005), Alterra Energy Corp. (since March 2008) and Odin Mining and Exploration Ltd (since July 2014).

Mr Zhang holds a degree in Economics and Engineering from Dartmouth College, New Hampshire USA. Mr Zhang has over 23 years' experience in financial services and international capital markets and was among the first generation Chinese bankers on Wall Street working with Morgan Stanley, UBS and Citi across New York, Hong Kong and Beijing. He also co-founded two boutique investment advisory firms focusing on China opportunities. He has completed a number of advisory, financing and investment transactions and established relationships with leading players in various sectors including conventional energy, nuclear utilities and natural resources.

Mr Donkin holds a Bachelor of Economics degree and a Bachelor of Law degree from the University of Sydney. Mr Donkin has over 30 years' experience in finance, including 20 years arranging finance in the mining sector. He was previously the Managing Director of the Mining Finance Division of Société Générale in Australia, having worked for that bank for 21 years in both their Sydney and London offices. Prior to that he was with the corporate and international banking division of the Royal Bank of Canada. His experience has involved arranging transactions for mining companies, both in Australia and internationally in a wide variety of financial products, including project finance, corporate finance, acquisition finance, export finance and early stage investment capital. He is a director of Allegiance Coal Ltd (since 2010) and was previously a director of Sphere Minerals Ltd (from March 2010 to November 2010) and Carbine Tungsten Ltd (from February to April 2013).

### **Audit Fees**

The following table outlines the fees billed by Ernst & Young to the company for the fiscal years ending 30 June 2015 and 30 June 2014 categorised by audit fees, tax compliance fees and all other fees.

	Ernst & Young 2015 US\$	Ernst & Young 2014 US\$
Audit Fees	448,000	670,000
Audit Related Fes	Nil	Nil
Tax Fees	221,000	138,000
All Other Fees	99,000	52,000
<b>Total</b>	<b>768,000</b>	<b>860,000</b>

All non-audit services to be provided to the Company or any of subsidiaries by the external auditors or any of their affiliates are subject to approval by the audit committee. The audit committee has determined that Ernst & Young's provision of non-audit services, which were comprised of tax compliance work only, was compatible with maintaining their independence.



**PALADIN ENERGY  
LTD**  
ACN 061 681 098

## **AUDIT COMMITTEE CHARTER**

### **CONTENTS**

1. Applicability
2. Role
3. Responsibilities
4. Composition
5. Meetings
6. Authority
7. Review

### **1. APPLICABILITY**

This Charter applies to all members of Paladin Energy Ltd's (Paladin or the Company) Audit Committee.

### **2. ROLE**

The role of the Audit Committee is to:

- (a) monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgments;
- (b) review the effectiveness of the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- (c) monitor and review the effectiveness of the Company's internal audit function;
- (d) monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services;
- (e) monitor and review the Company's corporate reporting processes;
- (f) perform such other functions as assigned by law, the Company's Constitution, or the Board; and
- (g) review compliance with legal and regulatory requirements.

### **3. RESPONSIBILITIES**

Annual responsibilities of the Committee are as set out in the Audit Committee Action Points (attached).

#### **4. COMPOSITION**

The Committee will be appointed by the Board and shall be composed of at least three members, the majority of which are independent non-executive directors.

At least one member is to have significant, recent and relevant financial experience.

#### **5. MEETINGS**

The Committee will meet at least once every quarter, with further meetings as required.

Meetings of the Committee may be held telephonically.

Minutes of all meetings of the Committee are to be kept and the minutes and a report of actions taken or recommended to be given at each subsequent meeting of the full Board.

Committee meetings will be governed by the same rules, as set out in Paladin's Constitution as they apply to the meetings of the Board.

At the discretion of the Chairperson, having regard to the nature of the agenda, relevant members of management and the external auditor may be invited to attend meetings.

The Committee shall meet with the external auditor without management present, as required.

#### **6. AUTHORITY**

The Company is to provide the Committee with sufficient resources to undertake its duties, including provision of educational information on accounting policies and other financial topics relevant to the Company, and such other relevant materials requested by the Committee.

The Committee is authorised:

- (a) to seek any information it requires in order to perform its duties, from any employee of Paladin; and
- (b) to obtain, at Paladin's expense, external legal or other professional advice on any matter within its Charter.

The Committee will have the power to conduct or authorise investigations into any matters within its scope of responsibilities.

#### **7. REVIEW**

The Charter will be reviewed regularly to ensure it meets best practice standards, complies with all governance principles of those stock exchanges on which it is listed and meets the requirements of Paladin and the Board. In addition, the Committee will undertake an annual performance evaluation that reviews the performance of the Committee against this Charter.

Date adopted:	12 April 2005
Last amendment:	15 Oct 2015
Last review:	15 Oct 2015

# AUDIT COMMITTEE CHARTER – ANNUAL ACTION POINTS

## Financial Reporting and Internal Controls

- Review quarter, half-year and annual financial statements
- Consider management's selection of accounting policies and principles and understand the material alternatives
- Consider the external audit of the financial statements and the external auditor's report thereon
- Consider internal controls including the Company's policies and procedures to assess, monitor and manage financial risks (and other business risks if authorised)
- Review complex and unusual transactions and their effect on the financial statements
- Review Related Party Transactions and the adequacy of their disclosure in the financial statements
- Review and endorse the internal audit programme and monitor its results on a quarterly basis
- Make recommendations to the Board for the appointment or, if necessary, the dismissal of the head of internal audit (if any)

## Annual meeting with External Auditor

- Discuss the Company's choice of accounting policies and methods, and any recommended changes
- Discuss the adequacy and effectiveness of the Company's internal controls
- Discuss any significant findings and recommendations of the external auditor and management's response thereto
- Discuss any difficulties or disputes with management encountered during the course of the audit including any restrictions or access to required information
- Discuss significant estimates and judgements used in the preparation of the financial statements

## External Auditor Engagement

- Establish/review criteria for the selection, appointment and rotation of external auditor
- Recommend to the Board to appoint and replace the external auditor and approve the terms on which the external auditor is engaged
- Establish/review permissible services that the external auditor may perform for the company and pre- approve all audit/non-audit services
- Confirm the independence of the external auditor, including reviewing the external auditor's non-audit services and related fees
- Ensure that the external auditor is requested to attend the AGM of the Company and is available to answer questions from shareholders

## Internal Communications and Reporting

- Provide copies of minutes of meetings to the full Board.
- Regularly update the Board about committee activities and make appropriate recommendations
- Ensure the Board is fully aware of matters which may significantly impact the financial conditions or affairs of the business

## Other

- Verify the membership of the committee is in accordance with the Audit Committee Charter
- Review the independence of each committee member based on ASX Corporate Governance Guidelines
- Review and update the Audit Committee Charter and Action Points
- Develop and oversee procedures for treating complaints or employee concerns received by the Company regarding accounting, internal accounting controls and auditing matters

Revised Action Points Adopted: 18 August 2005 Revised Action  
Points Amended: 20 May 2014



**Paladin Energy Ltd**  
ACN 061 681 098

**Lodge your vote:**

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GPO Box 242 Melbourne  
Victoria 3001 Australia

**In Person:**  
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Abbotsford, Victoria 3067

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

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— 000001 000 PDN  
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FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Voting Form**

**XX**



**Vote and view the annual report online**

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



**Your access information that you will need to vote:**

**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

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



**For your vote to be effective it must be received by  
10:00am (Perth Time) Tuesday, 17 November 2015**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Vote Directly**

**Voting 100% of your holding:** Mark either the For, Against or Abstain box opposite each item of business. Your vote will be invalid on an item if you do not mark any box OR you mark more than one box for that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the 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.

**Appoint a Proxy to Vote on Your Behalf**

**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**

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

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

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

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.



I 9999999999

I ND

# Voting Form

Please mark  to indicate your directions

## STEP 1 Indicate How your Vote will be Cast *Select one option only* XX

At the Annual General Meeting of Paladin Energy Ltd to be held in the Perie Banou Room, at The Royal Perth Yacht Club, Australia II Drive, Crawley, Western Australia on Thursday, 19 November 2015 at 10:00am (Perth time) and at any adjournment or postponement of that meeting, I/ We being member/s of Paladin Energy Ltd direct the following:

### 1. Vote Directly

 Record my/our votes strictly in accordance with directions in Step 2.

OR

### 2. Appoint a Proxy to Vote on Your Behalf: I/We 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).

**PLEASE NOTE:** A Direct Vote will take priority over the appointment of a Proxy. For a valid Direct Vote to be recorded you must mark FOR, AGAINST, or ABSTAIN on each item. 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).

**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 5 - 8 (except where I/we have indicated a different voting intention below) even though Resolutions 5 - 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Resolution 8 where the Chairman of the Meeting intends to vote against.**

**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 5 - 8 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you have appointed a proxy and 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. If you are directly voting and you mark the **Abstain** box for an item, it will be treated as though no vote has been cast on that item and no vote will be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Re-election of Director - Mr Donald Shumka	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6	Contractor Performance Share Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Mr Peter Donkin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director - Mr Wendong Zhang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Holding a Spill Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Renewal of the Company's Proportional Takeover Approval Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 5	Employee Performance Share Rights Plan	<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 with the exception of Resolution 8 where the Chairman of the Meeting intends to vote against. 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 / /