



ACN 142 375 522

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**NOTICE OF GENERAL MEETING**  
**EXPLANATORY STATEMENT**  
**PROXY FORM**

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**Date of Meeting**

Tuesday, 23 January 2018

**Time of Meeting**

10.00 a.m. (WST)

**Place of Meeting**

15 McCabe Street  
North Fremantle WA 6159

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

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

## NOTICE OF GENERAL MEETING

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Notice is hereby given that a General Meeting of Mustera Property Group Limited (**Company** or **Mustera**) is to be held at:

**Venue:** 15 McCabe Street  
North Fremantle WA 6159

**Date:** Tuesday, 23 January 2018

**Time:** 10.00 a.m. (WST)

This Notice should be read in conjunction with the accompanying Explanatory Statement.

### Agenda

#### Resolution 1 – Approval to Vary Option Terms

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

*“That for the purposes of Listing Rule 6.23.4 and for all other purposes, approval is given for the Company to vary the terms of existing Options held by Director, Nicholas Zborowski, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who holds an Option that is the subject of the approval or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Explanatory Statement

The Explanatory Statement accompanying this Notice is incorporated in and comprises part of this Notice. Shareholders are referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice and the Explanatory Statement.

### Proxies

Please note that:

- A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member.
- A proxy need not be a member of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (eg “the Company Secretary”).
- Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member’s voting rights. If no such proportion is specified, each proxy may exercise half of the member’s votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

### Voting Entitlements

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00 am (WST) on Sunday, 21 January 2018.

### Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company in advance of the meeting or handed in at the meeting when registering as a corporate representative.

**BY ORDER OF THE BOARD**

**Kim Hogg**  
**Company Secretary**  
21 December 2017

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide Shareholders with information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution.

### 1. Resolution 1 – Variation to Option Terms

Prior to its admission to the Official List of ASX, the Company issued a total of 11,000,000 Options (exercisable at \$0.20 on or before 31 January 2018) to three key consultants of the Company, two of whom subsequently became directors (**January 2018 Options**). As at the date of this Notice of Meeting, 5,000,000 January 2018 Options remain unexercised, all held by Director, Nicholas Zborowski.

The Company is proposing to vary the terms of the January 2018 Options which remain unexercised to include a cashless exercise mechanism (**Cashless Exercise Facility**). The Cashless Exercise Facility will enable Mr Zborowski to set-off the exercise price of the January 2018 Options against the number of Shares which he is entitled to receive upon exercise of his January 2018 Options.

If Mr Zborowski elects to use the Cashless Exercise Facility, he will only be entitled to that number of Shares (rounded down to the nearest whole number) as prescribed by the following formula:

*Fraction of a Share* x *Number of Options exercised*

Where:

**Fraction of a Share** = 
$$\frac{\text{Current Share Price} - \text{Option exercise price}}{\text{Current Share Price}}$$

**Current Share Price** = The Share price at the date the Optionholder issues an Option exercise notice.

While less cash would be received by the Company in the event that the Cashless Exercise Facility is utilised, this is not seen as a material consideration as the January 2018 Options were not issued for the purpose of raising funds, but principally to assist in attracting and retaining key management personnel. The Options were issued in January 2014 when the Company was still a private company. The recipients were considered to be important to the Company's transition to a public company involved in property development and ultimately in becoming an ASX-listed entity in November 2014.

The Company is required to seek Shareholder approval pursuant to ASX Listing Rule 6.23.4 to vary the terms of the January 2018 Options to include a provision for the Cashless Exercise Facility. The Company is seeking this approval as it believes the Cashless Exercise Facility provides the Optionholder with the ability to be able to realise the implicit value of the Options which has grown over the period of time since the Options were granted.

The Company understands that there is no effect on the Company's profit or loss, as the value of the Options was recorded as a share-based payment expense at the date of issue in January 2014. The introduction of the Cashless Exercise Facility will not result in a net economic benefit to Mr Zborowski should he elect to utilise that Facility.

The following example demonstrates how the cashless exercise of existing Options would operate:

- 1,000,000 Options are to be exercised by the Optionholder;
- These Options were granted with an exercise price of \$0.20;
- We assume that the Company's Current Share Price is \$0.30 as at the date of the exercise of those Options;
- If the Optionholder was to exercise the Options as currently provided for in the existing terms and conditions of the Options, then the Optionholder will be required to pay a total exercise price of \$200,000 (being \$0.20 per Option

multiplied by 1,000,000 Options) and would receive 1,000,000 Shares upon exercise. The net economic position for the Optionholder based on the above is \$100,000, being \$300,000 worth of Shares less the total exercise price of \$200,000;

- If the Optionholder was able to exercise those same Options through a cashless exercise mechanism, then rather than paying the above total exercise price, upon exercise, the Optionholder would simply receive 333,333 Shares\*. The net economic position for the Optionholder is the same: \$100,000, being 333,333 Shares multiplied by the Share price as at the date of exercise of those Options (\$0.30). The key advantage for Shareholders being that only 333,333 Shares would be issued instead of 1,000,000 Shares, as per a standard exercised Option.

$$* \frac{(0.30 - 0.20) \times 1,000,000}{0.30}$$

As at the date of this Notice, the Company has a total of 8,000,000 Options on issue, of which 5,000,000 are January 2018 Options and will have their terms varied to include the Cashless Exercise Facility if Shareholders approve Resolution 1.

The full revised terms and conditions of the January 2018 Options are included at Schedule 1.

## Glossary

**\$** means an Australian dollar.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Cashless Exercise Facility** has the meaning set out in Section 1.

**Chair** means the chair of the Meeting.

**Company** or **Mustera** means Mustera Property Group Limited (ACN 142 375 522).

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

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

**Director** means a current director of the Company and **Directors** means the current directors of the Company.

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

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

**Listing Rules** mean the official listing rules of ASX.

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

**Option** means an option to acquire a Share.

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

**Resolution** means the resolution set out in the Notice.

**Section** means a section of the Explanatory Statement.

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

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

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

## EXPLANATORY STATEMENT

### SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

- (a) **Exercise Price**  
Subject to adjustment in accordance with paragraph (j), the exercise price of each Option is 20 cents (\$0.20).
- (b) **Entitlement**  
Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company upon valid exercise of the Option.
- (c) **Option Period**  
The Options will expire at 5:00 pm (WST) on 31 January 2018. Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically expire on the expiry date.
- (d) **Ranking of Share Allotted on Exercise of Option**  
Subject to any restriction or escrow arrangements imposed by ASX or voluntarily agreed with the Company, each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects *pari passu* with the existing Shares in the capital of the Company on issue at the date of issue.
- (e) **Voting**  
A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.
- (f) **Transfer of an Option**  
Options are transferrable at any time prior to the expiry date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX or any voluntary restriction agreement applicable to the Options.
- (g) **Method of Exercise of an Option**  
Subject to paragraph (h):
- The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 10,000 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 10,000, then the total of all Options held by that Option Holder must be exercised.
  - The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed, being an amount of 20 cents (\$0.20) per Share or written notice from the Option Holder which states that the Option Holder elects to use the Cashless Exercise Facility as set out at (h) below.
  - Subject to paragraph (g) (i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
  - Within 14 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
  - If the Company is listed on the ASX, the Company will on the date of issue of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
  - The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.
- (h) **Cashless Exercise Facility**  
If the Option Holder wishes to exercise some or all of their Options, they may elect to pay the exercise price by using the Cashless Exercise Facility. The Cashless Exercise Facility entitles an Option Holder to set-off the exercise price against the number of Shares which the Option Holder is entitled to receive upon exercise of their Options.  
If an Option Holder elects to use the Cashless Exercise Facility, the Option Holder will only be issued that number of Shares (rounded down to the nearest whole number) as determined by the following formula:
- $$\text{Fraction of a Share} \times \text{Number of Options exercised}$$
- Where:
- $$\text{Fraction of a Share} = \frac{\text{Current Share Price} - \text{Option exercise price}}{\text{Current Share Price}}$$
- $$\text{Current Share Price} = \text{The Share price at the date the Optionholder issues an Option exercise notice.}$$
- (i) **ASX Quotation**  
The Options will not be quoted on ASX.
- (j) **Reconstruction**  
In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
- (k) **Participation in New Share Issues**  
There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least seven (7) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
- (l) **Adjustment for pro-rata issues (except a bonus issue)**  
There are no rights to change the exercise price of the Options or the number of underlying Shares if there is a bonus issue to the holders of ordinary shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.

**PROXY FORM**

**1. Appointment of Proxy**

I/We

of

being a member/s of Mustera Property Group Ltd and entitled to attend and vote hereby appoint

<input style="width: 50px; height: 30px;" type="text"/>	the Chairman of the Meeting (mark with an 'X')	<b>OR</b>	<input style="width: 300px; height: 30px;" type="text"/>
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**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or if no person 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, as the proxy sees fit) at the General Meeting of Mustera Property Group Ltd to be held at 15 McCabe Street, North Fremantle, WA 6159, on Tuesday, 23 January 2018 commencing at 10:00 a.m. (WST) and at any adjournment of that meeting.

The Chairman of the Meeting intends to vote undirected proxies **in favour** of the item of business.

*Note:* You can direct the Chairman how to vote by marking the boxes below (for example if you wish to vote against or abstain from voting).

**2. Items of Business**

**Voting directions to your proxy – please mark  to indicate your directions**

	<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN</u>
1. Approval to Vary Option Terms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

**3. Signature of Securityholder(s)**

***Please sign here***

*THIS SECTION MUST BE SIGNED IN ACCORDANCE WITH THE INSTRUCTIONS OVERLEAF TO ENABLE YOUR DIRECTIONS TO BE IMPLEMENTED.*

<p>Individual or Securityholder 1</p> <input style="width: 200px; height: 30px;" type="text"/> <p>Individual/ Sole Director and Sole Company Secretary</p>	<p>Securityholder 2</p> <input style="width: 200px; height: 30px;" type="text"/> <p>Director</p>	<p>Securityholder 3</p> <input style="width: 200px; height: 30px;" type="text"/> <p>Director/ Company Secretary</p>
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_____	_____
Contact Name	Contact Daytime Telephone

## HOW TO COMPLETE THE PROXY FORM

### 1. Appointment of Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the Company.

If you have appointed a company as your proxy and a representative of that company wishes to attend the meeting, the representative will be required to provide the Company with the appropriate written documentation evidencing that the person is a representative of the proxy. Should you require it, the Company will provide you with a corporate representative form free of charge. Please contact the Company Secretary if you require a corporate representative form.

**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 as they choose. 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 for 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 numbers 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 Section 1.

### 2. Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with your directions. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### 3. Signing Instructions

You must sign this form as follows in the spaces provided:

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

**Joint Holding:** where the holding is in more than one name, all of the securityholders should sign.

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

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

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

### Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the Company's registered office or at the address given below no later 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by post or facsimile to Mustera Property Group Ltd:-

PO Box 3438  
Nedlands WA 6909

Fax: (61-8) 6389 2588